

Committee Report

Community Development Committee



Committee Meeting Date: February 5, 2024

For the Metropolitan Council: February 14, 2024

Business Item: 2024-37

2024 Project Based Voucher Award Recommendation

Proposed Action

That the Metropolitan Council:

1. Award 20 Mainstream and 12 Veteran's Affairs Supportive Housing (VASH) Project Based Vouchers (PBV) to five (5) projects as shown in Table 1 below.
2. Authorize the Metro HRA Director and Manager to execute the necessary documents with the project owners of the awarded projects.

Table 1. Recommended Project Based Voucher Awards

Project	City	Total Units in Project	Mainstream PBV Award
Bottineau Ridge Phase II	Maple Grove	50	5
Gladstone	Maplewood	40	10
PPL BC Family Housing Phase I	Brooklyn Center	60	5
Project	City	Total Units in Project	VASH PBV Award
Carver Oaks Senior Residence	Carver	43	7
Nolte River Place	Anoka	80	5

Summary of Community Development Committee Discussion/Questions

Director of the Metropolitan Council Housing & Redevelopment Authority (Metro HRA) Terri Smith and Manager Chong Lao presented the staff report to the Committee.

The Committee had discussion around unit building types and if projects were awarded, details around their initial request. The discussion also included conversation around specific projects.

Motion by Council Member Johnson, seconded by Council Member Chamblis. Motion carried.

Business Item

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2024 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, Director, Housing and Redevelopment Authority, (651) 602-1187; Chong Lao, Manager, Housing and Redevelopment Authority, (651) 602-1476

Division/Department: Community Development/Housing and Redevelopment Authority

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Background

The Council's Housing and Redevelopment Authority (Metro HRA) administers 7,283 Housing Choice Vouchers. The majority of these vouchers are tenant-based and move from place to place with the tenant. The current adopted Council policy in the [Metro HRA's Administrative Plan](#) allows for up to twenty percent (20%) of eligible vouchers to be project-based. Project Based Voucher (PBV) rental

assistance is tied to a specific unit instead of to a tenant. PBVs may be tied to new construction, rehabilitated units, or existing housing units.

The Metro HRA has awarded 978 PBV units (14% of total vouchers) in fifty-five (55) separate projects to date located throughout Anoka, Carver, Hennepin, Ramsey, and Washington Counties. Units awarded PBVs must:

- Be occupied by very low-income households at or below 50% of area median income
- Have reasonable rent, not to exceed 110% of the Fair Market Rent
- Meet health and safety inspection standards set by HUD

At the [March 6, 2023 Community Development Committee meeting](#), the Metro HRA recommended issuing a Request for Proposal (RFP) for up to 20 Mainstream PBVs and 20 Veteran’s Affairs Supportive Housing (VASH) PBVs. Council staff issued the RFP on March 27, 2023, and proposals were due on April 27, 2023. The RFP was issued prior to Minnesota Housing’s consolidated RFP application to integrate the contingent PBV awards for potential projects, so developers could receive additional application points for requested financing. The Metro HRA awaits final award from the consolidated RFP process to ensure that the recommended projects receive full financing prior to formal award through Metropolitan Council business action.

Proposals were submitted representing seven (7) separate projects requesting seventy-two (72) PBV units. Proposals were ranked according to the selection criteria below.

Selection Criteria Description: The PHA will prioritize PBV projects located in its own operating area prior to considering projects out of its jurisdiction. The PHA’s operating area includes Anoka and Carver Counties and suburban Hennepin and Ramsey Counties, excluding the cities of Minneapolis, St. Paul, Bloomington, Plymouth, Richfield, and St. Louis Park.	Possible Points
Project Readiness including system and regulatory conformance, financial readiness, status of funding commitments, and applicant’s capacity to manage the project.	15
Extent to which the project provides or preserves housing types that contribute to a full range of affordable housing choices, the addition or preservation of affordable units in an Area of Concentrated Poverty or improved affordable housing choice in an Area of Affluence.	20
The extent to which the project integrates housing and tenant services for specialized populations such as people experiencing homelessness, people living with disabilities, veterans, or other specialized population.	25
The extent to which the project supports mixed income through providing a variety of units at different income levels.	5
The extent to which the project supports housing for larger families needing 3 or more bedrooms.	10
Extent to which the proposed project maximizes connections between housing, centers of employment, education, retail, and recreation uses through location or design.	15
The extent of local support for the proposed housing includes project teams that involve partnerships among government, private for-profit, and nonprofit sectors, and the local community.	10
Total Points	100



The RFP outlined additional provisions for coordination with Minnesota Housing's Consolidated RFP.

The highest scoring applications for up to twenty (20) Mainstream PBV and twenty (20) VASH PBVs will proceed as follows:

- **New Construction.** New construction projects will be provided with a Letter of Intent that commits Project-Based Vouchers, contingent on a project securing the necessary funding in 2023 to become financially feasible.
 - If a project secures the necessary funding award through Minnesota Housing's consolidated RFP or through other funding sources in 2023, the PBVs will be formally awarded by the Metropolitan Council through business action.
 - If a project does not receive the necessary funding in 2023, the project will not be awarded PBVs, and the project owner must reapply for PBVs at a later date when PBVs are again offered. At the [October 2, 2023 Metropolitan Council meeting](#), the Council adopted the current [Metro HRA's Administrative Plan](#), extending the funding deadline to December 31st of the year following the Metro HRA's award. The adopted policy will apply to future issued PBV RFPs.
- **Existing Housing.** Existing housing applications will be formally awarded Mainstream or VASH PBVs through formal Metropolitan Council action. The action will be taken along with other PBV action after Minnesota Housing has made its funding awards.

Recommended Projects

Metro HRA staff reviewed the applications and sent a Letter of Intent to six (6) project owners, representing a request of forty (40) PBVs. The remaining project owners received letters stating PBVs will not be awarded at this time.

Of the six (6) projects receiving preliminary approval, five (5) have since received full financing to move forward with a formal PBV award. Council staff are recommending those for an award. Project details for recommended projects are included below.

Bottineau Ridge Phase II – Maple Grove, Minnesota

Bottineau Ridge Phase II is an existing fifty (50) unit building with supportive housing by Duffy Development. Construction was completed in 2019, and the building has been in operation for more than 3 years. The building has a mix of one-, two-, three, and four-bedroom units. Duffy Development is requesting five (5) Mainstream PBVs to support High Priority Homeless (HPH) households.

Supportive services will be provided by The Salvation Army. The site is located within half a mile of Central Park, Hennepin County Library, Arbor Lakes retail, and grocery stores. A letter of support for Bottineau Ridge Phase II was provided by Hennepin County's Continuum of Care.

Council staff recommend five (5) Mainstream PBVs for this project.

Gladstone Crossing – Maplewood, Minnesota

Gladstone Crossing is a proposed forty (40) unit new construction, family supportive housing project by Beacon Interfaith Housing Collaborative. The project will contain two-, three-, and four-bedroom units. Beacon Interfaith Housing Collaborative is requesting ten (10) Mainstream PBVs to support young families (parents ages 18-26 with children) experiencing, or at risk of, homelessness.

The ten (10) Mainstream PBVs will support the three- and four-bedroom units. On-site supportive services will be provided through Solid Ground. The site is within walking distance of schools, transit, parks, and bike trails. A letter of support for Gladstone Crossing was provided by Ramsey County's Continuum of Care.

The project received \$500,000 in Local Housing Incentives Account (LHIA) funds in 2023.

Council staff recommend ten (10) Mainstream PBVs for this project.

PPL BC Family Housing Phase I – Brooklyn Center, Minnesota

PPL BC Family Housing Phase I is a proposed sixty (60) unit new construction, supportive housing project by Project for Pride in Living (PPL). The project will contain zero-, one-, two-, three-, and four-bedroom units. PPL is requesting five (5) Mainstream PBVs to support households of African descent who are experiencing homelessness or at risk of homelessness because of gender-based abuse.

The project is the result of community engagement with historically underserved groups representative of the city's population. PPL is partnering with Phumulani, Inc., a non-profit organization dedicated to preventing domestic violence and sexual abuse in communities of color throughout Minnesota. Phumulani will provide culturally specific services and resources. The project site will be in the city's federally designated Opportunity Zone. The project will contribute to the city's largest development in its history. PPL BC Family Housing Phase is located within half a mile of the transit station, walking distance to parks, retail, library, and within one mile of grocery and additional retail. A letter of support for PPL BC Family Housing Phase I was provided by Hennepin County's Continuum of Care.

The project received \$400,000 in Local Housing Incentives Account (LHIA) funds in 2023.

Council staff recommend five (5) Mainstream PBVs for this project.

Carver Oaks Senior Residence – Carver, Minnesota

Carver Oaks Senior Residence is a proposed forty-three (43) unit senior (55+) new construction with supportive housing project by Carver County CDA. The project will contain one- and two-bedroom units. Carver County CDA is requesting seven (7) VASH PBVs to support the affordable housing need in Carver with a waitlist of over 500 seniors.

Carver County CDA will own and manage the property providing a resident services coordinator. The coordinator will provide referrals to home and community-based services that will assist residents with daily living activities. The site is within two blocks of the Carver Transit Station and planned pedestrian and bike routes. A letter of support for Carver Oaks Senior Residence was provided by the Minneapolis Veteran Affairs (VA) HUD-VASH program.

The project received \$400,000 in Local Housing Incentives Account (LHIA) funds in 2023.

Council staff recommend seven (7) VASH PBVs for this project.

Nolte River Place – Anoka, Minnesota

Nolte River Place is an eighty (80) unit senior (55+) affordable housing development recently completed in 2023 by VOA Anoka AH GP LLC (VOANS). The project consists of one- and two-bedroom units. VOANS is requesting five (5) VASH PBVs to support thriving veterans living independently allowing them to age in place.

Nolte River Place has an onsite tenant services coordinator who will engage with residents to create recreational and social programming. Nolte River Place offers a continuum of services for health support, nursing care, assisted living, memory support, home health care, and rehabilitation. Nolte River Place is one block from the local 805 bus route; only ¼ mile of downtown Anoka connecting to a pharmacy, bank and restaurants. A letter of support for Nolte River Place was provided by the Minneapolis VA HUD-VASH program.

Council staff recommend five (5) VASH PBVs for this project.



Rationale

Awarding thirty-two (32) PBV units will result in the total commitment of 1,010 PBVs or 15% of Metro HRA's total voucher allocation. The five (5) recommended PBV project awards will support new affordable housing and will assist in providing increased housing choice for the region's low-income families. Awarded projects are in each of Metro HRA service area counties: Anoka, Carver, Hennepin, and Ramsey. Mainstream PBVs will provide affordable housing to eligible households experiencing homelessness and VASH PBVs will provide access to housing stability and support services for veteran households experiencing homelessness.

Thrive Lens Analysis

The award of Project Based Vouchers supports the Thrive outcomes of equity, livability, and prosperity by increasing the housing choices available to low-income families across the region. Families that have stable housing in a community of their choice are better able to thrive and flourish.

Funding

Funding for the Project Based Voucher program is provided through the U.S. Department of Housing and Urban Development (HUD) as a regular part of the Metro HRA's program appropriation.

