

# Business Item

Metropolitan Council



Committee meeting date: Oct. 7, 2024

## Business Item: 2024-288

Public Hearing – Pathways to Removing Obstacles to Housing, FY 2024 Application to U.S. Dept. of Housing and Urban Development.

<b>District(s), member(s):</b>	All
<b>Policy/legal reference:</b>	Federal Consolidated Appropriations Act, 2024; and Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.)
<b>Staff prepared/presented:</b>	Sarah Berke, Senior Manager, Livable Communities and Housing, 651-602-1198
<b>Division/department:</b>	Community Development

### Proposed action

There is no proposed action at this time. The purpose of this item is to conduct a public hearing at the October 7, 2024, Community Development Committee meeting, to discuss and receive comment on a grant application to the U.S. Department of Housing and Urban Development for the “Pathways to Removing Obstacles to Housing” (PRO Housing) program.

### Background

In August 2024, the U.S. Department of Housing and Urban Development (HUD) published a Notice of Funding Opportunity for the second round of the program, “Pathways to Removing Obstacles to Housing” (PRO Housing), 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 defines barriers to affordable housing as caused by zoning decisions, land use policies, or regulations; inefficient procedures; gaps in available resources for development; deteriorating or inadequate infrastructure; lack of neighborhood amenities; or challenges to preserving existing housing stock such as increasing threats from natural hazards, redevelopment that reduces the number of affordable units, or expiration of affordability requirements. A total of \$100 million is available under this grant opportunity. Awards are intended to range in size from \$1 million to \$7 million, with a grant term of up to six (6) years. Local and state governments, metropolitan planning organizations (MPOs), and multijurisdictional entities are eligible to apply.

The Metropolitan Council has drafted a \$5 million proposal for this funding opportunity. Draft application materials have been available for public comment since September 22, 2024, at <https://metro council.org/Housing/Publications-And-Resources/FY-2024-Draft-HUD-PRO-Application.aspx>

As of October 2, 2024, the Met Council has not received any public comments related to this application.

The Met Council received a \$4 million award in the inaugural round of the program, offered in FY 2023 and announced in late June 2024; staff are working with HUD to finalize the grant agreement now. This new application for the FY 2024 program cycle is focused on continuing and expanding on the initial grant award, especially because the \$4 million award funded only a portion of our initial \$10 million request.

The Council is applying as the designated MPO for the seven-county region. The grant program requires applicants to make a draft application available for public comment for a 15-day period, and to hold a public hearing. Complete applications are due to HUD by October 15, 2024. To meet this timeline, the Committee will consider a final staff recommendation to submit the PRO Housing application after the public hearing at its October 7, 2024, meeting, for Council same-week action on October 9, 2024.

### **Rationale**

Federal regulations for the Notice of Funding Opportunity for PRO Housing require 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.

### **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 also expand the region's capacity for advancing forthcoming Imagine 2050 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.

