

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Emergency Generator
Maintenance and Repair
Contract No. 15-005

DATE May 28, 2014

Staff requests Board approval to award a one-year contract for emergency generator maintenance and repair at PHA properties to Interstate Power Systems, Inc. of Minneapolis, Minnesota, at the unit prices stated in their proposal.

This contract includes the following services:

- Monthly and annual maintenance of emergency generator equipment;
- Annual live power transfer tests to confirm the support of life-safety equipment and elevators under emergency power;
- On-call maintenance and repair of emergency generators and related equipment.

A Request for Proposals (RFP) for these services was advertised in newspapers and sent to several firms that had expressed an interest in working for the PHA. Three proposals were received. Each proposal was evaluated by a committee of PHA staff using the criteria stated in the RFP that included experience/qualifications, response to the invitation, affirmative action efforts (MBE/WBE/DBE) and cost. Interstate's proposal was rated higher overall and also quoted lower unit prices than the second proposal. A summary of the evaluations is attached.

This is a one-year contract that can be extended in one-year increments, if mutually agreeable to both the PHA and Interstate Power Systems, for a maximum contract length of three years.

**REPORT TO COMMISSIONERS – MAY 28, 2014
EMERGENCY GENERATOR MAINTENANCE AND REPAIR
PAGE 2 OF 2**

Interstate's unit prices are within staff estimates for the work. Interstate Power Systems has performed satisfactorily under the current PHA contract for the same work. A copy of the Employer Information Report for Interstate is 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.

Staff expects to spend approximately \$70,000 per year under this contract. There are sufficient Operating Budget funds available for the contract.

TDA/mlp

Attachments

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Janitorial and Training Services
At McDonough Community Center
Contract No. 15-013

DATE May 28, 2014

Staff recommends Board approval to award a contract to Linn Building Maintenance of Roseville, Minnesota to continue providing janitorial services, combined with training and employment programs for public housing residents at the McDonough Community Center. The monthly cost for these services is \$6,006.55.

Janitorial services under this contract will be provided Monday through Friday beginning on July 1, 2014. The prices submitted by the proposers were within staff estimates for the work, based on the prices for previous janitorial service contracts at the McDonough Community Center plus the new cost taken on by the PHA of servicing nearly 12,000 additional square feet on the first level of the Community Center, including the 6,000 square foot gymnasium. In addition to typical janitorial cleaning, the contract includes yearly washing of the exterior windows as a separate cost per cleaning. The contract will run for an initial period of two years with an option for a third year extension.

A Request for Proposals (RFP) for these services was advertised in newspapers and trade journals, and sent to local janitorial firms that have expressed an interest in working for the PHA. Proposals were received from two firms. Staff contacted other firms that had expressed an interest in the work and attended pre-proposal walkthroughs of the Community Center, but had not submitted proposals. Among the reasons given for not proposing were: too busy, did not

meet the experience requirements of the RFP, and were not able to meet the Performance and Payment Bond requirements of the Contract.

The responding firms were independently rated by PHA staff on the criteria stated in the RFP including related experience, best cost value, M/W/DBE participation, resident training program/Section 3 compliance, and general response to the RFP. Linn's proposal was rated higher, as shown on the attached summary of the proposal evaluations. Linn Building Maintenance holds the PHA's current contract for janitorial services at McDonough Community Center and they have performed satisfactorily.

Copies of the Employer Information Reports for Linn Building Maintenance and the second highest rated proposer, ISS Facility Services, are attached. The contractor will meet the PHA's Section 3 requirements by providing training and full-time employment for one PHA resident during the contract period. In addition they will be encouraged to employ public housing residents in their contract work at other locations.

Sufficient funding is available in the Operating Budget for this contract.

JTL

Attachment: Equal Employment Opportunity Reports, EEO-1
Summary of Proposal Evaluations

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Bulk Refuse Transfer Services
Contract No. 15-016

DATE May 28, 2014

Staff requests Board approval to award a contract for transfer/disposal services for bulk refuse to the lowest responsible bidder, Advanced Disposal of St. Paul, Minnesota, for the unit bid prices indicated on the attached May 15, 2014 bid tabulation.

This is a unit bid service contract for bulk refuse items delivered by PHA Maintenance staff from family sites to a local transfer/disposal facility. The contractor then must deliver the refuse items to the Resource Recovery Center in Newport, Minnesota. The low bid was determined by a formula stated in the bid specifications which weighs the various bid items on anticipated quantities for each typical refuse item listed in the bid tabulation. Using the formula, the low bid was \$9,751 and the only other bid, from J & J Recycling Inc., was \$12,074. This low bid is approximately 18% under the previous bulk refuse contract. Advanced Disposal performed satisfactorily on previous PHA contracts under its former name, Veolia ES Solid Waste Midwest.

Employer Information Reports for Advanced Disposal and the second low bidder, J & J Recycling, 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 \$90,000 will be spent during each year of this two-year contract. There are sufficient funds available for this contract in the Operating Budget.

KYY/mlp

Attachments: Tabulations of Bids
EEO-1 Forms

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Capital Fund Program: 2011, 2012,
2013 and 2014 CFP Budget Revisions;
Budget; and Agency Plan Amendment

DATE May 28, 2014

Staff requests Board approval of Resolution No. 14-05/28-1 approving revisions to the 2011, 2012, 2013 and 2014 Capital Fund Program (CFP) budgets. The revisions are due to reductions in the amounts that will be transferred from the CFP budgets to the FY 2015 Operating Budget as well as budget adjustments to match actual obligations and expenditures. These adjustments do not change the total amount of the grants.

On April 23, 2014 the Board approved Revision 1 to the FY 2015 Operating Budget that reduced the contributions from the CFP budgets to the Operating Budget by \$1,514,538. A copy of that Board report is attached. The shaded areas on the attached spreadsheets highlight the CFP budget line items that were reduced and the work items that were added or increased to utilize the funds, as further explained below. Reducing the contributions to the Operating Budget affected both the FFY 2013 CFP budget and the FFY 2014 CFP budget.

Staff adjusted the draft FFY 2013 CFP budget by adding to or increasing the following items:

1. \$10,000 Link Community Center gym to PHA energy management system
2. \$7,500 Re-pin McDonough Community Center gym locks
3. \$30,000 Front Hi-Rise plastic laminate window sill replacement
4. \$30,000 Hamline and Seal Hi-Rise thermal pane window replacements
5. \$30,000 Paint hi-rise exterior hollow metal doors/frames and overhead doors
6. \$25,000 Mt. Airy Hi-Rise parking lot curb replacements
7. \$10,000 Neill and other hi-rise mailbox lock replacements

\$142,500 Total

Staff adjusted the FFY 2014 CFP budget by adding to or increasing the following items:

1. \$150,000 Roosevelt “A” building brick tuckpointing
 2. \$150,000 Roosevelt “A” building furnace replacements
 3. \$125,000 Mt. Airy family exterior trim replacement
 4. \$40,000 Mt. Airy family exterior trim replacement - engineering fees
 5. \$125,000 Mt. Airy family roof replacements
 6. \$40,000 Mt. Airy family roof replacement engineering fees
 7. \$7,500 Mt. Airy pole barn siding repair
 8. \$350,000 Neill hi-rise roof replacement
 9. \$30,000 Neill hi-rise roof replacement engineering fees
 10. \$350,000 McDonough Six-Plex construction
 11. \$5,000 McDonough Six-Plex MHFA application expenses
-
- \$1,375,250 Total

This use of the funding is consistent with the draft CFP budget and CFP Five Year Action Plan that were discussed with the Resident Advisory Board (RAB) and residents of individual buildings and presented at the Agency Plan public hearing, and were included in the November 27, 2013 Informational Board Report. These budget adjustments do not represent significant changes in the Agency Plan that would require additional resident consultation or hearings.

Revised Annual CFP reports for all of the active grants FFY 2011-2014 are attached to this Board Report: (green paper). Staff will send these revised CFP budgets to HUD with the next version of the Agency Plan that is submitted.

The table below shows the CFP grant amounts, the dates when the PHA gained access to the funds (when HUD signed the ACC amendments), and the timelines for expenditure. The PHA

REPORT TO COMMISSIONERS – MAY 28, 2014
BUDGET REVISIONS: CFP GRANT BUDGETS
PAGE 3 OF 3

routinely meets or exceeds all of HUD’s goals for timely obligation of CFP grant funds (90% obligated within 24 months) and expenditure (fully expended within 48 months).

| | 2011 CFP Funds | 2012 CFP Funds | 2013 CFP Funds | 2014 CFP Funds |
|--------------------------|---|--|---|----------------------------------|
| Grant Amount | \$6,499,693 | \$5,962,239 | \$6,024,889 | \$6,725,092 |
| ACC Date | 8/3/11 | 3/12/12 | 9/9/13 | 5/13/2014 |
| Percent Obligated | 100.00% (5/1/14) Met 90% goal by 8/2/13 | 99.07% (5/1/14) Met 90% Goal: by 3/11/14 | 52.65% (5/1/14) Goal: 90% by 9/8/15 | 0% Goal: 90% by 5/12/16 |
| Percent Expended | 96.30% (5/1/14) Goal: 100% by 8/2/15 | 75.10% (5/1/14) Goal: 100% by 3/11/16 | 9.47% (5/1/14) Goal: 100% by 9/8/17 | 0% Goal: 100% by 5/12/2018 |

HP/DAL/mlp

Attachments: Resolution No. 14-05/28-1
 April 23, 2014 Board Report
 Summary Spreadsheets of CFP Grant Budgets

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

RESOLUTION NO. 14-05/28-1

**CAPITAL FUND PROGRAM (CFP) BUDGETS:
REVISIONS FOR 2011, 2012, 2013 & 2014 CFP BUDGETS.**

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) has awarded the Public Housing Agency of the City of Saint Paul (PHA) the following grants:

- FFY 2014 Capital Fund Program Grant No. MN46P00150114,
- FFY 2013 Capital Fund Program Grant No. MN46P00150113,
- FFY 2012 Capital Grant Program Grant No. MN46P00150112, and
- FFY 2011 Capital Grant Program Grant No. MN46P00150111,

WHEREAS, HUD requires the PHA to establish a budget for the expenditure of funds under each grant provided under the Capital Fund Program, Replacement Housing Fund Program, and

WHEREAS, staff drafted the attached Capital Fund Program:

1. May 1, 2014 Budget Revision for the FFY 2011 Capital Grant Program Grant No. MN46P00150111
2. May 1, 2014 Budget Revision for the FFY 2012 Capital Grant Program Grant No. MN46P00150112
3. May 1, 2014 Budget Revision for the FFY 2013 Capital Grant Program Grant No. MN46P00150113
4. May 1, 2014 Budget Revision for the FFY 2014 Capital Grant Program Grant No. MN46P00150114

WHEREAS, the Board of Commissioners finds that these CFP grant budgets are necessary and appropriate to comply with HUD requirements and to best serve the needs of PHA residents;

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

1. The four budgets listed above are approved as presented;
2. Staff is authorized to execute and submit all required documents relating to these grants and budget revisions;
3. The Agency Plan is amended accordingly; and
4. Pursuant to HUD notice dated January 11, 1990, the PHA certifies that no employee is serving in a variety of positions that will exceed 100 percent of his or her work time.

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 Extension;
Contract No. 13-066; Amendment No. 2

DATE May 28, 2014

Staff recommends Board approval of Amendment No. 2 to Contract No. 13-066 with the Family Housing Fund (FHF) for the Home Ownership Made Easy (HOME) Program to extend it for another four months. The original Participation Agreement for Year 24 was set to expire on March 31, 2014. It was initially extended for two months, from April 1, 2014 to May 31, 2014. The original twelve-month contract for Year 24 was approved on February 27, 2013 for \$60,000 in administrative fees. If the additional four-month extension is approved, the total contract amount for Year 24 would be \$90,000.

During this additional contract extension period the PHA and FHF would confer with stakeholders to review the future of the HOME Program. The FHF raised concerns about recent loan delinquencies. A variety of options are under consideration. The goal remains to preserve this important PHA-FHF program partnership. The history of this contract is shown below.

There are sufficient funds in the operating budgets for this contract.

| Amendment Number | Amount of Add or (Deduct) | New Total | New Completion Date |
|-------------------------|----------------------------------|------------------|----------------------------|
| Contract 13-066 | \$60,000 | \$60,000 | 3/31/14 |
| Amendment # 1 | \$10,000 | \$70,000 | 5/31/14 |
| Proposed Amend. # 2 | \$20,000 | \$90,000 | 9/30/14 |

JMG/MLM

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Funding Request to Minnesota Housing
To Construct Two Six-Plexes at
McDonough Homes (AMP 1);
Minnesota Housing Multifamily
Rental Housing Application;
Development Application to HUD

DATE May 28, 2014

Staff requests Board approval of Resolution No. 14-05/28-2 and Resolution No. 14-05/28-3 authorizing staff to apply to Minnesota Housing (formerly known as Minnesota Housing Finance Agency, or MHFA) for a loan or grant of approximately \$1,080,000 to pay part of the cost to construct two new six-plex row-houses at McDonough Homes (AMP 1), and authorizing the submittal of a development application to HUD for this project. Funding requests through the Multifamily Rental Housing Common Application must be received by Minnesota Housing no later than June 10, 2014. The HUD development application does not have a deadline but staff intends to submit it around the same time, with the Board's approval.

The new buildings at McDonough Homes would provide housing for twelve additional families. These units will replace 36 McDonough family units that were lost over the years as one-bedroom units were combined to create new three- and four-bedroom units. One of the new six-plex buildings will contain four two-bedroom, two-story units and two two-bedroom single level handicapped accessible units. The other new six-plex building will contain three two-bedroom, two-story units and three two-bedroom single level handicapped accessible units. These new units will use 12 of the 22 "shelved" public housing operating subsidies that the PHA is currently eligible to receive.

The estimated cost to build the two six-plexes is \$2,350,000 based on the recent costs to construct a six-plex at Roosevelt Homes and a four-plex at Mt. Airy Homes. Under the proposed plan, the PHA would seek approximately \$1,080,000 from Minnesota Housing in the form of a grant or interest-free 30 year loan, and pay the rest of the cost (approximately \$1,270,000) from HUD Capital Fund Program grants. HUD will allow the PHA to exceed their Housing Construction Cost (HCC) limit of \$1,560,468 if non-HUD funds are used for the excess amount.

Approximately \$150,000 of additional Capital Fund Program funds would be used for architectural costs, environmental costs, permits, a survey, inspections and sundry planning costs.

Staff has not discussed the possibility of building new units at McDonough Homes with the Resident Advisory Board (RAB) yet, but will do so soon. Staff will discuss the plan with the McDonough Resident Council at their June 4, 2014 meeting. Staff met with HUD Minneapolis Field Office staff on April 30, 2014 and they were supportive of our planned Development Program application.

There is a large unmet demand for affordable rental units for low income families, as evidenced by the long waiting list for public housing. At the end of April 2014 there were 8,681 households on the public housing waiting list, including 1,993 applicant households on the two-bedroom waiting list.

JMG/HP/DAL/FAH

Attachments: Resolution No. 14-5/28-2
Resolution No. 14-5/28-3

SAINT PAUL PUBLIC HOUSING AGENCY

RESOLUTION NO. 14-5/28-2

**AUTHORIZATION TO SUBMIT FUNDING APPLICATION TO
MINNESOTA HOUSING FINANCE AGENCY;
MULTIFAMILY RENTAL HOUSING COMMON APPLICATION FOR
CONSTRUCTION OF TWO SIX-PLEXES AT MCDONOUGH HOMES (AMP 1)**

WHEREAS, the Public Housing Agency of the City of Saint Paul (PHA) administers a Public Housing Program under an Annual Contributions Contract with the U.S. Department of Housing and Urban Development (HUD), that currently includes 4,259 units; and

WHEREAS, there is a large unmet need for affordable housing for very-low income families in Saint Paul, especially for small families requiring dwelling units with two bedrooms, as evidenced by the 2,132 households on the two-bedroom waiting list for public housing on April 30, 2014; and

WHEREAS, Minnesota Housing (formerly known as Minnesota Housing Finance Agency, MHFA) has issued a Consolidated Multifamily and Single Family Request for Proposals (RFP) that offers various grants and loans to assist the construction, rehabilitation and operation of low income rental housing; and

WHEREAS, staff has identified an opportunity to construct two new six-unit row-house apartment buildings at the McDonough Homes site (AMP 1) to replace some of the thirty-six McDonough Homes units that have been lost due to conversion of one-bedroom units to larger three and four-bedroom units; and

WHEREAS, staff has estimated the cost to construct two six-unit row-house apartment buildings, one with four two-story 2-bedroom units and two 2-bedroom accessible units and the other with three two-story 2-bedroom units and three 2-bedroom accessible units, to be approximately \$2,350,000, of which \$1,080,000 would be from Minnesota Housing and the balance from the Capital Fund Program; and

WHEREAS, Minnesota Housing may be able to provide the \$1,080,000 of additional funding in the form of a grant or an interest free loan to enable the PHA to construct the two six-unit row-house apartment buildings; and

WHEREAS, Minnesota Housing requires the submittal of a Proposal for the Consolidated Multifamily and Single Family funding to determine if they will allocate the requested funding to the PHA; and

WHEREAS, the application for Minnesota Housing funding requires that the PHA commit to using twelve of the public housing program operating subsidies that are currently available and utilizing the Capital Fund Program grant funds;

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

RESOLUTION 14-5/28-2 – FUNDING APPLICATION FOR MCDONOUGH HOMES
PAGE 2 OF 2

1. Staff are authorized to prepare and submit an application to Minnesota Housing under the 2014 Consolidated Request for Proposals, requesting funding in the amount of approximately \$1,080,000 for the construction of two new six-unit row-house building at McDonough Homes; and
2. The Executive Director, or his duly authorized agents, are authorized to execute all documents required to request the Minnesota Housing funding, and
3. The Executive Director, or his duly authorized agents, are authorized to execute the Minnesota Housing grant and loan documents to accept the Minnesota Housing funding if it is approved.

SAINT PAUL PUBLIC HOUSING AGENCY

RESOLUTION NO. 14-5/28-3

**AUTHORIZATION TO SUBMIT
DEVELOPMENT APPLICATION TO HUD FOR
CONSTRUCTION OF TWO SIX- PLEXES AT MCDONOUGH HOMES (AMP 1)**

WHEREAS, the Public Housing Agency of the City of Saint Paul (PHA) administers a Public Housing Program under an Annual Contributions Contract with the U.S. Department of Housing and Urban Development (HUD), that currently includes 4,259 units; and

WHEREAS, there is a large unmet need for affordable housing for very-low income families in Saint Paul, especially for small families requiring dwelling units with two bedrooms, as evidenced by the 2,132 households on the two-bedroom waiting list for public housing on April 30, 2014; and

WHEREAS, the PHA is authorized to receive Operating Fund and Capital Fund subsidies from HUD for up to 22 more public housing units as of this date and in accordance with the PHA's "Faircloth limit"; and

WHEREAS, Minnesota Housing (formerly known as Minnesota Housing Finance Agency, MHFA) has issued a Consolidated Multifamily and Single Family Request for Proposals (RFP) that offers various grants and loans to assist the construction, rehabilitation and operation of low-income rental housing; and

WHEREAS, staff has identified an opportunity to construct two new six-unit row-house apartment building at the McDonough Homes site (AMP 1) to replace the thirty-six dwelling units that were lost over the years as one bedroom units were combined to produce larger three and four bedroom units; and

WHEREAS, staff has estimated the cost to construct two six-unit row-house apartment buildings, one with four two-story 2-bedroom units and two 2-bedroom handicapped accessible units and one with three two-story 2-bedroom units and three 2-bedroom handicapped accessible units, to be approximately \$2,350,000, of which \$1,080,000 would be provided by Minnesota Housing, if the loan request is approved, with the balance coming from Capital Fund Program grants; and

WHEREAS, Minnesota Housing may be able to provide the additional funding in the form of a grant or an interest free loan to enable the PHA to construct the four-unit row-house apartment building; and

WHEREAS, the PHA intends to utilize twelve of the public housing program operating subsidies that are currently available to the PHA; and

WHEREAS, construction of the twelve units of replacement housing at McDonough Homes utilizing HUD Capital Fund Program funding and future operating subsidies will require HUD approval of a Development Program application; and

**RESOLUTION 14-5/28-3 – DEVELOPMENT APPLICATION FOR MCDONOUGH HOMES
PAGE 2 OF 2**

WHEREAS, submittal of a Development Program application to HUD requires approval of the PHA Board of Commissioners;

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

1. Staff are authorized to prepare and submit a Development Application to HUD requesting approval to construct two new six-unit row-house buildings at McDonough Homes (AMP 1), utilizing \$1,080,000 of Minnesota Housing funding that the PHA hopes to receive, Capital Fund Program funds, and FFY2015 and future operating subsidies from HUD; and
2. The Executive Director, or his duly authorized agents, are authorized to execute all documents required for the HUD Development Program application.
3. The Executive Director, or his duly authorized agents, are authorized to execute the amended Annual Contributions Contract (ACC) and related documents when offered by HUD for this project.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Section 8 Management Assessment
Program (SEMAP) Certification;
High Performer Rating

DATE May 28, 2014

Staff requests approval of Resolution No. 14-05/28-6 certifying the PHA’s Section 8 Management Assessment (SEMAP) score for Fiscal Year 2014, which again earns HUD’s “High Performer” rating for the PHA’s Section 8 Housing Choice Voucher Program and achieves Agency Goal #2. Staff calculates that the score this year will be 97% (140 out of 145 points), the same as the last four years. This is the thirteenth year the PHA has achieved the High Performer rating since SEMAP’s inception in FY 2000. With Board approval, staff will submit the certification to HUD via the internet by the May 31 deadline.

The PHA’s FY 2014 SEMAP score is calculated as follows:

| SEMAP Performance Indicators | FY 2014 PHA Score | FY 2013 PHA Score | Possible Points |
|--|----------------------------------|----------------------------------|----------------------------|
| 1. Selection from Waiting List | 15 | 15 | 15 |
| 2. Reasonable Rent | 20 | 20 | 20 |
| 3. Determination of Adjusted Income | 20 | 20 | 20 |
| 4. Utility Allowance Schedule | 5 | 5 | 5 |
| 5. HQS Quality Control Inspections | 5 | 5 | 5 |
| 6. HQS Enforcement | 10 | 10 | 10 |
| 7. Expanding Housing Opportunities | 5 | 5 | 5 |
| 8. FMR Limit and Payment Standards | 5 | 5 | 5 |
| 9. Annual Reexaminations | 10 | 10 | 10 |
| 10. Correct Rent Calculations | 5 | 5 | 5 |
| 11. Pre-contract HQS Inspections | 5 | 5 | 5 |
| 12. Annual HQS Inspections | 10 | 10 | 10 |
| 13. Lease-up (utilization) | 20 | 20 | 20 |
| 14. FSS Enrollment and Escrow Accounts | 5 | 5 | 10 |
| 15. Deconcentration Bonus | 0 | 0 | |
| TOTAL POINTS | 140 | 140 | 145 |
| SEMAP SCORE | 97% | 97% | 100% |

Scores for the first eight indicators are based on the PHA's auditing files and certifying that we have met the standard. The scores for Indicators #9-14 are based on data stored in HUD's Public and Indian Housing Information Center (PIC). HUD extracts the information from the family profile data forms (HUD-50058) submitted electronically by the PHA for each household at least annually, or more frequently as family circumstances change.

This year the PHA scored all 20 points in the self-audit of 51 files for the "Determination of Adjusted Income" factor. Anything over 90% earns full points in this category. Only one file contained an error, giving a success rate of 98% on the sampled set. The file has since been corrected. Though this near-perfect error rate is impressive, supervisors will continue to conduct ongoing training for staff to ensure these calculations are done correctly and consistently.

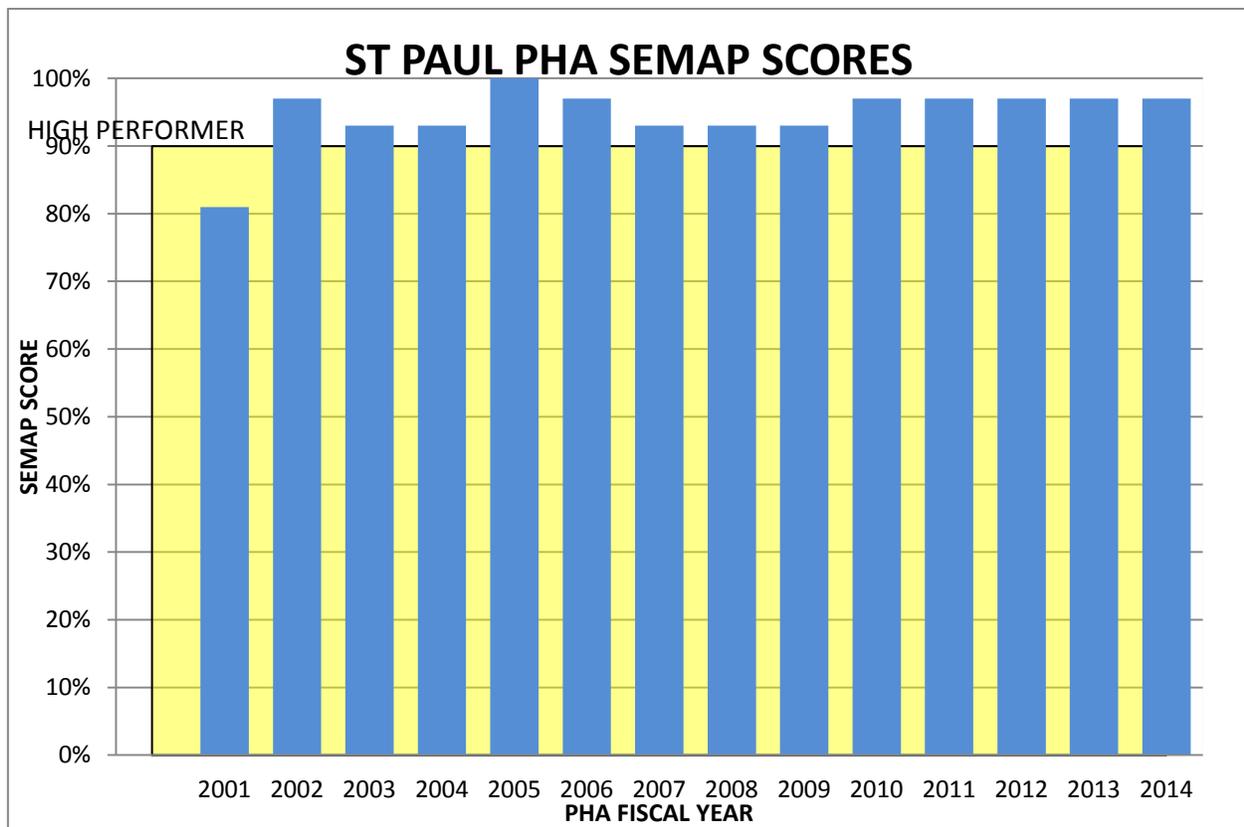
As is the case every year, the PHA received five of ten possible points on the indicator for "Family Self-Sufficiency (FSS) enrollment and escrow accounts". To earn any additional points, the PHA would have to have served at least 259 voucher participants in FSS during the year, instead of the 24 who were served. The PHA earns five points on this factor because approximately 78% of the 24 FSS participants during the year had escrow accounts, well above the 30% threshold to earn these five points. An FSS participant whose earnings increase must pay a larger share of the rent in her or his private apartment, so the PHA pays a lower subsidy to the owner. Then the PHA "banks" the savings subsidy in the participant's escrow account, to be returned—with interest—when the participant "graduates" from the FSS program.

Again this year the PHA did not receive the five bonus points available on Indicator #15, Deconcentration of Poverty. To receive points on this factor, the PHA would have to show that more voucher participant families with children are living in, or moving to, low poverty census tracts. The three criteria are explained in more detail in the attachment. HousingLink conducted the required data analysis for the PHA, and the results are shown on an attachment.

An explanation of all of the SEMAP indicators and scores is attached. Staff believes that the PHA's performance on these indicators confirms that the Agency is successfully administering the program with integrity and accountability, as well as achieving Agency Goal #2 for another year.

FAH/DJM

- Attachments: 1. Resolution No. 14-5/28-6
2. Explanation of SEMAP Indicators
3. HousingLink Analysis



PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

RESOLUTION NO. 14-05/28-6

**SECTION 8 MANAGEMENT ASSESSMENT
PROGRAM (SEMAP) CERTIFICATION**

WHEREAS, the Public Housing Agency of the City of Saint Paul (PHA) currently administers a Section 8 Housing Choice Voucher Program and with a total of 4,589 units; and

WHEREAS, the Saint Paul Public Housing Agency is required to submit a Section 8 Management Assessment Program (SEMAP) certification for Fiscal Year 2014; and

WHEREAS, staff has completed all required file audits and documentation for SEMAP scoring; and

WHEREAS, the final SEMAP scores have been presented to the Board and considered at this meeting;

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

1. The PHA's SEMAP score of 140 out of 145 points, or 97%, as explained in the attached Board Report, is hereby approved; and
2. The Executive Director or his designee is authorized to execute the required certification and to submit it to the Department of Housing and Urban Development with any required documentation.

Date: _____

Tom Reding, Chair
Saint Paul PHA Board of
Commissioners

EXPLANATION OF SEMAP INDICATORS AND PHA SCORES

As stated in the Board report, the scores for Indicators #1-8 are certified by the PHA; five of those require self-audits of a sample of randomly selected files. The size of the sample varies for different indicators depending of the universe of that indicator.

| SEMAP Performance Indicators 24 CFR Sec. 985.3 | FY 2014 PHA Score | Possible Points |
|--|-------------------------|--------------------|
| 1. Selection from Waiting List | 15 | 15 |
| 2. Reasonable Rent | 20 | 20 |
| 3. Determination of Adjusted Income | 20 | 20 |
| 4. Utility Allowance Schedule | 5 | 5 |
| 5. HQS Quality Control Inspections | 5 | 5 |
| 6. HQS Enforcement | 10 | 10 |
| 7. Expanding Housing Opportunities | 5 | 5 |
| 8. FMR Limit and Payment Standards | 5 | 5 |
| 9. Annual Reexaminations | 10 | 10 |
| 10. Correct Rent Calculations | 5 | 5 |
| 11. Pre-contract HQS Inspections (not being rated this year) | 5 | 5 |
| 12. Annual HQS Inspections (not being rated this year) | 10 | 10 |
| 13. Lease-up (utilization) | 20 | 20 |
| 14. FSS Enrollment and escrow accounts | 5 | 10 |
| 15. Deconcentration Bonus | 0 | |
| TOTAL POINTS | 140 | 145 |
| SEMAP SCORE | 97% | 100% |

- 1. Selection from Waiting List (15 of 15 points).** *The PHA has policies for selecting applicants from the waiting list and follows those policies. Required two sample sets: one for new admissions to the program (7 samples) and one for applicants reaching the top of the waiting list (8 samples). All files sampled met the criteria.*
- 2. Reasonable Rent (20 of 20 points).** *PHA has adopted and follows a reasonable written method to determine and document reasonable rent for each unit rented or any rent increase. Staff audited the ten samples to the program as new admissions, and found that all rents were reasonable. Among the 51 files that were audited for ongoing participants, staff audited all of those that had a rental adjustment, and found that all rents were reasonable. SEMAP awards the full 20 points for correct procedures, and 98% accuracy and above in application.*
- 3. Determination of Adjusted Income (20 of 20 points).** *The PHA's sample of files shows that at the time of admission and reexamination, the PHA property obtained third party verification of adjusted income or documented why not; used the verified information in determining adjusted*

income; properly attributed allowances; and used appropriate utility allowances. This indicator requires audits of separate samples of files from admissions and reexaminations, for a total of 51 files audited. There was only one finding, for an accuracy rate of 98% and a score of 20 points on this component.

- 4. Utility Allowance Schedule (5 of 5 points).** *The PHA maintains an up-to-date utility allowance schedule. As required by HUD regulations the PHA reviewed the utility allowance schedules this year. The Board approved no changes on the Utility Allowance Schedule on February 26, 2014.*
- 5. Housing Quality Standards (HQS) Quality Control Inspections (5 of 5 points).** *A PHA supervisor reinspected a sample of units during the PHA fiscal year for quality control of HQS inspections. Forty-two quality control inspections (the required sample size) were conducted.*
- 6. HQS Enforcement (10 of 10 points).** *The PHA's sample of failed inspections show that any cited life-threatening HQS deficiencies were corrected within 24 hours from the inspection, and all other cited HQS deficiencies were corrected within no more than 30 calendar days from the inspections or within any PHA approved extension, or if the HQS deficiencies were not corrected in the required time, the PHA stopped assistance payments no later than the first of the following month or took prompt and vigorous action to enforce the family obligations. The sample size of 33 files contained no findings.*
- 7. Expanding Housing Opportunities (5 of 5 points).** *The PHA has written policies and procedures to help families using vouchers to find housing outside areas of poverty or minority concentration. To receive full points in this category, the PHA compiled all of the relevant information from their own procedures and the information provided to participants and applicants that illustrate their commitment to expanding housing opportunities.*
- 8. FMR Limit and Payment Standards (5 of 5 points).** *PHA has adopted Payment Standards that are within HUD's limits or HUD-approved exception rent limits. The current PHA payment standards range from 92% to 105% of the FMRs, which is within the allowable range of 90-110%.*
- 9. Annual Reexaminations (10 of 10 points).** *The PHA completes a reexamination for each participating family at least every 12 months. The MTCS SEMAP indicator for fiscal year end shows 3 late reexaminations out of 3565 families subject to reexamination. In order to gain full points, the PHA must have at least 95% completed in a timely manner.*
- 10. Correct Tenant Rent Calculations (5 of 5 points).** *The PHA correctly computes the family's payment of rent to the property owner. The MTCS SEMAP indicator for fiscal year end shows no rent discrepancies out of 2108 files.*
- 11. Pre-contract HQS Inspections (5 of 5 points).** *Each newly leased unit passed HQS inspection before the beginning date of the assisted lease and Housing Assistance Payments (HAP) contracts. HUD's on-line MTCS SEMAP report shows that all 464 out of 464 newly-leased units passed inspection on or before the contract effective date. In order to gain full points for this indicator, the PHA must have at least 98% completed in a timely manner.*

- 12. Annual HQS Inspections (10 of 10 points).** *The PHA inspects each unit under contract at least annually. On-line MTCS data show 78 out of 3157 HQS inspections were late, or 2.5%. The Agency receives full points on this indicator if 5% or fewer annual inspections are late.*
- 13. Lease-up (Utilization) (20 of 20 points).** *The PHA executes assistance contracts on behalf of eligible families for the number of units that have been under budget for at least one year. Lease up rates for this factor can be calculated from either the unit lease-up rate or the budget utilization rate, both measured against a 98% standard for full points. The PHA earns full points under either standard. The HCV SEMAP unit utilization rate for calendar year 2013 was 100.5% (number of unit-months under HAP contract divided by total of unit-months authorized), earning full points on this indicator. (The overall unit utilization rate was 99.99% with only 1 additional unit month lease out of the 53,443 allowed.) The HCV budget utilization was 106%, which would also earn the full points. The Section 8 HAP budget authority was \$32,257,162.00, and the PHA spent \$34,277.184.05 (largely due to the abrupt cut to HAP funding, the PHA spent out of HAP reserves to cover the difference).*
- 14. FSS enrollment and escrow accounts (5 of 10 points).** *This factor contains two components. The first part measures the number of Family Self Sufficiency (FSS) slots filled in the PHA's mandatory program. The second component measures the percent of escrow accounts established for FSS participants. To receive the full 10 points the PHA would have to have at least 259 FSS participants (80% of 324), with 30% or more of those participants having escrow accounts. The PHA receives 5 points because more than 30% of the current FSS participants have escrow accounts: 24 participants, 18 with escrow accounts = 78%, according to PIC records.*
- 15. Deconcentration indicator (0 of 5 bonus points).** *A PHA in a metropolitan area can add five points to their SEMAP score by showing they meet one of the three criteria under this indicator. The criteria are based on families with children living in or moving to areas (census tracts) with lower poverty rates (poverty rates below the 22.4% average for the metro area). The average poverty rate of 22.4% is the new figure from the 2012 American Community Survey from the U.S. Census. The previous average was 23.9%.*

A PHA receives "deconcentration" points for SEMAP if:

Criterion 1: Over half (50%) of all families with children assisted by Section 8 in the PHA's "principal operating area" live in "low poverty census tracts".

A "low poverty census tract" is defined as one with a poverty rate below 10%, or below the average poverty rate for the PHA's "principal operating area". In Saint Paul the average poverty rate is 22.4% according to 2012 ACS figures. There are 40 census tracts with lower poverty rates and 41 with higher poverty rates.

HousingLink's analysis showed that approximately 25.5% (under half) of Section 8 participant families with children live in census tracts with poverty rates below 22.4%.

That percentage is lower than last year (31.5%), showing that fewer families with children are living in low-poverty areas. This is partly due to the shifting and eliminating of high

poverty census tracts due to the overall decrease in the poverty rate for St. Paul from 24.2% to 22.4%. This is also likely partly due to the increasing concentration of poverty as vacancy rates decrease.

Criterion 2: The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's "principal operating area" is at least 2% higher than the percent of all Section 8 families with children living in low-poverty census tracts.

HousingLink's analysis showed that, of the voucher participant families with children who moved during the year, approximately 21.4% moved to low-poverty census tracts. That figure is lower than the 25.5% of families living in low-poverty census tracts, so the PHA does not meet this criterion.

Criterion 3: The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's "principal operating area" over the last two PHA FYs is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the second to last PHA FY.

Of the voucher participant families with children who moved during the last two years, approximately 21.4% moved to low-poverty census tracts. That figure is lower than the 26.5% of families who lived in low-poverty census tracts two years ago.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS
DIRECTOR

FROM JON M. GUTZMANN
EXECUTIVE

REGARDING Allina Neighborhood Health Connection
Grant Application by Presidents Council,
City-Wide Residents Council and PHA;
Statewide Health Improvement
Program (SHIP) Activities

DATE May 28, 2014

Staff requests Board approval to apply for a grant of up to \$7,000 through the 2014 Allina Neighborhood Health Connection program, in partnership with the Presidents Council of PHA Hi-Rises and the City-Wide Residents Council. The Resident Councils will use these funds to work with staff and the Saint Paul-Ramsey County Department of Public Health (SPRCDPH) on the following activities:

1. Contract with the University of Minnesota Extension Program's "Cooking Matters" to provide a series of onsite healthy cooking and nutrition classes at the family developments;
2. Contract with the YWCA of St. Paul to provide onsite chair yoga classes at hi-rises;
3. Contract with the YWCA to provide Tai Chi classes at hi-rises;
4. Contract with "Gardening Matters" (a nonprofit organization) to provide community gardening educational sessions for the hi-rises and families at Mt. Airy Homes;
5. Implement resident walking programs in the hi-rises;
6. Contract with "Cycles for Change" (a nonprofit organization) for Build a Bike classes at the family developments.

Staff received the attached notice about this grant opportunity on May 6, 2014. Since applications are due May 30, 2014, staff immediately contacted the Resident Council leaders to officially seek their support to apply for funding. The Presidents Council's Executive Board gave its approval on May 16, 2014, and staff will request the support of the City-Wide Residents

Council at their May 27, 2014 meeting. Staff anticipates that City-Wide's board will approve supporting the grant application as well.

Last year, on behalf of the City-Wide Residents Council and the Presidents Council, the PHA applied for and received a \$4,250 Neighborhood Health Connection grant from Allina for similar activities, as approved by the Board on June 26, 2013. The 2014 Allina grant will supplement the \$90,000 SHIP grant that the PHA and SPRCDPH will receive from the State of Minnesota, and assist us in continuing to implement SHIP-related activities.

The Presidents Council served as the lead applicant for the last grant and has agreed to do so on this application because of the preference for community organizations with 501(c)(3) status. Staff anticipates that grant awards will be announced by July 2014.

ANH

Attachments: May 6, 2014 Allina Neighborhood Health Connection Funding Notification

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Request for Proposals;
Sale of Vacant Land

DATE May 28, 2014

Staff requests Board approval to issue a Request for Proposals (RFP) to select one buyer for a parcel of excess vacant land adjacent to the Valley Hi-Rise (shown on the attached site plans).

The RFP would not have a specific due date. Rather it would signal to prospective developers that the PHA has completed this initial phase of due diligence regarding the excess parcel of land, and that the parcel is available for appropriate offers.

Staff would work closely with the buyer selected in the RFP process to develop a plan for final Board consideration that we hope will result in the development of this vacant parcel to its highest and best use. A proposal review committee would be created that includes PHA staff and residents of Valley Hi-Rise. The PHA and the buyer would work with the residents and the City to ensure the proposed development was consistent with the PHA's development objectives stated in the attached RFP.

The proposed lot-split line would yield a parcel of approximately 106,272 square feet to be sold. Currently the parcel is zoned for multi-family or light-commercial structures under a conditional use permit. Approximately 70 of the 90 Valley Hi-Rise parking stalls lie within the vacant parcel to be sold. It is the buyer's responsibility to verify the availability of utilities, whether the parcel can be subdivided from Valley Hi-Rise, whether any required variances can be obtained, whether the parcel can be rezoned for the intended use, and to confirm future access to the site along University Avenue and/or L'Orient Street. The selected buyer will be required to provide 159 new parking stalls for Valley Hi-Rise residents.

Staff recently obtained a professional appraisal (summary attached) that shows the total value of the property to be \$1,910,000 or \$18 per square foot. The appraised value does not reflect nor consider the cost of providing parking for Valley Hi-Rise residents. Consistent with the Board's prior discussions on property sales and the need to generate the maximum return from the sales, the property's selling price will be as close to market value as possible.

Offering this land for sale is consistent with a strategy discussed at a 2006 Board strategic planning retreat and approved by the Board on August 23, 2006 ("Short-Term Strategic Plan Strategy #3: Sell remaining excess land"). It has also been discussed at staff's meetings with the Valley Hi-Rise Resident Council and the Resident Advisory Board. A summary of the meeting with Valley Hi-Rise residents was reviewed at the February 26, 2014 Board Meeting.

If the PHA receives proposals that appear to be viable, staff will initiate the other steps required before submitting an property disposition application to HUD, including the following:

- Offering to sell the property to the Resident Council;
- Issuing a 45-day public notice of a proposed amendment to the Agency Plan;
- Holding the required public hearing;
- Obtaining a letter from the City supporting the sale;
- Requesting Board approval for the disposition application.

JMG/HP/DAL/FAH

Attachments: Site Drawing
Request for Proposals
Appraisal Summary

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Petition for Restaurant Patio;
West Seventh Street Near
PHA Scattered Site Home

DATE May 28, 2014

Staff requests authorization for the Executive Director to sign a petition related to a request by the owner of a restaurant at 2176 West 7th Street for a “Liquor - Outdoor Service Area (Private Patio) License”. The owner of the “Seventh Street Social” restaurant contacted the PHA because a scattered site home is located within 300 yards of the restaurant. A copy of the petition, map and related documents are attached. With the Board’s approval, the Executive Director would sign the petition, qualified with the statement “The PHA neither supports nor opposes this request.”

PHA staff notified the residents of the scattered site home of the restaurant’s request, and the residents said they had no objection. They and other residents of the area could attend the City Council meeting when the matter is considered. PHA staff have no objections to the restaurant’s proposal.

The Agency’s practice has been to authorize execution of all petitions like this so that the request can be presented to the City Council (or Zoning Committee or Planning Commission) for consideration. This procedure permits the request to advance to the decision-making body, and does not place the PHA in the position of preventing consideration of the merits of the proposal by the Council.

FAH/

Attachments: Petition and Application Requirements
Map