

C Community Development Committee
 Meeting date: December 5, 2011

ADVISORY INFORMATION	
Date:	November 28, 2011
Subject:	Section 8 Project Based Assistance Award Recommendations
District(s), Member(s):	All
Policy/Legal Reference:	24 CFR 983
Staff	Terri Smith, Metro HRA Manager, (651) 602-1187
Prepared/Presented:	
Division/Department:	Community Development/Housing & Redevelopment Authority (HRA)

Proposed Action

That the Metropolitan Council approve proposals for Section 8 Project Based Voucher Assistance (PBV) and authorize staff to execute necessary documents with the U.S. Department of Housing and Urban Development and the project owners to assign a total of 12 Section 8 Vouchers in three (3) projects as follows:

Project	City	Number of Units in Project	Number of PBV Units Requested	Targeted Population
City Walk Apartments	Woodbury	45	4	Long Term Homeless
Maple Village II	Maple Grove	48	4	Long Term Homeless
Sunset Hill Apartments	Minnetonka	64	4	Long Term Homeless
Total			12	

Background

The Section 8 Project Based Voucher (PBV) program provides a housing authority the ability to assign some of its available tenant based vouchers to specific housing units in privately owned housing projects. Council action in November 1999 authorized the Metro HRA to project base up to 754 units of its Section 8 allocation or approximately 12% of its current allocation of 6,138 vouchers. To date, the Council, through the Metro HRA, has awarded a total of 433 PBV units in 20 separate projects located throughout Anoka, Carver, Hennepin and Ramsey Counties.

The housing units awarded project based vouchers must:

- be occupied by households eligible for the Section 8 program
- have rents reasonable and affordable to participants of the Section 8 program and within the Payment Standards adopted for the program, and
- meet housing quality standards established by the U.S. Department of Housing and Urban Development (HUD).

The PBV program is marketed to interested owners/developers as part of the Minnesota Housing's Request for Proposal (RFP) process in order to further the development of affordable rental housing. The RFP process is coordinated by Minnesota Housing and provides a centralized means to access funds to assist in the development, acquisition or rehabilitation of affordable housing. The Minnesota Housing Implementation Group (MHIG) includes participating funders of Minnesota Housing, Metropolitan Council, Family Housing Fund, Greater Minnesota Housing Fund, Minnesota Department of Employment and Economic Development (DEED), the Minnesota Department of Human Services (DHS) and the St. Paul Public Housing Authority.

The Metro HRA offered 20 vouchers during the June 2011 Consolidated RFP. There were requests for 16 PBVs during this funding round. One project (4 units) was determined to not be financially feasible. The remaining 12 units listed above were first reviewed and ranked by the MHIG based on overall project feasibility and organizational capacity.

Proposals ranked high enough to receive other requested funding to ensure financial feasibility are then ranked by the Metro HRA based on the following PBV selection criteria related to owner experience, expanding housing opportunities, increasing the supply of affordable housing, integration of housing and tenant services and promoting linkages among housing, jobs and transportation, health, education and recreation facilities.

HRA staff found all three proposals to meet the necessary criteria. HRA staff recommends the following proposals:

- **City Walk, Woodbury**

The proposed City Walk Apartments is a new construction development in Woodbury near I-94 and Woodbury Drive. The 45 unit housing community will feature one and two bedroom units for individuals and families with physical disabilities. Twelve units will be set aside for extremely low income households with qualifying disabilities. Four of these households would also meet the definition of long-term homeless. The remaining units would be general occupancy targeted to very low income households with disabilities. The PBV assistance would be attached to the long-term homeless units. Households will receive services through Common Bond's Advantage Services Department to help stabilize them in their housing and link them to needed community supports.

- **Maple Village II – Maple Grove**

Maple Village II is a new construction development located at the end of Zanzibar Lane North about a mile west of I-94 in the southeastern portion of Maple Grove. The 48 units will consist of one, two and three-bedroom general occupancy apartments targeted as work force family housing. The development will also include four long-term homeless units which are proposed to be linked with the PBV assistance. A Tenant Services Coordinator will be hired to perform tasks associated with fostering housing stability and to assist residents in maintaining their housing.

- **Sunset Hill Apartments – Minnetonka**

The proposed Sunset Hill development is new construction and will consist of a 64 unit development with a mix of one, two and three bedroom units. The units will be for general occupancy providing a range of housing options for Minnetonka residents. Thirteen of the units will be full market rate. The remaining units will

meet the requirements of the Housing Tax Credit program. Four units will be set aside for families experiencing long-term homelessness. These units are the proposed units for the PBV assistance. Supportive services for these families will be provided by the Salvation Army Twin Cities Social Services.

Rationale

Awarding twelve units of PBV would result in just over 7% of the total Metro HRA full allocation of vouchers being assigned to specific housing unit through project basing a Section 8 voucher. The current Council-approved limit is 12%. Staff recommends the described proposals and requests that the Metropolitan Council approve the award of the 12 Project Based Vouchers.

Funding

The funding for the Section 8 Project Based Voucher program is provided through the U.S. Department of Housing and Urban Development (HUD).

Known Support / Opposition

No known opposition.