

Project Based Voucher Program Listening Session

Metropolitan Council Housing and Redevelopment Authority (Metro HRA)

- February 10, 2022

- Presented by Terri Smith, Director, Metro HRA



Welcome and Agenda

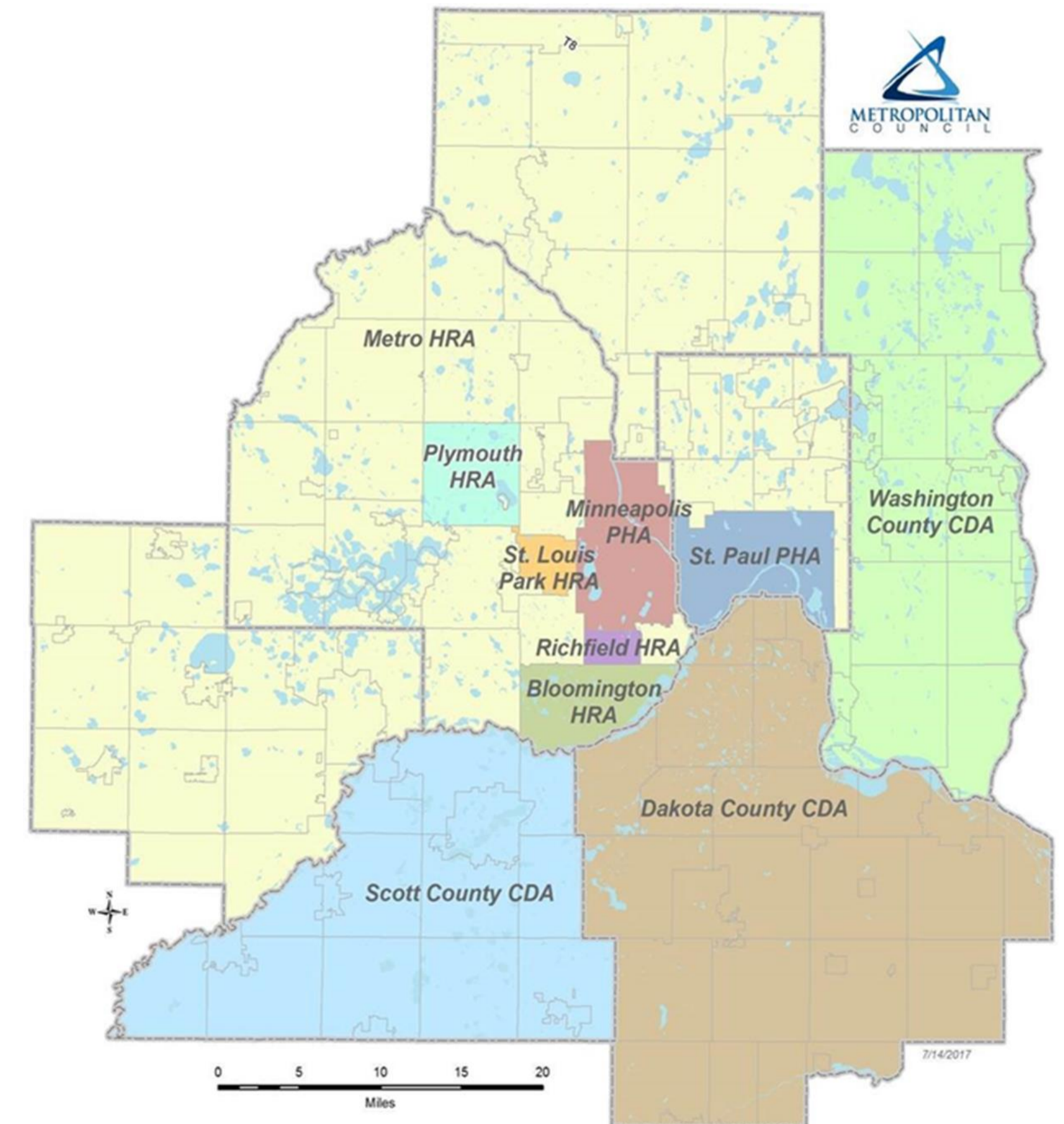
- Overview of the Housing Choice and Project Based Voucher Programs
- PBV offer and award policy
- PBV offer and award considerations
- Request for feedback
- Q & A
- Next steps

About Metro HRA

- Created by the MN Legislature in 1974
- The Metro HRA's mission
 - provide decent, safe and affordable housing opportunities;
 - to encourage housing choice throughout the region including areas of high opportunity;
 - to foster family stability and promote self sufficiency for people of low wealth.

Metro HRA Summary

- 7,000 program participants
- 8 Programs
 - Anoka and Carver County, Suburban Hennepin and Ramsey County
 - 96 communities
 - \$76 million annually in rent payments
 - 1,800 active landlords



Voucher Overview

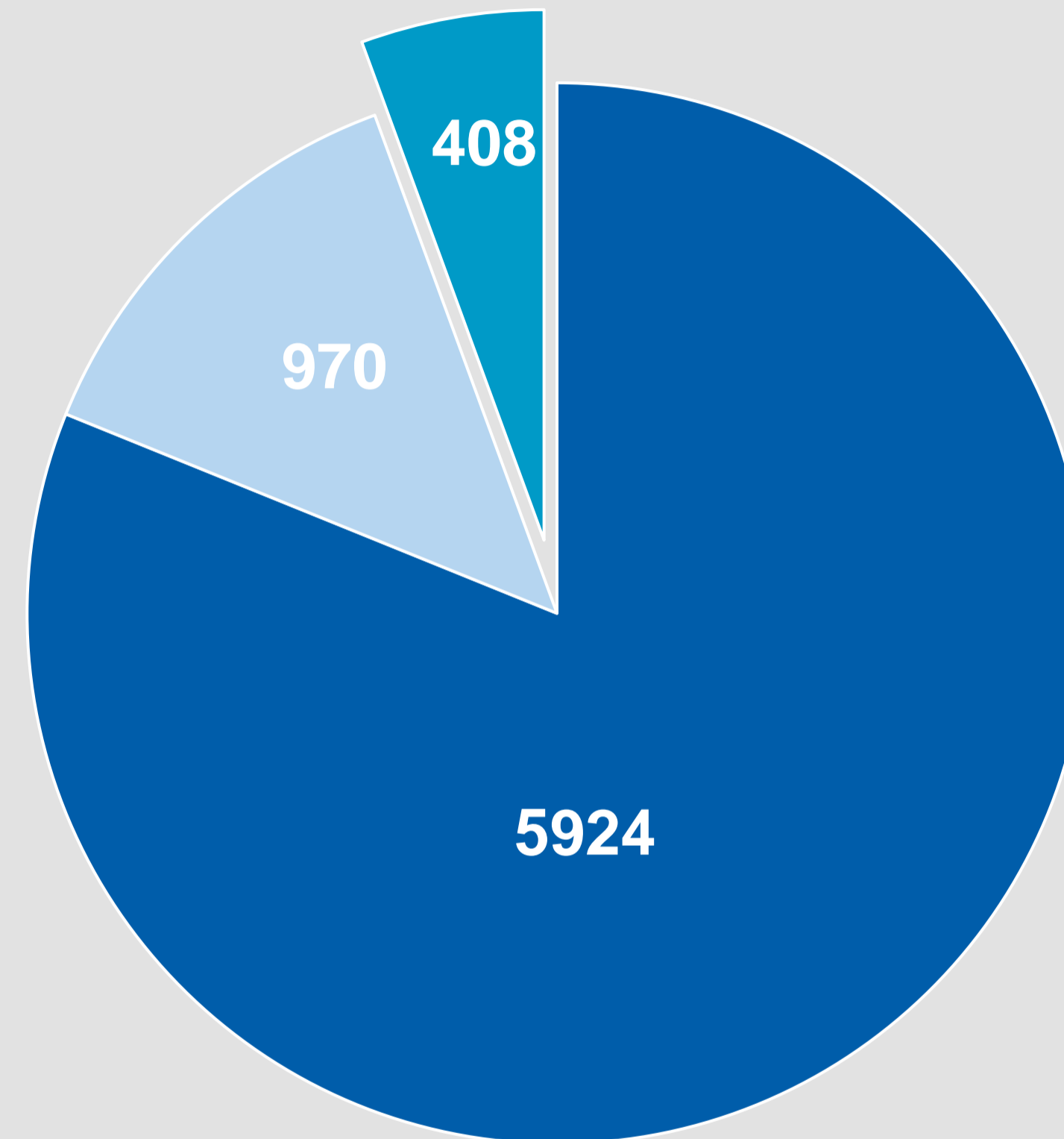
- 6,894 Housing Choice Vouchers
- HUD allows discretion to project-base up to 20%

Program Name	Populations Served	# Vouchers	# Vouchers in Use	PBV Option?
Emergency Housing Vouchers	Homeless or fleeing domestic violence	218	29	No
Mainstream Vouchers	Homeless or transitioning out of institution	203	186	Yes
Veteran's Affairs Supportive Housing	Homeless veterans	170	142	Yes
Family Unification Program	Families with child protection involvement	46	46	Yes
Non-Elderly Disabled	Disabled ages 18-61	200	186	No

PBV Summary

- 6,894 Vouchers
- HUD allows up to 20% PBV
- 970 PBV units awarded (14%)
- 55 Developments
- 33 Communities

Current Voucher Split

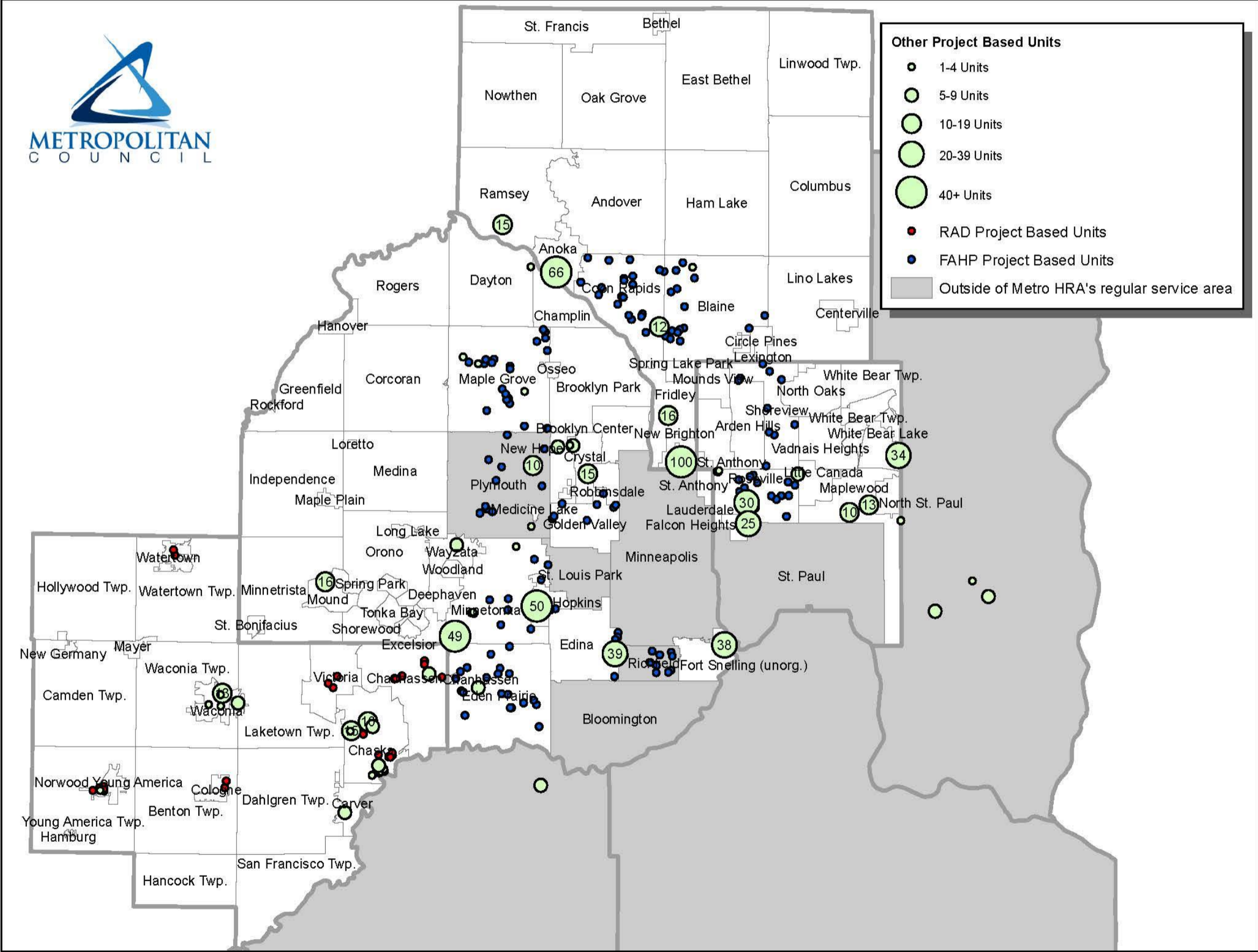


- Housing Choice Vouchers
- Project Based Vouchers
- Remaining available to Project Base

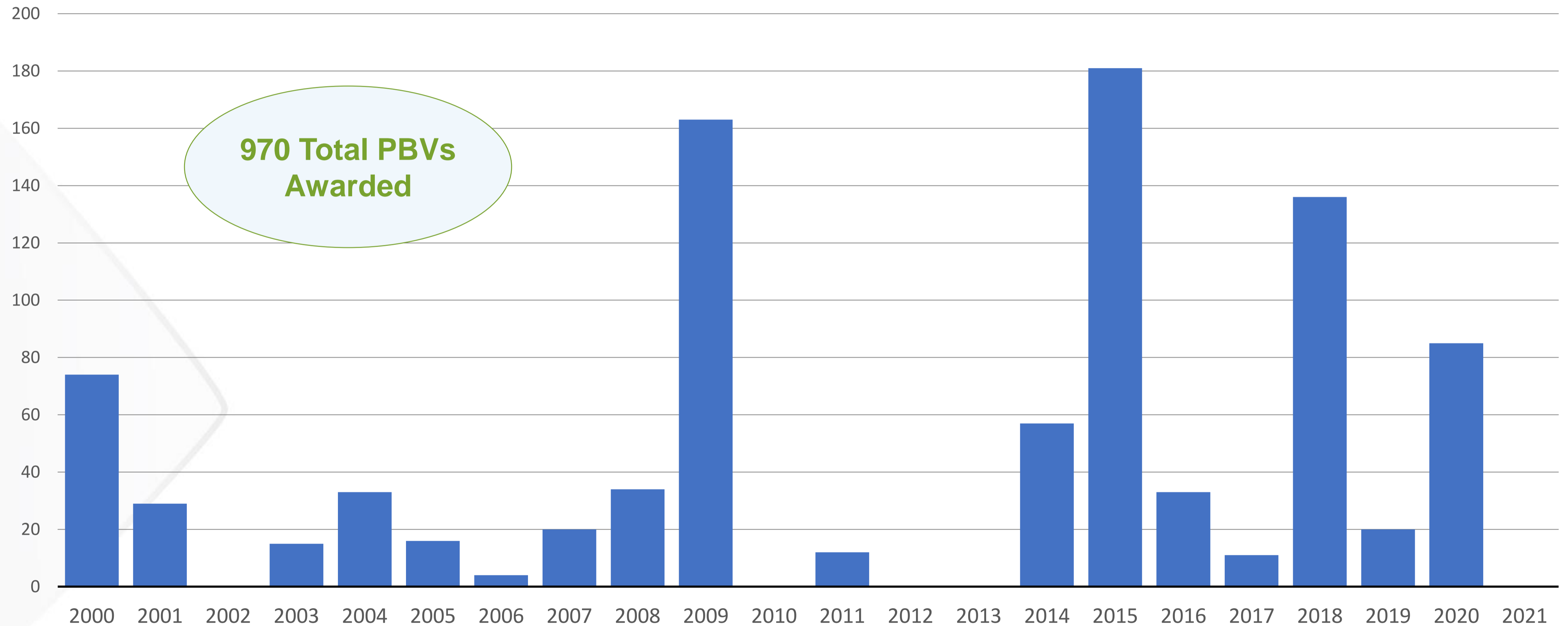
Metro HRA Project Based Voucher Distribution



Metro HRA Project Based Units
February 2021



PBV Offer and Award History



2009, 2015, and 2018 were anomaly years where PBVs were awarded through direct HUD award of new vouchers

PBVs in the Region

HRA/PHA Name	Number HCVs	Number PBVs	% PBV
St. Paul PHA	4929	805	16%
St. Louis Park HRA	343	54	16%
Plymouth HRA	230	34	15%
Minneapolis PHA	6000	851	14%
Metro HRA	6961	970	14%
Scott County CDA	404	53	13%
Bloomington HRA	551	36	7%
Washington County CDA	237	0	0%
Richfield HRA	232	0	0%

Project Based Voucher Considerations

- HUD does not provide new vouchers for project basing
- PBVs come from a limited supply of turnover vouchers that serve many purposes
 - Waiting list applicants
 - Initially filling PBV units
 - PBV unit movers
 - Absorbing vouchers from other housing authorities

Voucher Turnover History

Year	Monthly Voucher Turnover	Annual Voucher Turnover	Comments
2018	65	780	
2019	56	672	
2020	53	636	
2021	36	432	354 Voucher turnover reduction in 3 years

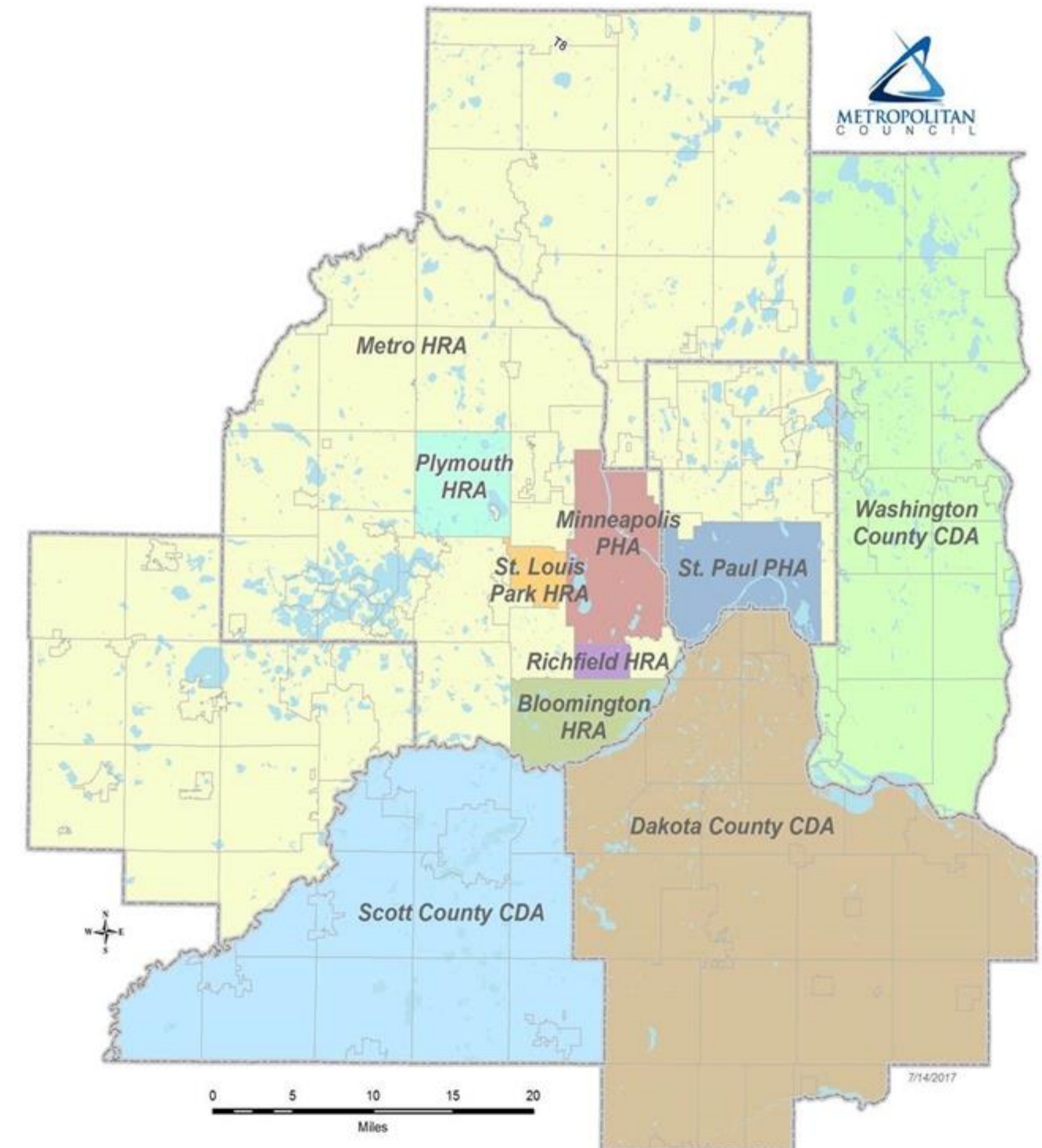
Project Based Voucher Policy

Metro HRA will:

- Operate a PBV program using **up to 20** percent of vouchers
- Offer and award PBVs in the following ways:
 - Independent Request for Proposals (RFP) process
 - Offer through Minnesota Housing RFP process
- Prioritize PBVs in its own operating area

Option not utilized to date:

Award PBVs to projects that were previously selected based on a competition (on back end)



Project Based Voucher Policy

- The Metro HRA will take no action on PBV requests until MN Housing has made its funding awards.
- If MN Housing does not approve the other financing requested to make the project financially feasible, the Metro HRA will not consider the request for PBVs and a developer will need to reapply for PBVs at a later date when PBVs are offered.
- If an owner submits an application for PBVs as existing housing and they do not need any additional financing, the Metro HRA will consider that request also after MN Housing has made its funding awards.



2021 HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN

Metropolitan Council Housing and Redevelopment Authority

Approved by Metropolitan Council: September 22, 2021
September 23, 2020
February 12, 2020
September 25, 2019
November 28, 2018

PBV Selection Criteria

Criteria	Possible Points
Project Readiness	15
Extent to which the project provides or preserves housing types that contribute to a full range of affordable housing choices	20
The extent to which the project integrates housing and tenant services for specialized populations	25
The extent to which the project supports mixed income	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	15
The extent of local support for the proposed housing	10
Total Points	100

Project Based Voucher Policy

Staff consider many variables when determining PBV offer

- Overall voucher utilization
- Current voucher turnover rates
- Funding and budget
- Balancing PBV and waiting list admissions

PBVs Require Staffing Capacity

- Issue RFP
- Review applications
- Formal award
- Environmental Review
- Davis Bacon Wage Reviews
- Subsidy Layering Reviews
- Building lease-up
- Filling turnover units

2020 PBV Offer and Award

- Request for Proposals issued in May 2020 offering up to 200 PBVs
- The RFP required developers to obtain full financing in 2020 in order to be eligible for a formal award
 - 23 applicants requested a total of 321 PBV units
 - 13 applicants received Letters of Intent for a total of 196 PBV units
 - 7 applicants received formal awards for a total of 85 PBV units
- The RFP stated: The highest scoring applications for up to 200 PBVs will proceed as follows:
 - New Construction projects will be provided with a Letter of Intent that commits Project Based Vouchers, **contingent on a project receiving the necessary funding in 2020 to become financially feasible.**

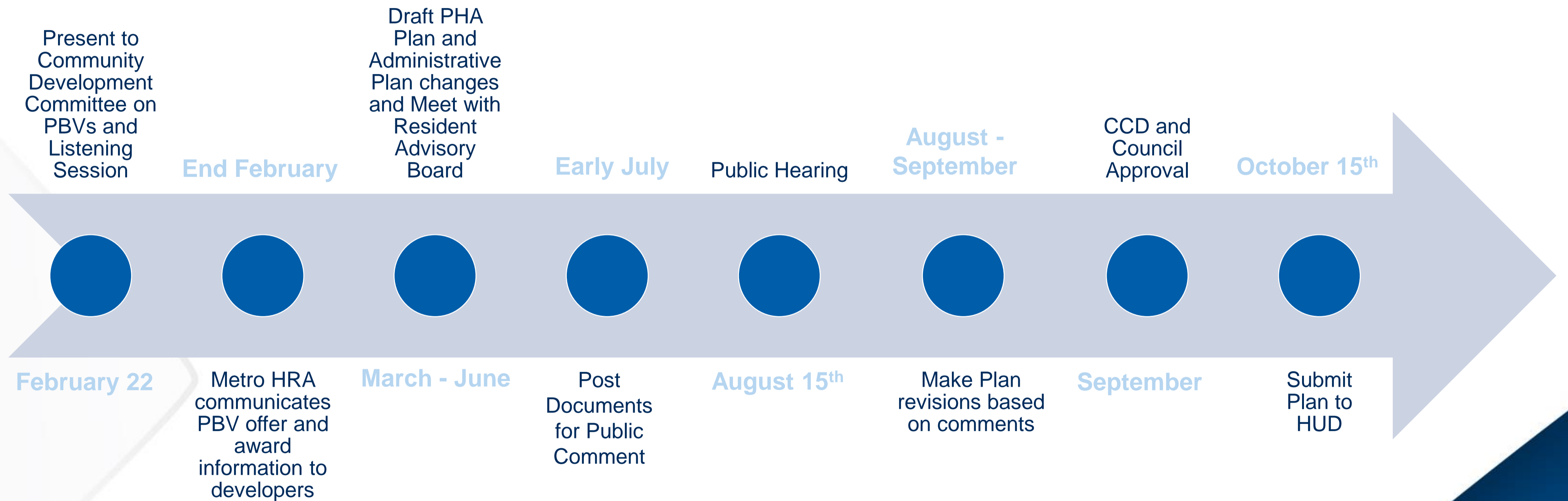
If a project receives the necessary award through MN Housing's RFP or through other funding sources in 2020, the PBVs will be formally awarded by the Metropolitan Council

If a project does not receive the necessary funding in 2020, the project will not be awarded PBVs and the project owner must reapply for PBVs at a later date when PBVs are again offered

Feedback and Questions

- What questions do you have?
- What is preference for PBV offer and award process?
 - In conjunction with MN Housing RFP?
 - Independent (and in advance of RFP)?
 - On the back end to project that were awarded other funding through a competition?
- How can we make the process easier and more transparent?

Next Steps



Thank you!

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February 10, 2022

