

# C Community Development Committee

For the Metropolitan Council meeting of March 25, 2009

Item: 2009-93

## ADVISORY INFORMATION

**Date Prepared:** March 16, 2009

**Subject:** Family Affordable Housing Program, American Recovery and Reinvestment Act (ARRA) Funding, Resolution 2009-04

### Proposed Action:

That the Metropolitan Council approve the receipt and expenditure of \$212,000 in American Recovery and Reinvestment Act (ARRA) Funding from the U.S. Department of Housing and Urban Development (HUD) for capital improvement to the public housing units that comprise the Council's Family Affordable Housing Program (FAHP), and that the Metropolitan Council authorize the Chair to execute the attached HUD Board Resolution Form.

### Summary of Committee Discussion / Questions:

Housing and Livable Communities Director, Beth Reetz, explained that recently the U.S. Department of Housing and Urban Development (HUD) passed, through the American Recovery and Reinvestment Act (ARRA), and awarded the Metropolitan Council Housing and Redevelopment Authority (Metro HRA) \$212,000 for capital improvements to the public housing units that comprise the Council's family affordable housing program. She explained that nearly three billion dollars in Capital Funds are being awarded to public housing authorities across the Country through a formula based on the number and age of units in each program's portfolio.

HUD requires housing agencies to submit a Board Resolution authorizing receipt and expenditure of the funds prior to fund distribution. A budget amendment to reflect the receipt and expenditure of the funds will be included in the first or second quarter amendment to the Council's 2009 Consolidated Budget. The funding provided by the ARRA is a one-time Capital Fund award that must be fully obligated within one year and fully expended within three years.

Council Member Pistilli questioned if there is a capital improvement schedule for these types of repairs. Reetz explained that given the size of the FAHP, this is not a HUD requirement. She explained there is an assessment completed where the units are appraised and then scheduled for likely repairs needed over the next 5 – 7 years. Pistilli asked if the items to be approved today were scheduled for replacement this year. Reetz explained that we have not had the funding available, and these repairs were actually scheduled to have been done over the past two years. Council Member Steffen explained that these were houses to be changed to Section 8 and in the past, reserve funds were used for repairs/upgrades. These funds would be used, rather the reserves. Council member Pistilli also asked about the language – the meaning of supplant. Reetz explained that by listening to HUD direction in their webcasts to housing authorities, this was meant to mean these funds are to be used to make additional repairs beyond those already planned and funded for this year.

Council Member Sanda moved, seconded by Council Member Hilker to approve the receipt and expenditure of these funds and to execute the resolution. Council Members Pistilli and Meeks voted no. The motion passed.

METROPOLITAN COUNCIL  
390 Robert Street North, St. Paul, Minnesota 55101  
651/602/1000 TDD 651/602-0904

**RESOLUTION NO. 2009-04**

**RESOLUTION APPROVING THE RECEIPT AND EXPENDITURE OF CAPITAL FUNDS  
AWARDED UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT THROUGH THE  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**WHEREAS:**

1. The Metropolitan Council Housing and Redevelopment Authority (Metro HRA), MN163, was awarded \$212,000 in capital funding through the American Recovery and Reinvestment Act (ARRA); and
2. The Department of Housing and Urban Development requires a resolution number as part of the Capital Fund award process.

I certify on behalf of the Metro HRA that:

1. The funds will be used in accordance with all statutory and regulatory requirements and in accordance with the provisions of the ARRA.

**NOW, THEREFORE, BE IT RESOLVED BY THE METROPOLITAN COUNCIL**

That the receipt and expenditure of the above referenced capital fund is hereby approved.

Adopted this 25<sup>th</sup> day of March 2009.

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Peter Bell, Chair

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Pat Curtiss, Recording Secretary



# Community Development Committee

**Business Item**

Item: 2009-93

**Meeting date: March 16, 2009**

<b>ADVISORY INFORMATION</b>	
<b>Date:</b>	March 9, 2009
<b>Subject:</b>	Board Resolution 2009 ____ Family Affordable Housing Program American Recovery and Reinvestment Act Funding
<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	MN Statute 473.13 – Council Budget Requirements
<b>Staff Prepared/Presented:</b>	Beth Reetz, Director, Housing & Livable Communities
<b>Division/Department:</b>	Community Development

## Proposed Action:

1. That the Metropolitan Council approve the receipt and expenditure of \$212,000 in American Recovery and Reinvestment Act (ARRA) Funding from the U.S. Department of Housing and Urban Development (HUD) for the public housing units that comprise the Council’s Family Affordable Housing Program (FAHP).
2. That the Metropolitan Council authorize the Chair to execute the attached HUD Board Resolution Form.

## Background

The U.S. Department of Housing and Urban Development (HUD), through the American Recovery and Reinvestment Act (ARRA), is awarding the Metropolitan Council Housing and Redevelopment Authority (Metro HRA) \$212,000 in capital funding. Nearly three billion dollars in Capital Funds are being awarded to public housing authorities across the Country through a formula based on the number and age of units in each program’s portfolio. The funds are expected to result in jobs for thousands of construction workers working to modernize tens of thousands of public housing units.

The AARA requires the funds be used for capital and management activities for: 1) projects that can award contracts within 120 days of the funds availability, 2) capital projects already underway or included in the agency’s 5-year plan, and 3) rehabilitation of vacant rental units. The funds are to be used to increase energy efficiency and lower the long term costs of operating the FAHP units. The funds may not be used to fund operations nor to supplant expenditures from other federal or local sources of funds.

The FAHP does not have any vacant units requiring rehabilitation or capital projects already underway. Therefore the funds will be used to accomplish previously identified improvements needed in which contracts can be awarded within 120 days. The improvements will include roof, window, siding and concrete replacements, gutter installation and deck repairs. .

In order to comply with the congressional deadline, HUD must distribute the funds by March 19, 2009. HUD requires housing agencies to submit a Board Resolution authorizing receipt and expenditure of the funds prior to fund distribution.

A budget amendment to reflect the receipt and expenditure of the funds will be included in the first or second quarter amendment to the Council’s 2009 Consolidated Budget.

**Rationale**

The ARRA funds will assist with expediting needed repairs and improvements on FAHP units that would otherwise have been delayed.

**Funding**

The funding provided by the ARRA is a one-time Capital Fund award that must be fully obligated within one year and fully expended within three years.

**Known Support / Opposition**

There is no identified opposition to this request.

METROPOLITAN COUNCIL  
390 Robert Street North, St. Paul, Minnesota 55101  
651/602/1000 TDD 651/602-0904

**RESOLUTION NO. 2009-XX**

**RESOLUTION APPROVING THE RECEIPT AND EXPENDITURE OF CAPITAL FUNDS  
AWARDED UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT THROUGH THE  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**WHEREAS:**

3. The Metropolitan Council Housing and Redevelopment Authority (Metro HRA), MN163, was awarded \$212,000 in capital funding through the American Recovery and Reinvestment Act (ARRA); and
4. The Department of Housing and Urban Development requires a resolution number as part of the Capital Fund award process.

I certify on behalf of the Metro HRA that:

2. The funds will be used in accordance with all statutory and regulatory requirements and in accordance with the provisions of the ARRA.

**NOW, THEREFORE, BE IT RESOLVED BY THE METROPOLITAN COUNCIL**

That the receipt and expenditure of the above referenced capital fund is hereby approved.

Adopted this 25<sup>th</sup> day of March 2009.

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Peter Bell, Chair

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Pat Curtiss, Recording Secretary