

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING High-Efficiency Toilet Installations
At Hamline Hi-Rise
AMP 2; Contract No. 13-059

DATE February 27, 2013

Staff requests Board approval to award a contract to install 196 new high-efficiency toilets at Hamline Hi-Rise (AMP 2) to the lowest responsible bidder, Northland Mechanical Contractors, Inc., of New Hope, Minnesota for the base bid amount of \$113,965 and the unit price shown on the attached February 14, 2013 bid tabulation.

This contract includes removing all toilets in the apartments and public restrooms and replacing them with new high-efficiency toilets. The new fixtures may lower the PHA's water consumption at this building by up to 1.6 million gallons annually (an 80% savings when compared to the existing toilets' water consumption), based on EPA estimates. At current rates for water and sewer service, that would save approximately \$12,500 in the PHA's annual operating budget in the first year. The savings to the PHA would decline to zero over the next three years, due to HUD's "rolling base" utility cost factor in the operating subsidy formula.

Replacing the toilets will also save some Maintenance staff time that is now spent on replacing parts in old fixtures, both during preventive maintenance inspections and on work order calls when the parts fail. The new toilets should be almost maintenance-free for the first few years at least.

Northland Mechanical has previously performed satisfactory work for the PHA. Copies of the Employer Information Reports for Northland and the second low bidder, Jim Murr Plumbing, are attached.

Northland plans to acquire the new toilets and related materials, approximately 58% of the cost of the work, from a woman-owned business enterprise (WBE). Northland also intends to hire 30% of the new employees for this contract from qualified Section 3 residents.

Northland's bid is equal to staff's estimate for the work, and there are sufficient funds available in the Capital Fund Program budget for this contract.

TDA

Attachments: Bid Tabulation
EEO-1 Forms

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Printing Services for
Various PHA Sites
Contract No. 13-061

DATE February 27, 2013

Staff requests Board approval to award a two-year contract for furnishing printing services for various PHA sites to Sir Speedy Printing, Fridley, MN. A copy of the tabulation of bids opened on February 19, 2013 is attached. The low bidder was determined by totaling weighted unit bid prices, using a formula based on past experience on similar printing service contracts. Using this method, Sir Speedy Printing's bid totaled \$46,912 and the second low bid submitted by Design Press totaled \$52,591.

This contract will be used on an as-needed basis for a variety of services such as offset printing, photocopying, letterhead paper, and business cards.

Sir Speedy Printing has performed satisfactorily on previous PHA printing contracts. Employer Information Reports for Sir Speedy Printing and the second low bidder, Design Press, are attached. Because this is a unit-price contract, it is not subject to the Section 3 Policy's requirement for contributing to the PHA's Section 3 Training Fund.

Approximately \$50,000 to \$60,000 will be spent during each year of this contract. There are sufficient funds in the Operating Budget for this contract.

JPR

Attachments: Bid Tabulation
EEO-1 Forms

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING ACOP Budget and
Contract for FY 2014;
ACOP Year 23

DATE February 27, 2013

Staff requests Board approval to contract with the City of Saint Paul, through its Police Department (SPPD) for Year 23 of community policing services under ACOP (A Community Outreach Program) beginning April 1, 2013, and continuing until March 31, 2014, based on the attached proposed budget and contract. Under the one-year contract the PHA will pay SPPD a total of \$526,718. This is a \$13,632 increase (2.8%) from FY 2013. In addition to this, the PHA will pay \$1,500 for related supplies and miscellaneous expenses. The PHA agrees to pay the salaries for six officers and two Community Liaison Officers (CLOs). The City agrees to pay the salaries for the police sergeant and three officers; and the benefits for the sergeant, all nine officers, and two CLOs; and to provide squad cars and other equipment for use by the ACOP unit. With the Board's approval, the contract will be sent to the City Council for their approval.

The last ACOP contract was approved by the Board on March 23, 2011, and was intended to run through FY 2012. However, due to protracted negotiations over the contract terms for a renewal contract, the parties only recently reached agreement in February 2013. Both the PHA and the SPPD requested that some provisions be revised, added or deleted; and in the end both parties agreed to some compromises. Attached is the letter dated January 17, 2013 from Chief Smith and our February 20, 2013 letter to the Chief. During the long negotiation period the SPPD has

continued to provide services and the PHA has continued to make payments for those services as allowed under the terms of the previous contract.

There were several draft versions of the FY2013 ACOP contract exchanged with the SPPD. As staff reported to the Board in March 2012, three areas of special concern were:

1. The PHA wanted to continue receiving timely electronic public data from the Police Department's incident address reports ("calls for service" reports) for PHA properties, including complete public address and related public data. Staff emphasized that, to manage our properties effectively, the PHA needs that information and also additional (public) information regarding specific addresses after reviewing the incident reports.
2. The PHA authorizes SPPD to remove unauthorized visitors on PHA property to the extent they are involved in criminal activity, and we need SPPD's cooperation to do so. This includes persons violating trespass orders lawfully issued by the PHA.
3. The PHA asked SPPD to establish a clearly defined process for prompt and regular reporting to the PHA staff felony, gross misdemeanor, and misdemeanor criminal activities involving PHA residents and/or occurring on PHA property. The PHA requested public data about PHA residents when they commit a crime on or off the property.

Although these issues were covered to staff's satisfaction in the last active contract between PHA and SPPD (contract FY 2012), the SPPD asked that they be removed from the renewal contract.

In the final agreement the SPPD committed to continue these services.

ACOP is a community policing partnership program involving the City of Saint Paul, the Saint Paul Police Department, the PHA and public housing residents. The goals of the program are to improve the social conditions which foster drug use and abuse at the public housing sites, improve the level of trust and general relations between the residents and the Saint Paul Police Department, improve the delivery of police services to the community, and empower residents to be active in community safety issues. The main ACOP office is in the McDonough Community Center.

ACOP began in 1991 with a special HUD grant under the Public Housing Drug Elimination Program (PHDEP). The PHA received PHDEP grants almost every year until 2002, when Congress stopped providing special funding for the program. At the time HUD officials said that PHA's could continue PHDEP-funded programs in their budgets, but neither HUD nor Congress provided any more money in operating subsidies. At the urging of staff and residents, the PHA Board committed to keep funding ACOP at a reduced level after the PHDEP grants ended.

The ACOP officers provide invaluable services to the PHA and its residents. ACOP officers primarily serve the PHA's four family sites (McDonough, Roosevelt, Mt. Airy and Dunedin) and sixteen hi-rises. The ACOP officers respond to emergencies and reports of suspicious behaviors, intruders and criminal activity; provide consistent monitoring and resolution of conflict between residents, especially youth; mentor and serve as role models for youth; and respond to special circumstances.

Sufficient funds are recommended for approval in the Operating Budget for this contract.

JMG/MW/KNG/FAH

Attachment: Proposed Contract
FY 2014 Budget and Comparison
January 17, 2013 Letter from Chief Smith
February 20, 2013 Letter to Chief Smith

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Admissions & Occupancy Policies for Public Housing and Section 8; “Temporary Compliance Assistance”; Income and Asset Verifications; Revised Definitions; Excluded Income; Section 8 Housing Quality Standards (HQS) Inspections and Exception Payment Standards

DATE February 27, 2013

Staff recommends Board approval of Resolution No. 13-2/27-1 to revise the Admission and Occupancy (A&O) Policies for both the Public Housing and Section 8 Housing Choice Voucher Programs as described below, to take advantage of a recent HUD notice that temporarily relaxes some of the requirements for administering the two programs. The notice titled “Temporary Compliance Assistance” (PIH 2013-03, copy attached) is effective until March 31, 2014. Staff is recommending that the revised policies take effect for new families admitted to public housing or Section 8 and for annual eligibility recertifications that are effective on or after April 1, 2013. Staff is also recommending other policy updates to comply with recent changes in HUD rules and guidance.

Staff is recommending that the PHA make all of the options in the HUD notice available to staff, to simplify administrative tasks whenever possible. Each provision is summarized here and explained further below.

1. Use participants’ actual past income as shown in HUD’s online Enterprise Income Verification system (EIV) to determine rents, to the greatest extent possible, rather verifying current income and projecting future income to set rents.
2. Allow households to self-report as to having assets worth \$5,000 or less, and to self-report the income from such assets.

3. Allow “streamlined annual reexaminations” for elderly families and disabled families on fixed incomes.
4. Allow a Section 8 payment standard of not more than 120 percent of the fair market rent (FMR) without HUD approval, as a reasonable accommodation for a household with one or members who has a disability.

Staff is also recommending the following changes that are not related to the current HUD notice:

1. Revise the definitions of “Family” and related terms, as required by a HUD rule change. The new HUD definition states, “‘Family’ includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status: A single person ...; a group of persons living together”
2. Revise the list of income types that are excluded by various statutes from the definition of “annual income” for the purpose of calculating tenant rents, to comply with a recent HUD notice;
3. For Section 8 annual and interim HQS inspections, authorize staff to approve a unit without a physical reinspection if the property owner certifies and provides documentation to demonstrate that cited non-life-threatening deficiencies have been corrected. This is permitted by a prior HUD notice and staff believes it is consistent with the current notice on simplifying administrative procedures.

The exact text of each recommended policy revision is attached, with deletions ~~interlined~~ and new language double-underlined. Here is an explanation of each recommendation:

A. PIH 2013-03, Temporary Compliance Assistance

1. Use participants’ actual past income in verifying income, to set future rents.

The HUD Notice provides PHAs with the option of determining annual income based on past actual income received or earned in the most recent 12 months shown in HUD’s Enterprise Income Verification (EIV) system.

“For the purpose of verifying income reported in [EIV], PHAs that choose to use actual past income must use the most recent 12 months of income information available in EIV. Because this EIV report will give actual earnings data verified by a third party, the program participant is no longer required to provide third party documentation (e.g., paystubs, payroll summary report, unemployment monetary benefit notice).

“If there has been a change in circumstances for a tenant, or a tenant disputes the EIV-reported income information and is unable to provide acceptable documentation to resolve the dispute, the PHA must request written third-party verification. For example, if a program participant lost his/her job, changed jobs, or reduced their hours in the

months subsequent to the time period covered in EIV, the PHA must use, at the participant's request, the more recent income information verified by participant provided third-party documentation (e.g., paystubs, payroll summary report, unemployment monetary benefit notice) or through written third-party verification, which reflects the new or current work circumstance.”

2. Allow households to self-certify as to having assets of less than \$5,000.

The Notice explains this option as follows:

“This Notice allows a PHA to accept a family’s declaration of the amount of assets of less than \$5,000, and the amount of income expected to be received from those assets. The PHA’s application and reexamination documentation, which is signed by all adult family members, can serve as the declaration. Where the family has net family assets equal to or less than \$5,000, the [PHA] does not need to request supporting documentation (e.g. bank statements) from the family to confirm the assets or the amount of income expected to be received from those assets. Where the family has net family assets in excess of \$5,000, the PHA must obtain supporting documentation (e.g. bank statements) from the family to confirm the assets. Any assets will continue to be reported on HUD Form 50058.”

The PHA’s latest quarterly data reports confirm that relatively few public housing residents and Section 8 voucher participants have any significant income from assets.

- In public housing 619 households (15%) had income from assets, averaging \$250 annually.
- In Section 8 286 households (7%) had income from assets, averaging \$186 annually.

3. Allow optional streamlined annual reexaminations for elderly families and disabled families on fixed incomes.

The Notice explains this option as follows:

“PHAs may opt to conduct a streamlined reexamination of income for elderly families and disabled families when 100 percent of the family’s income consists of fixed income. In a streamlined reexamination, PHAs will recalculate family incomes by applying any published cost of living adjustments to the previously verified income amount.

“For purposes of this notice, the term ‘fixed income’ includes income from:

“1. Social Security payments to include Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);

“2. Federal, State, local, and private pension plans; and

“3. Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic receipts that are of substantially the same amounts from year to year.”

4. Allow a payment standard of not more than 120 percent of the fair market rent (FMR) without HUD approval as a reasonable accommodation.

The Notice explains this option as follows:

“Under this provision, PHAs may approve a payment standard of not more than 120 percent of the FMR without HUD approval if required as a reasonable accommodation for a family that includes a person with disabilities. ...

“For any voucher unit assisted under the program, PHAs must perform a rent reasonableness determination Therefore, PHAs who utilize this provision must maintain documentation that the PHA performed the required rent reasonableness analysis. In addition, the PHA must maintain documentation that that the unit has the feature(s) required to meet the needs of the person with disabilities.”

Staff believes this provision can help expedite approval of a higher-cost unit requested by a Section 8 participant who has a disability, and who requires a particular location (for example, near employment or required services) and/or particular features (for example, an ADA-accessible unit) that can only be satisfied by a unit that rents for 110-120% of the FMR. Prior to this HUD notice, staff had to request special approval for the higher rent in such situations.

B. Other Policy Revisions

- 1. Definitions.** In 2012 HUD published a Final Rule on “Equal Access to Housing in HUD Programs – Regardless of Sexual Orientation or Gender Identity” that revised the definition of “Family” and related terms in housing programs. The HUD definition now states,

“‘Family’ includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status: A single person ...; a group of persons living together ...”

The PHA’s practice for many years has been consistent with the new HUD definition. The recommended language change simply acknowledges the new rule and incorporates HUD’s definitions of “sexual orientation” and “gender identity”.

Staff is also recommending minor revisions to the policies’ definitions of “disabled family” and “elderly family”, to mirror the language in HUD’s new rule.

- 2. Federally-Mandated Exclusions from Income.** On December 14, 2012 HUD published a corrected notice of types of income that must be excluded from determining annual income and tenant rents in Public Housing and Section 8 under various federal statutes. Staff is recommending revising the list of excluded income types in the policies accordingly. Some categories of excluded income are new; a few entries on the previous list were deleted; and some statutory citations have changed. Some common types of excluded income are the value of Food Stamps (now Supplemental Nutrition Assistance Program, or “SNAP”) and Earned Income Tax Credit refunds.

3. For Section 8 inspections, authorize staff to approve a unit without a physical reinspection if the property owner certifies and provides documentation to demonstrate that cited non-life-threatening deficiencies have been corrected. This is permitted by the HUD notice quoted below and staff believes it is consistent with the current notice on simplifying administrative procedures.

HUD Notice PIH 2011-29 stated in part:

“This section provides clarification regarding the need to conduct a follow-up inspection for tenant based voucher units after a failed annual or interim inspection.

“If the PHA determined from the inspection that the unit did not meet the HQS requirements, the PHA may allow the unit to pass upon verification that the HQS deficiency has been corrected. The regulation at 982.404(a)(3) states that the PHA "verifies" HQS repairs. The PHA may elect to do a reinspection to comply with 982.404(a)(3) to verify that all HQS deficiencies have been corrected. However, a reinspection is not necessary if the PHA can obtain verification through other means. For example, a PHA might accept an owner's certification that required repairs were completed and then verify that action at the next on-site inspection. Further, a PHA might tie the verification process to the severity of corrections needed and/or its experience with the owner and property. PHAs should include in the PHA's Administrative Plan how the PHA will verify the correction of HQS deficiencies.

“In the case of initial inspections, the PHA is required to conduct a follow-up inspection if the unit does not pass HQS pursuant to the initial inspection. Additionally, in the case of project based vouchers, the PHA is required to conduct follow-up inspections to determine if the HQS deficiency is corrected pursuant to 24 CFR 983.103(e)(2).” _
(underlining added)

Following this guidance, staff is recommending the following addition to the Section 8 Policies:

I. LEASING A UNIT

- | | |
|---|----------------------|
| G. Housing Quality Standards (HQS) Inspection: If unit information on the Request for Lease Approval meets general program requirements, the PHA will inspect the unit to determine if it meets HQS. | §982.305
§982.401 |
|---|----------------------|
1. If the unit passes the initial inspection, the PHA will notify the applicant or participant.
 2. If the unit fails the HQS inspection, the PHA will notify the owner and applicant or participant with a letter citing the HQS deficiencies.
 - a. If the owner makes necessary repairs, they must notify the PHA to request a follow-up inspection.
 - b. If the unit passes the follow-up inspection, the PHA will notify the applicant or participant. For all initial inspections of units that were not previously assisted, a physical reinspection is required to verify that all cited HQS deficiencies have been corrected.

- c. For project based vouchers (PBV), the PHA is required to conduct follow-up inspections to confirm that the HQS deficiency is corrected.
- d. When only non-life-threatening HQS deficiencies have been cited in an annual or interim inspection of a unit, the PHA may approve the unit without physically reinspecting the unit, if the owner certifies that the deficiencies have been corrected and provides documentation that is satisfactory to the PHA. The PHA may consider the following factors in making that determination:
 - i. Whether the property received an “A” rating on its most recent Fire Certificate of Occupancy;
 - ii. Whether the owner has cooperated with PHA inspectors in the past by promptly repairing HQS deficiencies before reinspections;
 - iii. The quality of the documentation provided by the owner; and
 - iv. Other factors that demonstrate the owner’s ability and willingness to make timely repairs.
- e. If the owner is unwilling or unable to make necessary repairs, the applicant or participant must find a different unit in order to receive Section 8 assistance.

24 CFR
983.103(e)(2)

PIH 2011-29

...

With the Board’s approval, staff will notify HUD staff in Washington and Minneapolis by email that we are adopting the temporary options by amending our Admissions & Occupancy Policies for Public Housing and Section 8. Staff does not consider these changes to be sufficiently significant as to require convening the Resident Advisory Board, soliciting public comment and holding a public hearing to amend the policies. Staff will send a notice of the pending changes to all residents and to the Resident Advisory Board and allow a comment period.

FAH

Attachment: Resolution No. 13-2/27-1
HUD Notice PIH 2013-03, E-mailed January 23, 2013 from HUD
January 23, 2013 NAHRO E-mail
Admission & Occupancy Policy Revisions
Public Housing: Parts 1 and 6, Appendix A
Section 8: Parts 1, 4 and 6; Appendix A

SAINT PAUL PUBLIC HOUSING AGENCY

RESOLUTION NO. 13-2/27-1

**AMENDING THE ADMISSION AND OCCUPANCY POLICIES FOR THE
PUBLIC HOUSING PROGRAM AND FOR THE
SECTION 8 HOUSING CHOICE VOUCHER PROGRAM;
“TEMPORARY COMPLIANCE ASSISTANCE”;
REVISED DEFINITIONS; HOUSING QUALITY STANDARDS INSPECTIONS**

WHEREAS, the Public Housing Agency of the City of Saint Paul (PHA) has in effect Admission and Occupancy Policies for the Public Housing Program and also Admission and Occupancy Policies for the Section 8 Housing Choice Voucher Program; and

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) issued a Notice designated PIH 2013-03, allowing housing agencies to temporarily relax some of the procedures for administering the public housing and Section 8 programs, specifically requirements for verifying income and assets, and for allowing higher rent in Section 8 as a reasonable accommodation for a person with a disability; and

WHEREAS, the HUD Notice further directs housing agencies that wish to utilize these temporary provisions to amend their policies accordingly; and

WHEREAS, staff has recommended revising the Admission and Occupancy Policies for both programs as allowed by HUD Notice PIH 2013-03 to reduce the administrative burden of managing the programs, which is especially needed in this time of reduced funding; and

WHEREAS, staff has also recommended revising the definitions of certain terms stated in the policies, and updating the list of statutorily excluded income sources, to conform to current HUD notices and regulations; and

WHEREAS, the Board finds that the recommended policy revisions are necessary and appropriate to the administration of the Public Housing Program and the Section 8 Housing Choice Voucher Program;

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the PHA as follows:

1. The Admission and Occupancy Policies for the Public Housing Program and for the Section 8 Housing Choice Voucher Program are revised as shown on the attachments, to conform to current HUD notices and regulations;
2. The new procedures will take effect for new families admitted to public housing or Section 8 and for annual eligibility recertifications that are effective on or after April 1, 2013.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Revision to PHA Organizational Chart:
Director of Resident Initiatives

DATE February 27, 2013

Staff recommends Board approval to revise the PHA's Organizational Chart (see attached) to add a new position of Director of Resident Initiatives, reporting to the Executive Director. This proposed position would be 20 hours per week, which is 0.5 of a full time equivalent (FTE). It would be budget neutral in terms of FTE's, since it would replace a current 0.5 FTE position, and generally budget neutral in terms of costs. (Some line items would shift from other departments.)

The Resident Initiatives Department Director will help achieve Agency Goal #8 Fair Housing and Goal #9 Linking Residents to Community Services by strengthening the PHA's role and participation in all contracts, grants, partnerships and programs that promote supportive services, and resident economic development and self-sufficiency. Only the Section 3 program would remain separate, administered by the Equal Opportunity and Diversity Department and the Maintenance Department.

Currently different departments each play a role in administering a variety of programs that provide supportive services to residents, including the following:

- The AmeriCorps Community Technology Empowerment Project (CTEP) Program promotes digital literacy in low-income populations.
- The Metropolitan State Nursing Program provides health services to hi-rise residents such as blood-pressure and foot care clinics.
- The public housing Family Self-Sufficiency Program helps residents attain self-sufficiency through employment and job skills training.
- The Step-Up Program provides construction apprenticeships to residents.

The Resident Initiatives Department will coordinate and oversee these current programs and implement two new goals: 1) Identifying sustainable partnerships that encourage resident economic development and self-sufficiency; and 2) Identifying and seeking funding opportunities for supportive service implementation. Staff believe that the new Department's focus on collaboration and funding for resident initiatives will help ensure that the PHA and resident leadership are in a position to take advantage of future grant opportunities and partnerships.

The Resident Initiatives Department will also evaluate the PHA's participation in current supportive services programming and determine where programming might be expanded based on need and available resources. In addition to overseeing the four programs listed above, the Resident Initiatives Department will also assume responsibility for:

- The PHA's participation in the Statewide Health Improvement Program (SHIP)
- Contract administration of the Resident Opportunities and Self-Sufficiency (ROSS) grant awarded to City-wide and Presidents Council
- All youth program workers assigned to the family developments, and
- Other related programs.

The department will also rely heavily on ongoing and new partnerships with local and nationally based organizations to maintain and/or improve supportive service programs. The PHA has currently established partnerships with the following organizations:

- Metropolitan State University
- Wilder Research Foundation
- Allina Health Services
- University of Minnesota Extension Services: Simply Good Eating and Cooking Matters programs
- Cycles for Change
- Saint Paul-Ramsey County Department of Public Health
- AmeriCorps
- Youth Connections
- Fields to Families/Holy Apostles Episcopal Church
- Volunteers of America

- DERO Bike Company
- Open Cities
- Lao Family
- Nice Ride Minnesota
- Free Bikes 4 Kidz
- Mayo Clinic
- Early Childhood and Family Education
- Bethel University

In addition to the duties mentioned above the Director of Resident Initiatives will work with the Assistant Controller and with the Human Services Coordinators to provide financial oversight for all four family resident councils. This additional oversight will help ensure that all expenditures of funds provided by HUD/PHA comply with applicable federal and PHA policy guidelines.

The Resident Initiatives Department would include the Department Director, one full-time (1.0 FTE) Program Coordinator-Resident Initiatives Coordinator, and one part-time (0.25 FTE) Program Coordinator-Resident Council Coordinator. Both of the coordinator positions will be transferred to the new department from the Resident Services Department. Upon Board approval, staff will include the Resident Initiatives Director position in the FY 2014 budget that will be recommended to the Board at the March 27, 2013 meeting. Staff will also create a class specification listing position duties and performance standards, and identify departmental goals. The class specification will be submitted to Fox Lawson Associates for job evaluation rating to determine the proper band/grade and sub-grade.

The last revision to the Organizational Chart occurred in August 2005. At that time the Board approved eliminating the Technical Services Director position and added those duties to the Maintenance Director position. The addition of a Director of Resident Initiatives position would increase the number of direct reports to the Executive Director by one, to a total of eight.

JMG/DMM

Attachments: Existing Organizational Chart
Proposed Organizational Chart

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING HOME Program Participation
Agreement - Year 24;
Contract No. 13-066

DATE February 27, 2013

Staff recommends Board approval to enter into a contract with the Family Housing Fund (FHF) for Year 24 of the Home Ownership Made Easy (HOME) Program. Staff is recommending approval of \$60,000 in administrative fees for the HOME Program in the FY 2014 Building Fund Budget and/or Section 8 Administrative Budget which will be considered at the March meeting. Both budgets are adequately funded to pay for this expense. The Year 23 Participation Agreement expires on March 31, 2013, and the proposed new Agreement will extend through March 31, 2014. On January 25, 2013 the PHA's Contract Officer approved awarding this contract as a sole source contract because the Family Housing Fund provides the full funding for the HOME program loans and grants. The PHA contracts directly with the Family Housing Fund for the administrative costs of the program. The contract for administrative services with Thompson Associates is between Thompson Associates and the Family Housing Fund.

The PHA and the FHF have collaborated on the HOME Program since 1990 to provide homeownership opportunities to public housing residents and Section 8 participants. (The Saint Paul Department of Planning and Economic Development (PED) initially provided some of the mortgage loans.) The current partner lenders are US Bank Home Mortgage, Wells Fargo Home Mortgage and Bremer Bank Home Mortgage. The FHF funds the down payment grants, closing cost loans and supplemental financing loans; and the PHA funds the administrative costs and education and counseling services provided to participants by Thompson Associates.

Over the HOME program's first ten years the PHA contributed \$850,000 and the FHF contributed \$1.2 million to fund the down payment grants, closing costs loans, equity participation loans and administrative fees. For Years 11-23, the FHF fully funded the financial assistance (almost \$4.2 million) and the PHA paid the administrative costs (almost \$703,000), so during the twenty-three years the two partners have contributed over \$6.9 million. For Year 24, the FHF has again agreed to fully fund financial assistance, estimated at \$300,000, and the PHA will pay the administrative costs, not to exceed \$60,000.

Since the program's inception through January 31, 2013, a total of 293 families have become homeowners (168 public housing residents and 125 Section 8 participants). To date in FY 2013 two families have purchased a home. A total of 1,680 families have received one or more one-on-one homeownership counseling and education sessions.

The average household income of HOME purchasers over the life of the program has been \$29,442 and the average purchase price has been \$102,281. The table below shows how purchasers' incomes and the purchase prices have varied since 2010.

PHA FY	Average Income	Average Purchase Price
2010	\$40,013	\$155,950
2011	\$48,466	\$145,200
2012	\$36,758	\$118,233
2013	\$26,610	\$116,000

When the HOME program began, participants could only buy a house in the City of St. Paul. That restriction was lifted in 2001 to provide greater opportunity for families to find affordable housing, and now families can purchase anywhere in the seven-county metro area. Fourteen families have purchased a home outside of Saint Paul. Staff from Thompson Associates have been working closely with HOME participants to caution and educate them about the risks of subprime mortgages and other pitfalls, including providing information from Minnesota Housing's "Don't Borrow Trouble" campaign.

Staff believes the HOME Program continues to be successful and warrants the PHA's ongoing commitment. Much of the program's success can be attributed to the generous financial support from the FHF, the effective counseling and education services of Thompson Associates, and the hard work of the residents who prepare their families for the responsibilities of homeownership. Staff will continue to work with FHF and Thompson Associates to identify strategies to address market barriers.

The HOME program serves two families at a time because when a family moves into homeownership, it creates a vacancy in a public housing unit or allows a Section 8 Voucher to be turned back in for another family to use.

The dollar amount of this contract will be included in the total of non-construction contracting activity that the PHA reports to HUD on the annual Section 3 report. However, this contract is not subject to the requirement for contributing to the Section 3 Training Fund, because it is a

continuation of a sole source contract for specialized professional services for an existing program.

Sue Didier, President of Thompson Associates, will attend the February 27, 2013, Board meeting to describe a few “success stories” and discuss some of the barriers families faced during Year 23 of the HOME program.

MLM/

Attachment: Letter from Thompson Associates Inc.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Legal Services; Amend
Contract with City of St. Paul;
Contract No. 08-009

DATE February 27, 2013

Staff recommends Board approval to amend the contract for legal services with the City of Saint Paul, through the Office of the City Attorney, to allow for additional law clerk services.

The current contract with the City Attorney, approved by the Board on April 25, 2007 and amended on June 23, 2010, includes two full-time attorneys and one half-time law clerk. The proposed change would increase the law clerk time from 20 hours a week up to a maximum of 32 hours a week, but only when the law clerk workload dictates additional time is needed (as determined by the PHA's Executive Director and the PHA's General Legal Counsel). General Counsel will continue attempts to procure volunteer intern hours to first meet this need.

The PHA's General Legal Counsel recommended this increase in law clerk hours to the Executive Director based on the last eight months history of the law clerk's workload (memo attached). This overflow workload has been handled by the PHA's legal team and with volunteer help from a recent law school graduate, who has since taken a job elsewhere. The basic duties of the PHA law clerk include administrative file management, representing the PHA at Section 8 hearings, formal grievances and informal conferences; assisting PHA attorneys with trials; editing and reviewing lease terminations, informal conference summaries and settlement agreements; and researching issues as requested by the attorneys.

Staff estimates this amendment could cost the PHA approximately \$10,000 annually. There are sufficient funds in the PHA's Operating Budgets to cover this cost.

RPM

Attachments: Proposed Amendment No. 2 to Contract
January 4, 2013 Memo from Louise Seeba to Jon Gutzmann

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Public Housing Utility
Allowance Schedule;
Admission & Occupancy Policies

DATE February 27, 2013

Staff recommends Board approval of Resolution No. 13-2/27-02 approving the Utility Allowance Schedule for the Public Housing Program effective May 1, 2013, as shown on the attachment. As explained below, staff is recommending increasing the utility allowances by 3.6%, to reflect a 10% increase in electric utilities rates. When fully implemented, the recommended 3.6% increase in utility allowances would reduce rent revenue by \$108,000, or about 0.85% of projected rental revenue in FY 2014. The Utility Allowance Schedule is included in the Admission and Occupancy Policies for the Public Housing Program.

This Utility Allowance Schedule applies only to family public housing, where the residents are responsible for paying their own utility/energy bills. The PHA pays for all utilities in the hi-rises, and for water and sewer service and trash hauling in the family units.

Since the last time the PHA revised its utility allowances in 2011, Xcel Energy raised its electric rates on an interim basis in 2011, and then issued a refund to consumers when the final approved rate was lower than the interim rate. The net approved rate increase was approximately 2.6%. Now Xcel has requested another rate increase, and an interim increase of approximately 9.4% took effect January 1, 2013. Combining the two increases, electric utility consumers are paying approximately 12% more. However, given the likelihood that the Minnesota Public Utility Commission (PUC) will approve an increase smaller than Xcel's current rate request, staff is

recommending adjusting the PHA's utility allowances based on an electric rate increase of 10% (for both public housing and Section 8). Electric costs make up about 36% of the utility allowance for the average public housing family unit, so the overall recommended increase is 3.6%.

There was no change in Xcel's natural gas rates. District Energy St. Paul reported that their rates for heating and domestic hot water actually declined by 1.2% over the previous year.

The annualized cost of the current utility allowances in public housing is almost \$3 million but it is not shown as an expense item in the operating budget. Rather the impact appears as lower rent revenue from family households, since rent plus utilities is limited to 30% of adjusted income (explained further below). In the draft operating budget that staff will recommend for approval at the March 27 meeting, the FY 2014 rent revenue is projected at approximately \$12,686,680. The full annualized cost of the proposed utility allowance increases would be about \$108,000, or about 0.85% of the projected rental revenue.

BACKGROUND

The "total tenant payment" (rent and utilities) for households living in public housing is set at 30% of their adjusted monthly income. In family units, the tenant's monthly rent paid to the PHA is the total tenant payment minus an allowance for utilities that the household pays directly to Xcel Energy (or District Energy Saint Paul, Inc. at Mt. Airy Homes). When the PHA increases utility allowances for public housing, that reduces the PHA's rental income from the family units. If the utility allowance is more than 30% of the family's adjusted income, the PHA sends the tenant a utility reimbursement check each month, as required by federal law and regulations.

HUD regulations for public housing say the objective in setting utility allowances is to “approximate a reasonable consumption of utilities by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.” (24 CFR Sec. 965.505) The PHA has discretion to design the methods used to achieve this objective. HUD regulations for public housing also require PHAs to review annually “the basis on which utility allowances have been established” and to revise the allowances “if reasonably required to continue adherence [to HUD standards].” The PHA is required to revise a utility allowance if the utility rate has changed by 10 percent or more since the last time the utility allowance was revised. However, the utility allowance does not have to be revised by the same amount that utility rates have changed.

For many years the PHA adjusted its utility allowances annually based on actual utility consumption data from all of the Agency’s public housing units. Every year staff obtained new energy cost data from Xcel Energy and District Energy for every PHA family development and scattered site unit, calculated the average monthly costs for gas and electricity for 36 unit types, grouped by AMPs (Asset Management Projects), and then established new utility allowances based on costs averaged over a three-year period.

For the 2011 utility allowance review and adjustments staff recommended and the Board approved revisions based on utility rate increases since January 2010, which was the last analysis of actual consumption data for a large number of units. Based on a review of utility rate increases in the following year, staff recommended no changes in the utility allowances in 2012, and the Board approved that recommendation on February 22, 2012. This year staff is recommending utility allowance adjustments for both public housing and Section 8 vouchers based solely on utility rate

increases since January 2011. Staff intends to sample actual consumption data to compare to the public housing utility allowances at least once every five years.

The current and proposed allowances are shown on the attachment. The proposed increases range from \$2 (for 1-bedroom unit at Roosevelt Townhomes) to \$9 per month (for a 4-bedroom unit at Mt. Airy Homes). The highest utility allowances in the family developments are at Mt. Airy Homes, where the family units are connected to District Energy's hot water system. District Energy's costs have generally been higher than other heating utilities so Mt. Airy families pay less rent to the PHA than residents at other family developments. However, District Energy is a "green" energy source and the PHA's maintenance costs are lower, with no furnaces to maintain in individual units at Mt. Airy.

Federal regulations require the PHA to send each affected household a written notice 60 days before any proposed change in utility allowances and invite them to submit comments within 30 days.

Since the rent statements for March rents are being mailed before the Board meeting, staff is inserting a notice stating the proposed changes in the utility allowance that will be considered by the Board on February 27. If the Board approves a different adjustment, staff would send another notice to residents inviting comments on the revised changes.

FAH/MW/MK

Attachments: Resolution
Utility Allowance Schedule

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

RESOLUTION NO. 13-2/27-2

**PUBLIC HOUSING ADMISSION AND OCCUPANCY POLICIES:
UTILITY ALLOWANCE SCHEDULE**

WHEREAS, the Public Housing of the City of Saint Paul (PHA) has now in effect a Public Housing Admission and Occupancy Policies, dated February 23, 2000, as amended; and

WHEREAS, regulations of the U.S. Department of Housing and Urban Development (HUD) at 24 CFR Section 965.507(a) require the PHA to review utility allowances at least annually and to revise them if necessary; and

WHEREAS, there has been presented and considered at this meeting of the Board of Commissioners a summary of utility rate changes for resident-paid utilities; and

WHEREAS, staff is recommending increasing the utility allowances to reflect a 10% increase in electricity rates and no change in the utility allowances for natural gas and District Heating, resulting in an overall increase of 3.6% in utility allowances; and

WHEREAS, the Board finds that the staff recommendation complies with HUD requirements and is in the best interests of the Agency;

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the PHA that the Utility Allowance Schedule stated in the Public Housing Admission and Occupancy Policies, dated February 23, 2000, as amended, Part 3, Section V., be amended by increasing utility allowances by 3.6% effective May 1, 2013.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Possible Board Retreat
Following the April 24, 2013
Board Meeting to Review Public
Housing Development Opportunities

DATE February 27, 2013

Staff requests Board approval to hold the April 24, 2013 regular Board meeting at the Minnesota Humanities Center at 9:00 AM, and upon adjournment, to remain at the Humanities Center to meet in a retreat setting (lasting approximately two hours) to discuss various options for public housing development. Senior staff and Maintenance Contracts staff would be invited as well.

The purpose of the mini-retreat would be to review the current Strategic Plan language on public housing development (utilizing “shelved” public housing subsidies), to provide updates on the status of public housing developments completed and those in the conceptual or planning stage, and to seek Board consensus on an approach going forward.

This remains a dynamic subject. Challenges and opportunities surface almost weekly. The attached chronology provides background information on just some of these activities.

JMG/

Attachments: Chronology of recent development activity
Strategic Planning Summary

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Section 8 Housing Choice Vouchers;
2013 Utility Allowance Schedule;
Admission and Occupancy Policies

DATE February 27, 2013

Staff recommends Board approval of Resolution No. 13-2/27-3 approving the Utility Allowance Schedule for the Section 8 Housing Choice Voucher Program as shown on the attachments. As explained below, staff is recommending increasing the utility allowances for electric utilities by 10% and for water and sewer service by 15%. No changes are recommended in the other categories (natural gas, District Heat and trash hauling). The Utility Allowance Schedule is included in the Admission and Occupancy Policies for the Housing Choice Voucher program. The increase would take effect for new participants and new units leased on or after May 1, 2013, and for annual income recertifications effective on or after that date for current participants.

Many participants in the Section 8 Housing Choice Voucher Program are responsible for paying for one or more utilities in their rental unit, so they are granted a utility allowance to help cover those costs. The utility allowance table contains over 100 categories for utility allowances, broken down by

- Unit size (number of bedrooms)
- Unit type (multifamily building, townhome or duplex, or single family home)
- Type of fuel (gas, electric or District Energy) and
- Type of utility expense (heating, cooking, hot water, etc.).

Since the last time the PHA revised its utility allowances in 2011, Xcel Energy raised its electric rates on an interim basis in 2011, and then issued a refund to consumers when the final approved

rate was lower than the interim rate. The net approved rate increase was approximately 2.6%. Now Xcel has a requested another rate increase, and an interim increase of approximately 9.4% took effect January 1, 2013. Combining the two increases, electric utility rates have increased approximately 12% since the PHA last adjusted the utility allowances. However, given the likelihood that the Minnesota Public Utility Commission (PUC) will approve an increase smaller than Xcel's current rate request, staff is recommending increasing the PHA's electric utility allowances by 10% (for both public housing and Section 8).

Only about 10% of Section 8 participants pay for water and sewer. The PHA increased the utility allowances for water and sewer service in 2011 and they now range from \$38/month for an efficiency unit (0-bedroom) to \$84/month for a 6-bedroom unit. Since then water and sewer rates have increased twice, by 6.6% in 2012 and by 10.4% this year. Staff is recommending that the utility allowance be increased by 15%, to strike a balance between increased rates, limited funding for Section 8 and incentive to participants to conserve water.

Xcel Energy's rates for natural gas have not changed since the last time the PHA revised its utility allowances in 2011. District Energy's rates have not changed significantly (down 1.2%) so no change is needed in that utility allowance. Trash hauling rates have stayed flat or declined over the last two years, according to the large firms that staff contacted.

HUD regulations for Section 8 require PHAs to review utility rates annually, or more frequently if there has been a change of 10% or more in the utility rate since the last time the utility

allowance was revised. The utility allowance does not have to be revised by the same amount as the rate increase.

HUD regulations for the Section 8 voucher program say “The utility allowance schedule must be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality.” (24 CFR Sec. 982.517) The Section 8 regulations also direct the PHA to use “normal patterns of consumption for the community as a whole and current utility rates.” The allowances are not based on the individual family’s actual consumption, but on overall consumption data, by unit type and fuel type.

The Section 8 utility allowances cost approximately \$5 million annually, which is about 15% of total Housing Assistance Payments (HAP, now about \$35 million annually). The recommended increases are projected to raise the annualized cost of utility allowances by about \$140,000 or 2.8%. The cost increase would begin May 1, 2013 and phase in over the year with annual income recertifications for current participants, and as new new units are leased on or after that date.

When the PHA increases utility allowances for Section 8, the PHA’s subsidy cost (HAP) increases for units where the tenant pays for one or more utilities. The subsidy amount is based on the participant paying 30% of their adjusted monthly income for rent and utilities. The participant’s payment to the property owner is reduced by the amount of the utility allowance. If the utility allowance is more than the tenant’s 30% payment, the PHA sends the tenant a utility

reimbursement check each month, as required by federal law and regulations. If the “contract rent” stated in the lease plus the utility allowance is higher than the payment standard, the tenant must pay the excess. In that case the tenant is choosing to pay more than 30% of their adjusted income for rent and utilities. Staff must still determine that the cost of rent and utilities for the unit is reasonable, compared to other units.

Staff expects that the HUD funding for voucher HAP costs in 2013 will be sufficient but the exact amount may not be known until March or April, or even later due to the uncertainty surrounding the “sequester” due to take effect March 1 and the expiration of the Continuing Resolution at the end of that month. Staff will continue to monitor budget and voucher utilization during the year to keep both within authorized limits.

This year staff reviewed utility allowances for Section 8 vouchers (and public housing) based solely on the utility suppliers’ calculations of the average rate increases for a typical residential customer since the last utility allowance adjustments in 2011. Staff intends to sample actual utility consumption data again in about 5 years, but to use only rate increases to adjust utility allowances in the other years.

FAH/RPM/DJM

Attachments: Resolution
Utility Allowance Schedule

**PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL
RESOLUTION NO. 13-2/27-3**

**SECTION 8 HOUSING CHOICE VOUCHER
ADMISSION AND OCCUPANCY POLICIES;
UTILITY ALLOWANCE SCHEDULE**

WHEREAS, the Public Housing Agency of the City of Saint Paul (PHA) has now in effect Section 8 Housing Choice Voucher Admission and Occupancy Policies dated February 23, 2000, as amended; and

WHEREAS, there has been presented and considered at this meeting of the Board of Commissioners an summary of utility rates for resident-paid utilities that shows increases in some categories (electric, sewer and water) and no change in other categories (natural gas, District Heat, trash hauling) since January 2011; and

WHEREAS, staff is recommending a 10% increase in the utility allowances for electric service and a 15% increase in utility allowances for water and sewer service (rounded to the nearest dollar), both based on rate increases since the utility allowance schedule was last changed in 2011; and

WHEREAS, the Board finds that the staff recommendation complies with HUD requirements and is in the best interests of the Agency;

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the PHA that the Utility Allowance Schedule stated in the Section 8 Housing Choice Voucher Admission and Occupancy Policies, Part 3, Section III, be revised as shown on the attachments, effective May 1, 2013 for new participants and for new units leased on or after that date, and for annual income recertifications effective on or after that date for current participants. .

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Spoken Language Interpretation
and Translation services;
Contract No. 13-065

DATE February 27, 2013

Staff requests Board approval to award a contract to ARCH Language Network of Saint Paul, MN to provide on-site spoken language interpretation for public housing residents and Section 8 participants at the rates stated in their February 15, 2013 proposal. The contract will run for an initial one-year period with options to renew for a second and third year at the bid prices submitted. Staff estimates that approximately \$6,000 per month (\$72,000 annually) will be expended under this contract.

The required spoken language needs of the PHA include but not limited to: Amharic, Arabic, Burmese, Cambodian, Chinese (Cantonese, Mandarin), French, Hmong, Karen, Korean, Nepali, Oromo, Russian, Spanish, Somali, Tigrinya, Tagalog, Vietnamese, and Yoruba. Services are needed to assist with the following activities: interviews with applicants prior to their admission to the programs, group orientation sessions, lease signing, annual program re-certifications, meeting with individual tenant families, tenant-requested grievance hearings and lease termination actions, resident workshops and other situations as needed.

A Request for Proposals (RFP) for this service was advertised in three local newspapers, Asian American Press, St. Paul Legal Ledger, and Minnesota Spokesman-Recorder, and staff sent copies of the RFP to firms that have expressed an interest in working for the PHA. Proposals were received from five firms. The five responding firms were independently rated by PHA staff on

several criteria stated in the RFP including related experience, technical competence, M/W/DBE participation, Section 3 Action Plan and cost. ARCH Language Network received the highest overall evaluation score.

ARCH Language Network currently has a contract with the State of Minnesota and the PHA utilizes that contract as a backup for interpreter service. Their performance has been satisfactory. Copies of the Employer Information Reports for the top two firms, ARCH and Garden & Associates, are attached. Because this is a unit-price contract, it is not subject to the Section 3 Policy's requirement for contributing to the PHA's Section 3 Training Fund. There are sufficient funds in the PHA's Operating Budgets for this contract.

MLM/

Attachments: Evaluation Sheet
Employer Information Report, EEO-1