

Committee Report

Community Development Committee



Committee Meeting Date: June 3, 2024

For the Metropolitan Council: June 12, 2024

Business Item: 2024-127

Adopt Metropolitan Housing Opportunities program (MHOP) Resolution Number 2024-7

Proposed Action

That the Metropolitan Council adopt Resolution Number 2024-7 for the Metropolitan Housing Opportunities Program (MHOP):

1. authorizing a voluntary transfer of 106 Public Housing Program units from the Minneapolis Public Housing Authority (MPHA) to the Metropolitan Council Housing and Redevelopment Authority (Metro HRA) and an acceptance of the 106 public housing units;
2. authorizing the Director, Housing and Redevelopment Authority, to execute the required documents and forms.

Summary of Community Development Committee Discussion/Questions

The Director, Metropolitan Council Housing and Redevelopment Authority, presented the item to the Committee. The Action Item followed information and action items presented to [the Community Development Committee on June 5, 2023](#), on [October 16, 2023](#) and [December 18, 2023](#) where committee members expressed support for the path forward.

The Committee unanimously approved the Action at the June 3, 2024 meeting.



Business Item

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| District(s), Member(s): | All |
| Policy/Legal Reference: | U.S. Department of Housing and Urban Development Notices PIH 2014-24 and PIH 2019-05; Minn. Stat. §§ 473.195 and 471.59 |
| Staff Prepared/Presented: | Terri Smith, Director, Housing and Redevelopment Authority, (651) 602-1187 |
| Division/Department: | Community Development / Metro HRA |

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1. authorizing a voluntary transfer of 106 Public Housing Program units from the Minneapolis Public Housing Authority (MPHA) to the Metropolitan Council Housing and Redevelopment Authority (Metro HRA) and an acceptance of the 106 public housing units;
2. authorizing the Director, Housing and Redevelopment Authority, to execute the required documents and forms.

Background

The Metropolitan Housing Opportunities Program (MHOP) was established by the Minneapolis Public Housing Authority (MPHA) in 1998 as part of the Hollman Consent Decree. The Consent Decree required MPHA to demolish 770 Public Housing program units and redevelop the units within the City of Minneapolis and metropolitan-area suburban locations outside of poverty- and racially concentrated areas. The Metropolitan Council developed 150 of these units, known as the Family Affordable Housing Program.

The 770 units were developed, and MPHA now holds the federal funding agreement for 106 units around the region, primarily located in Metro HRA's service area. Nineteen of these 106 units are located in Plymouth. While these are considered Public Housing Program units, the MPHA neither owns nor manages the units directly, and all are privately owned and operated. The MPHA is interested in pursuing a conversion of the Public Housing Program units to Section 8 Vouchers, by voluntarily transferring the units to the Council's Housing and Redevelopment Authority (Metro HRA) and subsequently submitting a Streamlined Voluntary Conversion Application to the U.S. Department of Housing and Urban Development.

The joint powers agreement approved by the governing bodies of the Council, the MPHA, and the Plymouth HRA provides that the agreement automatically terminates if HUD does not approve the transfer or does not provide Section 8 assistance sufficient to cover all eligible MHOP households. The joint powers agreement also provides that if HUD approves the transfer but does not approve

the conversion plan the parties will cooperatively work with HUD to expeditiously transfer the MHOP units back to the MPHA.

Council members expressed support for this process at [the Community Development Committee on June 5, 2023](#), on [October 16, 2023](#) and [December 18, 2023](#). The voluntary transfer is the next step in the process which requires a board resolution.

Rationale

Converting the 106 units from Public Housing to Section 8 Vouchers streamlines administration and provides more housing choice for the residents and more flexibility for the unit owners.

Thrive Lens Analysis

The conversion action supports the Thrive outcomes of equity, livability, and stewardship by improving housing choice, improving operating efficiency, and promoting responsible use of federal funds.

Funding

The U.S. Department of Housing and Urban Development provides funding for the Housing Choice Voucher and Project Based Voucher programs. The Metro HRA will receive 106 vouchers from HUD for the conversion action and the associated funding.





METROPOLITAN COUNCIL RESOLUTION NO. 2024-7

RESOLUTION STATING THE METROPOLITAN COUNCIL'S SUPPORT FOR THE METROPOLITAN HOUSING OPPORTUNITIES PROGRAM AND VOLUNTARY TRANSFER OF PUBLIC HOUSING UNITS FROM THE MINNEAPOLIS PUBLIC HOUSING AUTHORITY TO THE METROPOLITAN COUNCIL'S HOUSING AND REDEVELOPMENT AUTHORITY.

WHEREAS, the Metropolitan Housing Opportunities Program (MHOP) was established by the Minneapolis Public Housing Authority (MPHA) in 1998 as part of the Hollman Consent Decree. The Consent Decree required the MPHA to demolish 770 public housing program units and develop replacement units in Minneapolis and suburban locations outside of poverty- and racially concentrated areas; and

WHEREAS, the MPHA holds the federal funding agreement for 106 MHOP Public Housing Program units it neither owns nor manages; and

WHEREAS, the operation of the 106 MHOP units under the federal Public Housing Program is financially and administratively challenging for the MPHA and the owners of the developments in which these MHOP units are located; and

WHEREAS, in consultation with HUD, the MPHA and Metro HRA determined these 106 MHOP units can be administered more efficiently and still be maintained as affordable housing if the units are converted from the Public Housing Program to Section 8 Housing Choice Voucher or Project-Based Voucher assistance; and

WHEREAS, the conversion process will require the MPHA to transfer the 106 public housing program MHOP units to the Metropolitan Council under the process prescribed in HUD Notice PIH 2014-24; and

WHEREAS, the Metropolitan Council will accept the 106 units as Public Housing from the MPHA; and

WHEREAS, the MPHA will continue to operate the units as Public Housing while the units remain as Public Housing, through a Joint Powers Agreement; and

WHEREAS, the parties intend to subsequently submit a Streamlined Voluntary Conversion application to HUD to convert the 106 units from Public Housing to Section 8 Housing Choice Vouchers or Project-Based Voucher assistance.

NOW, THEREFORE, BE IT RESOLVED:

That the Metropolitan Council: (1) affirms and asserts its interest in partnering with the MPHA for the voluntary transfer of 106 public Housing Program units to the Metropolitan Council and pursue a subsequent action to convert the units from Public Housing to Section 8 Housing Choice or Project-Based Voucher assistance; and (2) authorizes the Director, Housing and Redevelopment Authority, to sign paperwork associated with the transfer and the conversion.

Adopted this _____ day of June 2024.

Charles A. Zelle, Chair

Recording Secretary