

**Community Development Committee**

For the Metropolitan Council meeting of December 9, 2015

**Subject:** Project Based Voucher Award Recommendations

**Proposed Action**

That the Metropolitan Council approve proposals for Project Based Voucher Assistance (PBV) and authorize staff to execute necessary documents with the U.S. Department of Housing and Urban Development (HUD) and the owners of the projects to assign a total of 68 Vouchers in six (6) projects as follows:

Project	City	Number of Units in Project	Number of PBV Units Requested	Targeted Population
66 West	Edina	39	39	Supportive Housing Homeless Young Adults
Bluff Creek Apartments	Carver	14	3	2 Units - General Occupancy 1 Unit – Long Term Homeless
Bottineau Ridge Apartments	Maple Grove	50	4	Long-Term Homeless
Centennial Hill	Chanhassen	65	3	2 units – General Occupancy 1 Unit – Long-Term Homeless
Indian Knoll Manor	Mound	66	16	9 Units - General Occupancy 7 Units – Long Term Homeless
Windstone Townhomes	Chaska	92	3	2 units – General Occupancy 1 Unit – Long-Term Homeless
<b>Total</b>			<b>68</b>	

**Summary of Committee Discussion/Questions**

Council member Letofsky asked how staff determines how many units should be project-based. The regulations allow 20% and the Council currently has 10% of vouchers awarded for Project Based assistance. Staff answered that the demand for PBVs has increased over the last few years. Although PBV are more administratively burdensome than tenant-based vouchers, it is a way to attached permanent subsidy to non-impacted suburban units. The most recent policy discussion is to do more project basing.

Motion passed unanimously.

## Community Development Committee

Meeting date: November 16, 2015

For the Metropolitan Council meeting of December 9, 2015

**Subject:** Project Based Voucher Award Recommendations

**District(s), Member(s):** All

**Policy/Legal Reference:** 24 Code of Federal Regulations, Part 983

**Staff Prepared/Presented:** Terri Smith, HRA Manager, (651) 602-1187

**Division/Department:** Community Development / HRA

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### Background

The Council's Housing and Redevelopment Authority (Metro HRA) administers 6,490 Housing Choice Vouchers. These vouchers are tenant-based and move from place to place with the tenant. HUD allows housing authorities the discretion to Project Base up to twenty percent (20%) of their vouchers. PBV ties the rental assistance to a specific unit instead of to a tenant.

To date, the Metro HRA has awarded 596 PBV units in 27 separate projects located in 25 cities throughout Anoka, Carver, Hennepin, Ramsey and Washington Counties. Units awarded PBVs must:

- be occupied by households at or below 50% of area median income;
- have rents that are reasonable and within the rent limits established by the housing authority;
- meet health and safety inspection standards set by HUD.

The PBV program is marketed to interested owners/developers as part of Minnesota Housing Finance Agency's (MHFA) Consolidated or "Super" Request for Proposal (RFP) process. The Super RFP process provides a centralized means to access funds to assist in the development, acquisition or rehabilitation of affordable housing. The Metropolitan Housing Implementation Group (MHIG) this year included participating funders of MHFA, Metropolitan Council, and the Family Housing Fund.

Proposals ranked high enough to receive other requested funding to ensure financial feasibility are then ranked by the Metro HRA based on the PBV selection criteria outlined in the HRA's Administrative Plan including:

- Owner experience;
- Extent to which the project furthers the PHA goal of deconcentrating poverty;
- To promote projects that are located outside of Areas of Concentrated Poverty;
- To increase the supply of affordable housing;
- To contribute to the long-term viability of the metro area housing stock;
- To integrate housing and tenant services such as education, job training and self-sufficiency
- To promote the provision of services for special needs tenants
- To encourage economic integration;
- To encourage housing for larger families;
- Extent to which the project promotes linkages among housing, jobs and transportation.
- Extent of community support.

There were 8 applications that requested a total of 82 PBVs during this funding round. Two projects (14 units) were determined to not be financially feasible and are not being recommended for funding. Staff found the remaining six projects (68 units) meet the necessary criteria and recommend PBV awards to the following proposals:

### **66 West, Edina**

The proposed 66 West development is an adaptive reuse project of an existing building and construction of an addition to provide 39 efficiency units of supportive housing. The project will provide permanent housing with intensive services for young adults ages 18-24 who are experiencing homelessness. The project is located on 66<sup>th</sup> Street West in Edina, across from Southdale Mall. The location is within close proximity to jobs, public transportation and services.

This project is also being recommended for the Council's Local Housing Incentive Account (LHIA) and Transit Oriented Development (TOD) funding for this round and has a pending application for the Tax Base Revitalization Account.

### **Indian Knoll Manor, Mound**

Indian Knoll Manor will include a mix of rehabilitation and new construction resulting in a variety of units ranging from efficiencies to 3-bedroom units. The project is located on the west side of Lake Minnetonka in Mound. The existing 50-unit building will be renovated and 16 new units will be added. PBV will be attached to the 16 new units. The City of Mound currently owns Indian Knoll Manor. Aeon was selected as the development partner through a competitive process. The existing 50 units will be converted from public housing to HUD's Rental Assistance Demonstration Account, maintaining the affordability. The project is within walking distance to groceries, parks, schools, libraries, along a bus line and within ½ mile of a second bus line.

Indian Knoll is also being recommended for the Council's LHIA funding this round.

## **Bottineau Ridge Apartments**

Bottineau Ridge Apartments is a newly constructed 50 unit apartment building located in Maple Grove containing one, two and three bedroom units. Four PBVs (2 two bedroom units and 2 three bedroom units) are proposed and will be occupied by long-term homeless families with services provided by the Salvation Army. The building is located near a major retail and service area in Maple Grove. The Maple Grove Transit Center is located ½ mile away with express service to downtown Minneapolis and the U of M.

## **Carver County Community Development Agency**

Carver County Community Development Agency submitted three proposals for three PBVs each. One unit in each development will be set aside for families experiencing homelessness. The Carver County CDA is a certified Housing Counseling Agency and will provide rental assistance counseling, including referral to community services. The CDA also has partnerships with Carver County Social Services and First Street Center for the provision of services for the homeless families.

All the CDA projects are located in non-impacted areas of suburban Carver County and between .5 and 2 miles of transit / park and rides. The projects include:

### **Bluff Creek Apartments, Carver**

Bluff Creek Apartments is an existing 14 unit building in Carver, just south of Highway 212, comprising of 10 market rate units and 4 public housing units. PBV is proposed for 3 of the market rate units, one of which will be set aside for persons experiencing homelessness.

### **Centennial Hill, Chanhassen**

Centennial Hill is a 65 unit apartment complex in Chanhassen comprised of one and two bedroom units serving seniors 55 years and older. 3 PBV units are proposed. One of the three PBVs will be set aside for persons experiencing homelessness.

### **Windstone Townhomes, Chaska**

Windstone Townhomes is a 92 unit townhome complex containing one, two and three bedroom units. 14 existing units are public housing. 3 units are proposed for PBV. One will serve families experiencing homelessness.

## **Rationale**

Awarding sixty-eight (68) new PBV units will result in the total commitment to PBVs of 664 vouchers or 10% of Metro HRA's total voucher allocation.

## **Funding**

Funding for the Project Based Voucher program is provided through the U.S. Department of Housing and Urban Development.

## **Known Support / Opposition**

There is no known opposition to this recommendation.