

Committee Report

Community Development Committee



Committee Meeting Date: Oct. 7, 2024

For the Metropolitan Council: Oct.9, 2024

Business Item: 2024-289 SW

Submittal of PRO Housing FY 2024 Application to U.S. Dept. of Housing and Urban Development.

Proposed Action

That the Metropolitan Council:

1. Authorize the Executive Director of the Community Development Division to finalize and 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 \$3 million in Local Housing Incentive Account grants, no later than in the years 2027-2028, as leverage for the PRO Housing grant, if awarded.

Summary of Community Development Committee Discussion/Questions

Senior Manager Sarah Berke presented the business item. The committee expressed interest in learning more about the FY 2023 PRO Housing grant activities. Berke indicated that this could be added as an informational update for the committee calendar in the future, once the grant activities are finalized with HUD. The committee also discussed the impact of climate change and challenging property insurance markets as an increasing barrier to housing.

The motion carried unanimously.



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District(s), member(s):	All
Policy/legal reference:	Federal Consolidated Appropriations Act, 2024; 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, 651-602-1198
Division/department:	Community Development

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Background

The Metropolitan Council has drafted an application to the U.S. Department of Housing and Urban Development (HUD) for the FY 2024 round of the program, “Pathways to Removing Obstacles to Housing” (PRO Housing).

At the October 7, 2024, meeting, the Committee is holding a public hearing to meet the submission requirements for the grant application. As established by the Committee at its September 16, 2024, meeting, the application draft has been posted online for a public comment period that is open from September 22 – October 7, 2024. The public comment period is scheduled to close at 4 pm on October 7. Committee members will receive an update on any public comments received at the October 7 meeting.

The 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.

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 application gives priority for leveraged funds; in FY 2023, the Council committed up to \$6 million in future annual LHIA funds (over four years, from 2025-2028) to meet this scoring priority. Because the partial award we received requires less than half of this leverage amount, the FY 2024 application will propose to use half (\$3 million) of the previous commitment as leverage for the new 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.

Timeline for Submittal

1. The public comment period opened on September 22, 2024, and closes at 4 pm on October 7, 2024.
2. A public hearing is planned on October 7, 2024, at the Committee meeting, preceding consideration of this action.
3. The Committee's final recommendation to submit the PRO Housing application would be forwarded for consideration to the Metropolitan Council for same-week action on October 9, 2024.
4. Complete applications are due to HUD by October 15, 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.

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 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.

