

Business Item

Community Development Committee



Committee Meeting Date: Oct. 16, 2023

For the Metropolitan Council: Oct. 25, 2023

Business Item: 2023- 254

Submittal of PRO Housing Application to U.S. Dept. of Housing and Urban Development

District(s), Member(s):	All
Policy/Legal Reference:	Federal Consolidated Appropriations Act, 2023; and Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.); Council Policy FM 15-1 (Income/Grants)
Staff Prepared/Presented:	Sarah Berke, Senior Manager, Livable Communities and Housing Policy, 651-602-1198
Division/Department:	Community Development

Proposed Action

That the Metropolitan Council:

1. Authorize the Executive Director of the Community Development Division to submit a grant application to the U.S. Department of Housing and Urban Development for the “Pathways to Removing Obstacles to Housing” (PRO Housing) program.
2. Commit \$6 million in Local Housing Incentive Account grants, over the years 2024-2028, as leverage for the PRO Housing grant, if awarded.

Background

The Metropolitan Council has prepared an application to the U.S. Department of Housing and Urban Development (HUD) for the PRO Housing funding opportunity. The Council worked with Hennepin County and Ramsey County to draft a \$10 million request focused on the Twin Cities 7-county metropolitan region. The Council would submit this application as the designated MPO for the region.

At its October 2, 2023, meeting, the Committee held a public hearing to meet the submittal requirements for the grant application; no speakers commented at that time. As established by the Committee at its September 18, 2023, meeting, a public comment period on the application was open from September 26 – October 10, 2023. Several letters of support from counties and cities in the metropolitan area were included in the draft application materials. Council staff has not received any further public comments on the application during the public comment period.

PRO Housing, a new program offered by HUD for the first time in 2023, is intended to empower communities that are actively taking steps to remove barriers to affordable housing and seeking to increase housing production and lower housing costs for families over the long term. HUD designates both Hennepin and Ramsey Counties as priority geographies for this grant opportunity.

Draft application materials are included as an attachment to this business item.

Council policy FM 15-1 Income/Grants Policy allows for the Council to enter into agreements with other governments and organizations which provide income or grants to the Council which are consistent with the Council's missions and priorities. The policy requires Council approval for grants exceeding \$500,000.

Timeline for Submittal

1. The Public Comment opened on September 26, 2023, and closed at the end of the day on October 10, 2023. A public hearing was held on October 2, 2023, at the Committee meeting. No comments were received in written form or by telephone.
2. The Committee's final recommendation to submit the PRO Housing application would be forwarded for consideration to the Metropolitan Council at its October 25, 2023, meeting.
3. Complete applications are due to HUD by October 30, 2023.

Rationale

Federal regulations for the Notice of Funding Opportunity for PRO Housing required the Council to conduct a public hearing and open a minimum 15-day public comment period on the draft grant application, in order to submit an application to the PRO Housing funding opportunity.

The grant opportunity is also consistent with Council Policy FM 15-1, which permits the Council to seek grants provided that the grant is consistent with the Council's mission and priorities. As discussed above, this grant opportunity aligns with the 2050 regional planning efforts as well as with the Council's *2040 Housing Policy Plan* as described below.

Thrive Lens Analysis

The PRO Housing grant program opportunity aligns with *Thrive MSP 2040* outcomes of equity, livability, and stewardship, as well as with the *2040 Housing Policy Plan* goal to create housing options that give people in all stages of life and of all economic means viable choices for safe, stable and affordable homes. This grant opportunity would expand the region's capacity for advancing both Thrive and Housing Policy Plan goals.

Funding

Responding to application opportunities like PRO Housing is part of the Community Development division's ongoing workplan and is supported by staff and consulting time in the budget for Livable Communities and division-wide grant application opportunities.

Small Business Inclusion

N/A

