

## Talking Points for Discussions with Community Leaders

### The Met Council has the keys to unlock deeply affordable housing in suburban communities: project-based vouchers.

We have an affordable housing crisis in the suburbs which contributes to the persistent housing disparities that plague the greater metro area.

The Met Council has the power and responsibility to address this problem by the strategic deployment of project-based vouchers (PBVs).

Project-based vouchers are federal rent vouchers assigned to a single apartment unit in deeply affordable housing. Any eligible tenant living in that apartment unit will receive the voucher's benefits. But the greatest benefit of project-based vouchers is their power to create new deeply affordable housing where it is most needed.

### UTM Campaign Goals

#### Beacon is calling on the Met Council to pass a 30-for-30 Project-Based Voucher Policy that:

1. utilizes 30% of Met Council vouchers as PBVs for 30% AMI housing in areas where the poverty rate is 20% or less, typically suburban communities.
2. makes Met Council PBVs available across the whole 7-county metro region, including communities that have their own housing authority.
3. coordinates PBV awards with the MN Housing capital funding cycle to expedite the creation of new deeply affordable housing, instead of impeding it.



### Frequently Asked Questions

#### Doesn't HUD limit PBVs to 20%?

HUD allows housing authorities to utilize an additional 10% of their Housing Choice vouchers--for a total of 30%--as PBVs for 30% AMI housing in areas where the poverty rate is 20% or less. *This policy was specifically created to stimulate the development of deeply affordable housing in the suburbs.*

#### Won't this be unfair to all the people waiting for a tenant-based voucher?

40% of Metro HRA tenant-based vouchers are returned because the recipients can't find deeply affordable housing *anywhere*. **Tenant-based vouchers can't create new 30% AMI housing; PBVs can.**

#### How do PBVs create new housing?

In order to secure the millions of dollars in housing bonds and tax credits needed for construction, developers must show that they have been awarded a PBV for each deeply affordable housing unit they plan to build. **PBVs are the keys that unlock deeply affordable housing by making its construction possible.**

**Since 40% of the tenant-based vouchers the Met Council awards are returned because housing can't be found, why not use 30% as PBVs to create the affordable housing that's so desperately needed?**

## Unlock the Metro Talking Points

### ***Unmet Goals***

The Met Council sets goals for affordable housing across the metro region but hasn't done the one thing that's essential for meeting them: passing a policy to deploy 30% of its Housing Choice vouchers as PBVs to build 30% AMI housing where it's most needed.

### ***Need for Regional Leadership***

The Met Council exists to provide leadership for the whole metropolitan region. It has abdicated this leadership role by not instructing Metro HRA to strategically deploy PBVs to expedite the development of 30% AMI housing in suburban communities.

### ***Barriers to Housing Equity***

The Met Council is rightly concerned about the many barriers to equity across the metro but has created one of the steepest by failing to take advantage of HUD's PBV allowance to create affordable housing in low poverty communities. As a result, the Council has increased the concentration of poverty in the urban core and inner ring suburbs.

### ***Power of PBVs***

Metro HRA is recognized as a national leader in administering Housing Choice tenant-based vouchers, but tenant-based vouchers can't create new housing. Implementing a 30-for-30 PBV policy will enable the Met Council to address both the 30% AMI housing shortage and housing disparities in the metro region.

### ***Non-Profit Developers Need Help***

Metro HRA awards PBVs so inconsistently that it's impossible for non-profit developers to plan and budget effectively. The unpredictability of PVBs can delay development for years and greatly increase construction costs. By implementing a 30-for-30 PBV policy, the Met Council can partner with non-profit developers instead of impeding their work.

### ***No Policy = No Progress***

The Met Council's own reports emphasize the critical lack of 30% AMI housing in suburban communities. But no progress will be made until the Council fulfills its role as a regional housing policy maker. **By passing a 30-for-30 PBV policy, the Met Council can expedite the development of 30% AMI housing in low poverty communities and give every household *real* housing choice.**

## Terms you need to know...

**30% AMI Housing** -- Housing created for households whose incomes are at or below 30% of the area median income (AMI) – about \$35,000 for a family of four. Also called “deeply affordable” housing.

**Housing Choice Rent Voucher** -- An extremely limited number of federal rent vouchers for households with incomes at or below 30% AMI. The Met Council has been assigned nearly 7,000 Housing Choice vouchers--more than any other housing authority in the region. The Met Council administers their vouchers through Metro HRA, the Metropolitan Housing Regional Authority.

**Tenant-Based Voucher** – A Housing Choice voucher awarded to an individual or family that they can use anywhere they can find 30% AMI housing.

**Project-Based Voucher (PBV)** -- A Housing Choice voucher that is awarded to a single apartment unit in 30% AMI housing, instead of to a tenant. Any tenant who moves into that apartment will receive the voucher's benefits. Project-based vouchers *create* new deeply affordable housing.