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%

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

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

Current Voucher Split:
- 5924 Housing Choice Vouchers
- 970 Project Based Vouchers
- 408 Remaining available to Project Base
Metro HRA
Project Based Voucher Distribution
PBV Offer and Award History

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

970 Total PBVs Awarded
### PBVs in the Region

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Monthly Voucher Turnover</th>
<th>Annual Voucher Turnover</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>65</td>
<td>780</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>56</td>
<td>672</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>53</td>
<td>636</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>36</td>
<td>432</td>
<td>354 Voucher turnover reduction in 3 years</td>
</tr>
</tbody>
</table>
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)
• 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.
# PBV Selection Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Possible Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Readiness</td>
<td>15</td>
</tr>
<tr>
<td>Extent to which the project provides or preserves housing types that contribute to a full range of affordable housing choices</td>
<td>20</td>
</tr>
<tr>
<td>The extent to which the project integrates housing and tenant services for specialized populations</td>
<td>25</td>
</tr>
<tr>
<td>The extent to which the project supports mixed income</td>
<td>5</td>
</tr>
<tr>
<td>The extent to which the project supports housing for larger families needing 3 or more bedrooms</td>
<td>10</td>
</tr>
<tr>
<td>Extent to which the proposed project maximizes connections between housing, centers of employment, education, retail and recreation</td>
<td>15</td>
</tr>
<tr>
<td>The extent of local support for the proposed housing</td>
<td>10</td>
</tr>
<tr>
<td>Total Points</td>
<td>100</td>
</tr>
</tbody>
</table>
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

- **Present to Community Development Committee on PBVs and Listening Session**
  - End February

- **Draft PHA Plan and Administrative Plan changes and Meet with Resident Advisory Board**
  - Early July
  - Public Hearing

- **August - September**
  - CCD and Council Approval

- **October 15th**

**February 22**
- Metro HRA communicates PBV offer and award information to developers

**March - June**
- Post Documents for Public Comment

**August 15th**
- Make Plan revisions based on comments

**September**
- Submit Plan to HUD
Thank you!

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