



FY 2013 AGENCY GOALS

Approved 11/28/2012

PERFORMANCE EXCELLENCE

- 1. Public Housing:** Maintain “High Performer” status under HUD’s Public Housing Assessment System (PHAS). Ensure that PHA properties continue to be managed to the highest possible standards, including thorough and uniform applicant eligibility determination, fair lease enforcement, regular preventative maintenance, prompt responses to maintenance work orders, full occupancy and timely turnover of vacant units, timely and accurate reporting of financial data, and all other components of quality property management and maintenance. Continue to advocate for full funding and program reform, while preparing contingency plans for possible radical cuts in federal funding. Expand the public housing inventory by constructing new units at Roosevelt Townhomes and Mt. Airy Homes, if sufficient resources can be obtained. Where possible, convert hi-rise space from non-dwelling uses to apartments for eligible residents. Explore other opportunities to develop new multi-family housing for re-use of available subsidies and possible sales proceeds from the disposition of other properties.
- 2. Section 8 Housing Choice Vouchers:** Maintain “High Performer” status under HUD’s Section 8 Management Assessment Program (SEMAP). Maintain high utilization of vouchers and budget without exceeding authorized limits. Successfully implement and administer current agreements for Project-Based Vouchers (PBV), including Project-Based Vouchers (PBV) in supportive housing projects that support Minnesota’s Business Plan to End long-Term Homelessness. Renew expiring PBV contracts at successful projects and offer up to 50 more vouchers for PBV use over the next five years. Continue to advocate for full voucher funding and program reform, while preparing contingency plans for possible radical cuts in federal funding. Continue the HUD-Veterans Affairs Supportive Housing Program (VASH) and the Family Unification Program (FUP) with approved special vouchers, working with partner agencies to receive required referrals. Apply for more special purpose vouchers, incremental vouchers or preservation vouchers if offered by HUD. Explore possible opportunities to develop new multi-family housing for PBV use.
- 3. Capital Improvements:** Continue renovating public housing properties and making capital improvements which promote fire safety and life safety as well as preserve the asset. Maintain high quality and timely design, bidding and construction, utilizing “green and sustainable” principles to conserve energy and water and protect the environment to the greatest extent feasible. Continue to actively involve residents, staff and the community in planning capital improvements. Promptly close out Capital Fund Recovery Grants. Apply for additional grants that may become available.

EMPLOYEE AND ORGANIZATIONAL DEVELOPMENT

4. **Equal Opportunity and Diversity:** Promote and enforce equal employment opportunity and affirmative action. Attract and retain a diverse and qualified work force. Manage workplace diversity by fostering respect for and valuing of diversity.
5. **Employee and Organizational Development:** Promote education, growth and advancement of employees through career planning, training opportunities and other resources. Continue internal rethinking strategies to promote organizational development, continuous improvement, and appropriate responses to budget challenges and program changes.
6. **Safety and Security:** Maintain safety and security at all PHA housing and work sites for residents, staff and the public. Promote non-violence in all aspects of the PHA's work. Continue safety efforts such as ACOP, Officer-in-Residence, Resident Doorwatch, limited use of off-duty police, and Workplace Violence Prevention programs, as well as making physical improvements to properties that enhance safety and security.
7. **W. Andrew Boss Building:** Continue to fully lease and manage the commercial space in the W. Andrew Boss Office Building according to sound business practices to generate reliable non-HUD revenue.

RESPECTED AND RESPONSIVE COMMUNITY PARTNER

8. **Fair Housing:** Work cooperatively with community representatives and other units of government to ensure non-discrimination in PHA programs and to affirmatively further fair housing objectives. Promote the value of diversity and respect for differences.
9. **Linking Residents to Community Services:** Promote links to community services through PHA Community Centers and at other sites to meet the changing needs of PHA residents, focusing on programs and services that enrich residents' lives, promote independence, increase community involvement and support successful tenancies in public housing. Continue and promote CHSP and other assisted living programs.
10. **Economic Opportunities for Section 3 Residents and Businesses:** To achieve Section 3 goals, the PHA will, to the greatest extent feasible:
 - a. Hire qualified residents and participants in PHA housing programs and other low income residents of the metropolitan area and promote training opportunities.
 - b. Contract with Section 3 businesses and require other businesses seeking PHA contracts to comply with Section 3 requirements.
11. **Housing Preservation and Development:** Work with other agencies and organizations to preserve, develop, and/or manage affordable housing and other cooperative and entrepreneurial efforts. Seek out opportunities to produce affordable housing for veterans by leveraging existing public housing or Section 8 resources. Support efforts to create and pass another state bonding bill for public housing development and rehabilitation.

12. **National and State Leadership Responsibilities:** Continue active leadership in national and state housing organizations especially to advocate for full funding and program reform, with special attention to HUD proposals like the Rental Assistance Demonstration (RAD). Continue to provide assistance to other housing authorities and organizations seeking organizational development, business systems, or program support. Continue to lead by example, modeling a strong commitment to Equal Employment Opportunity, Fair Housing and Section 3 implementation, including linking residents to economic opportunities.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Disposition of a
Scattered Site Home on
Lawson Avenue

DATE November 28, 2012

Staff recommends Board approval of Resolution No. 12-11/28-1 to submit an Inventory Reduction Application to HUD's Special Applications Center, requesting authorization to sell the three-bedroom scattered site home at 618 dLawson Avenue to the Salvation Army. Staff also requests approval of Resolution No. 12-11/28-2 authorizing the Agency to take all steps necessary to sell the house after HUD approves the sale. As explained in the attached August 22, 2012 Board report, the Salvation Army would like to purchase this property to expand their East Side Social Services Center at 1019 Payne Avenue. The Salvation Army would pay the appraised value of the property. Ramsey County property tax records show the estimated market value to be \$86,000.

After the Board gave preliminary approval for the sale on August 22 staff took the following actions as required by HUD regulations:

- Resident Advisory Board and Resident Council; Offer to Sell. At Resident Advisory Board (RAB) meetings on August 21 and September 4, 2012 staff discussed the proposal with RAB members, who said they supported selling the house. Staff also sent the attached letter to the RAB and the City-Wide Resident Council (CWRC) formally offering them the option to purchase the property, contingent on their agreeing to continue to operate it as public housing. (Currently there is no Scattered Site Resident Council.) Neither organization responded during the required 30-day offer period.
- Mayor's approval. Mayor Chris Coleman signed the attached November 1, 2012 letter approving selling the property to the Salvation Army, noting that PHA and City staff had consulted about it (also required by the regulations).

Now that these steps are completed, the way is clear for the Board to approve the resolutions to authorize submitting an Inventory Reduction Application to HUD's Special Applications Center and to sell the property after HUD approves. (HUD rules require the RAB and resident consultation and mayoral approval to be completed before the Board approves the sale.)

As with other recent sales of single-family scattered site properties (139 East Annapolis and 112 West Maryland), staff proposes using the sales proceeds either to maintain and modernize other current public housing properties, or to develop another multi-family property for public housing use. The decision should be based on the timing of receiving HUD approval of the sale, the prospects for future funding for the Public Housing Operating and Capital Funds, the need for maintenance and modernization at other properties, and the availability of other multi-family properties that might be suitable for public housing. Under current rules the PHA can also request a replacement Housing Choice Voucher from HUD and staff intends to do so.

JCW/FAH

Attachments: Resolutions No. 12-11/28-1 and 12-11/28-2
August 22, 2012 Board Report
September 18, 2012 Letter to RAB and City-Wide Residents Council
November 1, 2012 Letter to PHA from Mayor Chris Coleman
Map

**PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL
RESOLUTION 12-11/28-1**

**APPLICATION FOR DISPOSITION
OF 618 EAST LAWSON AVENUE (AMP 9)**

WHEREAS, the Public Housing Agency of the City of Saint Paul (PHA) is the owner of a three-bedroom house at 618 East Lawson Avenue which is part of the Low Rent Public Housing Program in Asset Management Project Number 9 (AMP 9, previously development number MN 1-29); and

WHEREAS, the Salvation Army has asked to purchase this property for its appraised value, to expand their East Side Social Services Center at 1019 Payne Avenue; and

WHEREAS, the Board finds that the East Side Social Services Center provides needed services to the Payne Avenue neighborhood, including the PHA's 220-unit public housing hi-rise at 1000 Edgerton Street, and those services are vital to help stabilize that neighborhood and the larger East Side; and

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires the PHA to submit an Inventory Reduction Application to HUD's Special Applications Center in order to obtain approval to dispose of the house; and

WHEREAS, such application requires the approval of the Board of Commissioners, after resident organizations have been offered the opportunity to purchase the property, and after the Mayor of St. Paul has approved of the disposition following consultations between PHA and City staff; and

WHEREAS, staff proposes using the sales proceeds either to maintain and modernize other current public housing properties, or to develop another multi-family property for public housing use; and

WHEREAS, the PHA may also be eligible to receive a replacement Section 8 Housing Choice Voucher after the disposition of this property;

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the Public Housing Agency of the City of Saint Paul, as follows:

1. Approval is hereby granted to submit an Inventory Reduction Application to HUD seeking approval to sell the single family dwelling at 618 East Lawson Avenue; and
2. The Executive Director or his designee is authorized to execute all documents related to the application to HUD for approval to sell this property; and
3. The Executive Director or his designee is authorized to submit a request to HUD for a replacement Housing Choice Voucher, after the proposed sale is approved by HUD.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

RESOLUTION 12-11/28-2

**AUTHORIZATION TO EXECUTE SALE DOCUMENTS
FOR THE DISPOSITION OF 618 EAST LAWSON AVENUE**

WHEREAS, the Public Housing Agency of the City of Saint Paul (PHA) will submit an Inventory Reduction Application to HUD for approval to sell the dwelling unit located at 618 East Lawson Avenue; and

WHEREAS, the PHA will implement this disposition in accordance with HUD regulations; and

WHEREAS, in order to sell the property it will be necessary to execute certain instruments, including but not limited to one or more purchase agreements, deeds, and other related instruments; and

WHEREAS, Article II, Section 6 of the PHA By-Laws provides that the PHA Board of Commissioners may, in an action approving the execution of such instruments, authorize the documents to be signed by the Executive Director, or an alternate staff officer designated by the Executive Director in writing, and the Controller of the PHA;

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Public Housing Agency of the City of Saint Paul, that the Board hereby authorizes the sale of 618 East Lawson Avenue, subject to HUD approval, to be accomplished through the execution of necessary instruments and documents by the Executive Director, or his properly authorized designee, and the Controller of the PHA, and this authorization shall be effective immediately.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Amendment of PHA Medical Insurance
Amounts: Construction and
General Laborers Local 132

DATE November 28, 2012

Staff recommends Board approval of the attached Memo of Understanding between the PHA and the Construction and General Laborers Local 132 (Local 132), to increase the PHA's contribution amounts for medical insurance by 3.5% retroactive to July 1, 2012. This action affects approximately 70 employees.

The PHA is in the second year of a two-year contract with Local 132, which includes a health insurance re-opener for this second year. This 3.5% medical insurance contribution increase is the same as approved by the Board on April 25, 2012 for the Supervisory and Confidential (S&C) employee group, and on August 22, 2012 for the AFSCME employee group. The increases approved by the Board for the S&C and AFSCME employee groups were also effective July 1, 2012.

PHA CONTRIBUTION TOWARD MEDICAL INSURANCE

Blue Cross/Blue Shield increased the cost for medical insurance premiums by approximately 7.2% effective July 1, 2012. The following chart shows the current monthly amounts the PHA pays for Local 132 employees' medical insurance, and the recommended 3.5% increase in PHA contribution amounts retroactive to July 1, 2012:

| | Current PHA Share | Proposed PHA Share July 1, 2012 (3.5 % increase) |
|---|---------------------------------|---|
| Single – Basic Option | \$583 | \$625 |
| Single - Standard & Premium options | \$629 Standard \$632 Premium | \$654 |
| Single+1 - Basic, Standard and Premium options | \$994 | \$1,029 |
| Family - Basic, Standard and Premium options | \$1,134 | \$1,174 |

This would be the second year in a row that staff is recommending a 3.5% increase in the Agency’s contribution amounts. Although there was no increase to the medical premiums last July 1, the Board approved a 3.5% increase that year for the Agency’s contribution to begin “leveling off” the increases in the Agency’s medical insurance costs and to help set the stage for more moderate increases in the future. A summary of medical insurance increases dating back to 1996 is attached.

The attached chart titled “Proposed PHA Contribution Amounts for July 1, 2012” shows the amounts the Agency and Local 132 covered employees would pay under staff’s recommendation. Staff is recommending that the PHA continue to pay the full cost of medical insurance for an employee who chooses the Basic Plan with no dependents.

Consistent with the approach approved by the Board on April 28, 2008, the Agency pays the same dollar amounts regardless of the level of coverage (Basic, Standard, Premium) chosen by the employee. The cost of this recommended increase for the Agency’s contribution for the Local 132 employee group would be approximately \$25,284 for a total Agency cost of \$727,044

for Local 132 medical insurance premiums from July 1, 2012 to June 30, 2013. Medical insurance cost increases during FY 2013 were included in the Operating Budget approved by the Board on February 22, 2012.

DMM/ANH

Attachments: Proposed Memo of Understanding between Local 132 and PHA
Proposed Monthly Insurance Premium Breakdown July 1, 2012 for Local 132
Proposed PHA Contribution Amounts for July 1, 2012
Summary of Health Insurance Increases: 1996-2012

MEMO OF UNDERSTANDING

BETWEEN LOCAL 132 AND THE PUBLIC HOUSING AGENCY OF THE CITY OF ST. PAUL

The parties agree to the PHA contribution dollar amounts for Health Insurance stated on the attached "Monthly Insurance Premium Breakdown" sheet dated July 1, 2012.

This increase is effective July 1, 2012.

**FOR THE PUBLIC HOUSING AGENCY
THE CITY OF SAINT PAUL**

**FOR THE CONSTRUCTION AND
GENERAL LABORERS LOCAL 132**

Jon Gutzmann, Executive Director

Gary Reed, Business Manager

Hank Petro, Maintenance Director

Tom Fox, Business Agent

Mike McMurray,
Human Resources Director

Dated this _____ day of
_____, 2012

Dated this _____ day of
_____, 2012

PROPOSED MONTHLY INSURANCE PREMIUM BREAKDOWN

July 1, 2012

LOCAL 132

MEDICAL

| LOCAL 132 employees (30+ hrs/week) | Basic | Standard | Premium |
|---|---------------|---------------|---------------|
| <u>Single</u> | | | |
| Cost | 625.00 | 674.50 | 710.00 |
| PHA contribution | 625.00 | 654.00 | 654.00 |
| Employee Pays | 0.00 | 20.50 | 56.00 |
| <u>Single+1</u> | | | |
| Cost | 1,212.00 | 1,309.00 | 1,376.50 |
| PHA contribution | 1,029.00 | 1,029.00 | 1,029.00 |
| Employee Pays | 183.00 | 280.00 | 347.50 |
| <u>Family</u> | | | |
| Cost | 1,623.50 | 1,754.50 | 1,845.50 |
| PHA contribution | 1,174.00 | 1,174.00 | 1,174.00 |
| Employee Pays | 449.50 | 580.50 | 671.50 |

MEDICAL

| LOCAL 132 employees (20-29 hrs/week) | Basic | Standard | Premium |
|---|---------------|---------------|---------------|
| <u>Single</u> | | | |
| Cost | 625.00 | 674.50 | 710.00 |
| PHA contribution | 468.76 | 490.50 | 490.50 |
| Employee Pays | 156.24 | 184.00 | 219.50 |
| <u>Single+1</u> | | | |
| Cost | 1,212.00 | 1,309.00 | 1,376.50 |
| PHA contribution | 771.76 | 771.76 | 771.76 |
| Employee Pays | 440.24 | 537.24 | 604.74 |
| <u>Family</u> | | | |
| Cost | 1,623.50 | 1,754.50 | 1,845.50 |
| PHA contribution | 880.50 | 880.50 | 880.50 |
| Employee Pays | 743.00 | 874.00 | 965.00 |

PROPOSED LOCAL 132 ONLY

**PHA CONTRIBUTION AMOUNTS FOR JULY 1, 2012
MONTHLY HEALTH INSURANCE PREMIUM BREAKDOWN**

Employees who work 30+ hours / week

| BASIC PLAN | SINGLE | | SINGLE + 1 | | FAMILY | |
|-------------------|------------------|------------------|-------------------|--------------------|-------------------|-------------------|
| | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 |
| Total Cost | \$ 583.00 | \$ 625.00 | \$1,130.50 | \$ 1,212.00 | \$1,514.50 | \$1,623.50 |
| PHA Pays | \$ 583.00 | \$ 625.00 | \$ 994.00 | \$ 1,029.00 | \$1,134.00 | \$1,174.00 |
| Employee Pays | \$ - | \$ - | \$ 136.50 | \$ 183.00 | \$ 380.50 | \$ 449.50 |

| STANDARD PLAN | SINGLE | | SINGLE + 1 | | FAMILY | |
|-------------------|------------------|------------------|-------------------|--------------------|-------------------|-------------------|
| | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 |
| Total Cost | \$ 629.00 | \$ 674.50 | \$1,221.00 | \$ 1,309.00 | \$1,636.50 | \$1,754.50 |
| PHA Pays | \$ 629.00 | \$ 654.00 | \$ 994.00 | \$ 1,029.00 | \$1,134.00 | \$1,174.00 |
| Employee Pays | \$ - | \$ 20.50 | \$ 227.00 | \$ 280.00 | \$ 502.50 | \$ 580.50 |

| PREMIUM PLAN | SINGLE | | SINGLE + 1 | | FAMILY | |
|-------------------|------------------|------------------|-------------------|--------------------|-------------------|-------------------|
| | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 |
| Total Cost | \$ 662.50 | \$ 710.00 | \$1,284.00 | \$ 1,376.50 | \$1,721.50 | \$1,845.50 |
| PHA Pays | \$ 632.00 | \$ 654.00 | \$ 994.00 | \$ 1,029.00 | \$1,134.00 | \$1,174.00 |
| Employee Pays | \$ 30.50 | \$ 56.00 | \$ 290.00 | \$ 347.50 | \$ 587.50 | \$ 671.50 |

Employees who work 20 – 29 hours / week

| BASIC PLAN | SINGLE | | SINGLE + 1 | | FAMILY | |
|-------------------|------------------|------------------|-------------------|--------------------|-------------------|-------------------|
| | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 |
| Total Cost | \$ 583.00 | \$ 625.00 | \$1,130.50 | \$ 1,212.00 | \$1,514.50 | \$1,623.50 |
| PHA Pays | \$ 437.26 | \$ 468.76 | \$ 745.50 | \$ 771.76 | \$ 850.50 | \$ 880.50 |
| Employee Pays | \$ 145.74 | \$ 156.24 | \$ 385.00 | \$ 440.24 | \$ 664.00 | \$ 743.00 |

| STANDARD PLAN | SINGLE | | SINGLE + 1 | | FAMILY | |
|-------------------|------------------|------------------|-------------------|--------------------|-------------------|-------------------|
| | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 |
| Total Cost | \$ 629.00 | \$ 674.50 | \$1,221.00 | \$ 1,309.00 | \$1,636.50 | \$1,754.50 |
| PHA Pays | \$ 471.76 | \$ 490.50 | \$ 745.50 | \$ 771.76 | \$ 850.50 | \$ 880.50 |
| Employee Pays | \$ 157.24 | \$ 184.00 | \$ 475.50 | \$ 537.24 | \$ 786.00 | \$ 874.00 |

| PREMIUM PLAN | SINGLE | | SINGLE + 1 | | FAMILY | |
|-------------------|------------------|------------------|-------------------|--------------------|-------------------|-------------------|
| | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 |
| Total Cost | \$ 662.50 | \$ 710.00 | \$1,284.00 | \$ 1,376.50 | \$1,721.50 | \$1,845.50 |
| PHA Pays | \$ 474.00 | \$ 490.50 | \$ 745.50 | \$ 771.76 | \$ 850.50 | \$ 880.50 |
| Employee Pays | \$ 188.50 | \$ 219.50 | \$ 538.50 | \$ 604.74 | \$ 871.00 | \$ 965.00 |

HEALTH INSURANCE INCREASES

| YEAR | PREMIUM INCREASE | PHA INCREASE | EMPLOYEE INCREASE |
|--|--------------------|-----------------------|---|
| 2012 | 7.2% | 3.5% | Varies by option and type |
| 2011 | 0% | 3.5% | <3.5%> |
| 2010 | 9% | 9% | 9% |
| 2009 | 13% | 12% | 14% |
| 2008 | 7% | 2.5% | Varies by option |
| 2007 | 7.5% | 7.5% | 7.5% |
| 2006 | 7.13% | 7.13% | 7.13% |
| 2005 | 0% | 0% | 0% |
| 2004 | 5.27% | 4.99% | 6.41% (\$330/60% dependent coverage) |
| 2003 | 9.71% | 5.82% | 28.06% (\$315/60% dependent coverage) |
| 2002 | 8.2% | 8.2% | (\$315/60% dependent coverage) |
| 2001 | 15.4% | 15.4% | (\$295/60% dependent coverage) |
| 2000 | 24.33% | 24.33% | (\$255/60% dependent coverage) |
| 1999 | 20% | 20% | (\$245/60% dependent coverage) |
| 1998 | 5.12% | 5.12% | (\$225/60% dependent coverage) |
| 1997 | 9.9% | 9.9% | (\$215/60% dependent coverage) |
| 1996 | 6% | 6% | (\$215/60% dependent coverage) |
| Average of 17 years: 1996 – 2012 | 154.76 / 17 = 9.1% | 144.89 / 17 = 8.5% | |

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Property Insurance Policy Renewal

DATE November 28, 2012

Staff requests Board approval to renew the PHA's property insurance for one year effective December 1, 2012 with the Housing Authority Insurance Group (HAI) at an estimated annual premium of \$480,961 on an insurable property value of \$599,189,079. The estimated premium is slightly lower than last year's actual premium of \$483,333 (down \$2,372 or 0.49%). The insurable value is also down slightly from \$600,399,010 last year, due primarily to an adjustment for one property that HAI had significantly overvalued.

HAI insures the PHA's property through its subsidiary company, Housing Authority Property Insurance. Important factors in the coverage remain the same, including:

- A \$25,000 deductible;
- No blanket coverage, replacement cost will be subject to values on file with HAI;
- Exclusion for mold and fungi;
- Exclusion for any Acts of Terrorism.

As a capital member of the Housing Authority Risk Retention Group (HARRG) and Housing Authority Property Insurance the PHA receives dividend distributions, as shown below:

| PHA FISCAL YEAR | HARRG DIVIDEND |
|------------------------|-----------------------|
| FY 2007 | \$68,882 |
| FY 2008 | \$164,479 |
| FY 2009 | \$43,758 |
| FY 2010 | \$172,011 |
| FY 2011 | \$136,216 |
| FY 2012 | \$151,863 |
| FY 2013 YTD | \$75,763 |
| TOTAL | \$812,972 |

Sufficient funds will be budgeted for this expense in the FY 2013 Operating Budget.

HMG/RPM

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Section 8 Preservation Vouchers;
Como Place Apartments

DATE November 28, 2012

Staff requests Board approval of Resolution No. 12-11/28-4 to accept and administer 21 Section 8 Preservation Vouchers (Tenant Protection Vouchers) for the Como Place Apartments in Saint Paul. This would add 21 new vouchers under the PHA's Section 8 Housing Choice Voucher program, although initially they would be used by the current eligible residents of the property. The local HUD office has asked that the PHA administer these vouchers (request attached).

The PHA most recently accepted 146 preservation vouchers for Shamrock Court Apartments, as approved by the Board on August 24, 2011. In this way the PHA helps low-income residents keep their affordable housing and the Agency expands its pool of Housing Choice Vouchers.

The Como Place Apartments are located at 195 Edmund Avenue in Saint Paul, near the intersection with Marion Street (map attached). The 21 units have been assisted under a HUD-held Section 8 contract and are currently occupied. The building's owner advised HUD that it intends to opt-out of the Section 8 contract on March 31, 2012. Assuming that HUD has sufficient funding available, the PHA would be awarded the 21 preservation vouchers effective as of that date. Staff would need to review each resident's eligibility for Section 8 and inspect each unit before that date.

Preservation vouchers function the same as other Housing Choice Vouchers except that they provide “enhanced payment standards” (which may be higher than the PHA’s regular payment standards) to the residents until they move out. A tenant can move with the voucher, and then the regular Housing Choice Voucher payment standards apply.

The PHA has accepted preservation vouchers in the past for the following developments:

| Name | Address | Date | Number of Units |
|---------------------------|---------------------------------|---------------|-----------------|
| Skyline Towers | 1247 St. Anthony Avenue | February 2000 | 58 |
| Hampden Square Apartments | 2333 Long Avenue | February 2000 | 86 |
| Rockwood Place Apartments | 2259 Rockwood Avenue | October 2000 | 59 |
| Carey Apartments | 1086 Iglehart Avenue | January 2002 | 11 |
| Lari Apartments | 623 Laurel Avenue | April 2003 | 17 |
| Sibley Tower | 195 5 th Street East | December 2005 | 27 |
| Kendrick Apartments | 1351 Carling Drive | February 2010 | 29 |
| Afton View Apartments | 365 S. Winthrop Street | June 2011 | 18 |
| Marshall Ave. Townhomes | 708-730 Marshall Avenue | June 2011 | 12 |
| Shamrock Court Apartments | 2236 Lower Afton Road East | August 2011 | 146 |
| | | TOTAL | 463 |

The PHA’s Section 8 Voucher Program now includes 4470 vouchers (Housing Choice Vouchers, Family Unification Program Vouchers, Mainstream/Disability Vouchers and VASH vouchers for homeless veterans) plus 81 Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) units at Mary Hall and Booth Brown House Foyer, for a total of 4551 subsidies. Adding these 21 preservation vouchers for the Como Place Apartments would bring the total to 4491 vouchers and 4572 units overall, including the 81 Mod Rehab SRO vouchers.

Because of the continuing uncertainty about cuts in the federal budget for “domestic discretionary budget” programs like Section 8 and public housing, staff carefully considers each opportunity to add vouchers before recommending acceptance. Every addition of a block of vouchers does add to the staff workload, although this infusion of 21 vouchers would have less impact than a large project like Shamrock Court’s 146 vouchers. Staff believes the current staffing (including the long-term temporary position in the current year’s budget) will be sufficient to administer the additional vouchers over the near term; and staff may recommend making the temporary position permanent in the next budget. The added administrative fees from these vouchers will help the Section 8 budget. At the current 80% proration of administrative fees, 21 vouchers under lease for a year would earn the Agency about \$14,000. The PHA would also receive \$200 per unit as a one-time special administrative fee totaling \$4200.

Accepting these preservation vouchers for Como Place Apartments would further the Agency’s mission and goals.

FAH/DJM

Attachments: Resolution
HUD Letter Dated November 6, 2012
Map

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

RESOLUTION NO. 12-11/28-4

**EXECUTION OF ANNUAL CONTRIBUTIONS CONTRACT
FOR 21 NEW PRESERVATION VOUCHERS UNDER THE
SECTION 8 HOUSING CHOICE VOUCHER PROGRAM;
COMO PLACE APARTMENTS**

WHEREAS, the Public Housing Agency of the City of Saint Paul (PHA) has undertaken the provision of decent, safe and sanitary housing for families pursuant to Section 8 of the United States Housing Act of 1937, as amended (42 USC 1437, et seq.); and

WHEREAS, the PHA currently administers a Section 8 Housing Choice Voucher Program in the total of 4470 units and a Section 8 Moderate Rehabilitation Program Single Room Occupancy in the total of 81 units; and

WHEREAS, the United States Department of Housing and Urban Development (HUD) has requested that the PHA administer 21 Preservation Vouchers for Como Place Apartments, located at 195 Edmund Avenue in Saint Paul; and

WHEREAS, the PHA desires to assist the residents at Como Place Apartments and HUD in preserving affordability in this manner;

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the PHA that the PHA staff is authorized and directed to execute all necessary budgets, contracts (including an Annual Contributions Contract) and other documents that may be necessary for HUD approval and implementation of this action.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING PPL West 7th Housing/Fort Road Flats;
Revision 2 to HUD-Approved
“Shelter Plus Care” Program;
Convert Sponsor-Based Housing Assistance
To Project-Based Assistance

DATE November 28, 2012

Staff requests Board approval for a second revision to a HUD grant-funded “Shelter Plus Care” program with Project for Pride in Living, Inc. (“PPL”), to attach those eight unit subsidies as “Project-Based Assistance” to the new “Fort Road Flats” project (originally approved as “PPL West 7th Housing”). Although the grant was originally approved as project-based assistance for that development, the subsidies have been used (with PHA and HUD approval) as “Sponsor-Based Assistance” to assist tenants at other PPL properties during the City approval and construction phases of Fort Road Flats. PPL expects the first tenants will be able to move into the new units in December 2012. The attached map shows the project’s location.

The Board originally approved the PHA’s participation in this Shelter Plus Care application on September 24, 2008, for PPL to provide supportive housing for homeless families in eight units of the planned 48-unit development. A copy of that Board report attached. HUD approved a five-year grant totaling \$460,800. Due to delays in securing the required City approvals for the project, PPL asked to convert the grant to sponsor-based rental assistance so they could use the subsidies to support eligible families at other PPL sites until the new development was completed. The Board approved that request on March 24, 2010 (copy of report attached) and HUD also approved the conversion.

As explained in the attached letter dated October 8, 2012, PPL has asked the PHA and HUD to convert the grant back to project-based assistance. PPL staff have explained the conversion is needed to assure the project's investors that the Shelter Plus Care subsidies will remain with the building, guaranteeing a revenue source that will help the project remain viable. HUD staff have indicated they will approve a formal request by the PHA (as the grantee) to amend the grant agreement as PPL requested.

Fort Road Flats will also receive rent subsidies for eight project-based voucher (PBV) units that the Board approved on November 28, 2008. The PBV subsidies can begin as soon as all of the units pass the required Housing Quality Standards/HQS inspection and the Housing Assistance Payments contract is signed.

FAH/DJM

Attachments: October 8, 2012 Letter from PPL to PHA and HUD
March 24, 2010 Board Report
September 24, 2008 Board Report
Map