

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

**REPORT TO COMMISSIONERS**

**FROM JON M. GUTZMANN  
EXECUTIVE DIRECTOR**

**REGARDING** Public Housing Agency Plan;  
Annual Plan for PHA Fiscal Year 2016  
And Five-Year Plan

**DATE** November 26, 2014

Staff recommends approval of Resolution No. 14-11/26-2 approving the Annual and Five-Year Agency Plan for the PHA's Fiscal Year 2016, which is Federal Fiscal Year (FFY) 2015.

The Agency Plan no longer includes the Capital Fund Program (CFP) funding application for the coming year. A draft of that application is being provided as a separate informational report, along with the CFP Five Year Action Plan and the CFP annual reports for the active grants, FFY 2011-2014.

The CFP application and annual reports will be submitted separately with the signed amendment to the Annual Contributions Contract (ACC) after the actual amount of the PHA's CFP grant for FFY 2015 is announced. Based on past years' experience, that could occur anytime between March and August of 2015, after Congress approves the appropriations and HUD announces the actual CFP grant amounts.

The PHA held the required public hearing on the Agency Plan on Tuesday, November 18, 2014 at Neill Hi-Rise, 325 Laurel Avenue. Staff announced that the draft Agency Plan was available for public review and comment at the beginning of October by publishing a notice in the St. Paul Pioneer Press and posting a notice and the draft Plan on the PHA's website. The updated Plan is

substantially the same as last year's. Members of the Resident Advisory Board (RAB) discussed the Plan updates in four meetings held in August, September and October. The agendas and announcements of RAB meetings were mailed to the Hi-Rise Presidents Council, the City-Wide Residents Council, Section 8 representatives and SMRLS.

No written comments on the Agency Plan itself were submitted by the RAB or the public. During the course of the RAB meetings members offered a wide range of suggestions for policy and procedure changes, sometimes in writing and sometimes verbally. Staff will summarize those resident comments and the PHA's response in the Agency Plan attachment.

The PHA's Agency Plan is posted on the PHA's website, [www.stpaulpha.org](http://www.stpaulpha.org), and on HUD's website: <http://www.hud.gov/offices/pih/pha/approved> .

FAH

Attachments: Resolution 14-11/26-2 including HUD-50077,  
"Certifications of Compliance with PHA Plans  
and Related Regulations";  
Agency Plan and Attachments

**PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL  
RESOLUTION NO. 14-11/26-2**

**PUBLIC HOUSING AGENCY PLAN FOR PHA FISCAL YEAR 2016 (FFY 2015);  
ANNUAL AND FIVE-YEAR PLANS;  
CERTIFICATIONS OF COMPLIANCE WITH PHA PLANS  
AND RELATED REGULATIONS**

WHEREAS, the PHA is required to prepare and submit to HUD each year an Agency Plan including required attachments; and

WHEREAS, HUD approved the PHA's Agency Plan for the current fiscal year on January 16, 2014; and

WHEREAS, there have been presented and considered at this meeting of the Board of Commissioners draft plans which describe the PHA's current programs and plans for the next fiscal year, which plans are in the form required by HUD; and

WHEREAS, the PHA's Resident Advisory Board (RAB) assisted staff in developing the draft plan; public notice was published of the draft plan's availability and the plan was presented at a public hearing as required; and

WHEREAS, HUD requires the Agency Plan to be accompanied by "Certifications of Compliance with the PHA Plans and Related Regulations" executed by the Board Chair;

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

1. The Annual Agency Plan for the PHA Fiscal Year beginning April 1, 2015 and the Five-Year Agency Plan are hereby approved.
2. The Chair of the Board and the Executive Director or his designee are authorized to execute the "Certifications of Compliance with the PHA Plans and Related Regulations" in the form prescribed by HUD, and such other documents as may be necessary to complete the Agency Plan for submission.
3. The Executive Director or his designee is authorized to submit the Agency Plan and related documents to HUD by January 15, 2015 or such later date as HUD may approve.

# PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

**REPORT TO COMMISSIONERS**

**FROM JON M. GUTZMANN  
EXECUTIVE DIRECTOR**

**REGARDING** Property Insurance Policy Renewal

**DATE** November 26, 2014

Staff requests Board approval to renew the PHA's property insurance for one year effective December 1, 2014 with the Housing Authority Insurance Group (HAI) at an estimated annual premium of \$499,835 on an insurable property value of \$608,367,932. The estimated premium is slightly higher than last year's actual premium of \$498,233 (up \$1,602 or 0.3%) due to the property value increase from \$601,728,650 to \$608,367,932 (up \$6,639,282).

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

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

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

<b>PHA FISCAL YEAR</b>	<b>HARRG DIVIDEND</b>
FY 2007	\$68,882
FY 2008	\$164,479
FY 2009	\$43,758
FY 2010	\$172,011
FY 2011	\$136,216
FY 2012	\$151,863
FY 2013	\$114,932
FY 2014	\$102,765
FY 2015 YTD	\$54,827
<b>TOTAL</b>	<b>\$1,009,733</b>

Sufficient funds will be budgeted for this expense in the FY 2015 Operating Budget.

HMG/RPM

# PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

**REPORT TO COMMISSIONERS**

**FROM** JON M. GUTZMANN  
EXECUTIVE DIRECTOR

**REGARDING** Project-Based Voucher Award  
For Supportive Housing: Prior Crossing

**DATE** November 26, 2014

Staff requests approval of Resolution No. 14-11/26-1 to award 32 Section 8 Housing Choice Vouchers for use as Project-Based Vouchers (“PBVs”) in Prior Crossing, a new supportive housing projected being developed by Beacon Interfaith Housing Collaborative (“Beacon”). The 44-unit development, to be constructed at 1949 West University Avenue (at Prior Avenue) in Saint Paul, will provide housing and supportive services for homeless youth age 18-21. Staff recommends that the initial PBV Housing Assistance Payments contract be approved for up to 15 years, the maximum permitted under current regulations.

As shown on the attached summary, the project will receive \$5,067,401 as a deferred loan from the Minnesota Housing Agency (Housing Infrastructure Bonds/Housing Trust Fund) based on Beacon’s application through Minnesota Housing’s 2014 Consolidated Request for Proposals (the “SuperRFP”). The St. Paul HRA and the Metropolitan Council have committed a total of \$2.0 million and tax credit syndication proceeds are almost \$3.0 million, to make up the total development cost of \$10.1 million.

The PHA offered up to 32 PBVs through Minnesota Housing’s 2014 Consolidated Request for Proposals (the “SuperRFP”), based on the Board’s November 23, 2011 approval to award up to 50 PBVs over five years. The first 18 of those PBVs were awarded on November 28, 2012, for Project for Pride in Living’s Ujamaa Place Apartments on Selby Avenue and the Old Home

Plaza, now called Western U Plaza, which is under development at University and Western Avenues.

Here are excerpts from Beacon's proposal and additional details are attached:

- Project Purpose: The Prior Crossing application submitted by Beacon Interfaith Housing Collaborative ("Beacon") proposes the new construction of a 44 unit development on University Avenue in Saint Paul near the Fairview Avenue Green Line light rail stop. The property consists of one elevator building with efficiency units. The development is 100% supportive housing targeted at youth and furthers Minnesota Housing's long-term homeless and critical needs strategic priorities.
- Targeted Population: The proposal targets formerly homeless youth. The residents are also expected to be immigrants, households of color and disabled. The development will reserve 23 units for households who have experienced long-term homelessness ("LTH"). All of the households will have incomes equal to or less than 30% of the area median income ("AMI").
- Beacon Interfaith Housing Collaborative gathered a group of St. Paul/Ramsey County congregational, community and public leaders in 2010 to determine the greatest housing needs in the community. Supportive housing for homeless youth was the highest priority identified. House of Hope Presbyterian Church became the lead congregational partner for Beacon, committing leadership and financial resources to turning this vision into the reality of Prior Crossing.
- The services provider will be Amherst H. Wilder Foundation. The Wilder Foundation currently provides supportive services to more than 800 individuals a year, all of whom have experienced homelessness. Wilder will draw from its deep expertise and decades of experience in the supportive housing sector to provide services at Prior Crossing. Wilder's supportive services staff will also refer residents to other Wilder Foundation and community-based services including employment and health services.
- Perennial Management will provide property management at the site. Perennial comes with a respected reputation and many years of experience, including many types of affordable housing, and already manages five other housing developments owned by Beacon.

Prior Crossing submitted the only proposal funded by Minnesota Housing that requested PBVs from the St. Paul PHA. One proposal submitted by Model Cities requested both funding and four PBVs for their Central Exchange project, but it was not selected for funding by Minnesota

Housing in this round. Therefore, according to the PHA's Board-approved selection policy, it was not eligible for PBVs.

Community Housing Development Corporation submitted an application requesting only 18 PBVs for Dale Street Place, and no additional funding. At the October 22, 2014 meeting the Board approved accepting up to 24 "preservation vouchers" for Dale Street Place, so staff is not recommending award of additional PBVs for the project.

FAH/DJM

Attachments: Resolution No. 14-11/26-01  
Minnesota Housing Summary of Funded Projects  
Excerpts from Beacon's Proposal for Prior Crossing

**PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL  
RESOLUTION NO. 14-11/26-01**

**APPROVAL OF SECTION 8  
PROJECT-BASED VOUCHER ASSISTANCE;  
PRIOR CROSSING**

WHEREAS, the Public Housing Agency of the City of Saint Paul (PHA) has previously approved the establishment of a Housing Voucher/ Section 8 Project-Based Assistance Program according to the regulations contained in Part 983 of the Code of Federal Regulations; and

WHEREAS, the PHA issued a Request for Proposals through the Minnesota Housing Agency's (formerly Minnesota Housing Finance Agency) 2014 Consolidated Request for Proposals (SuperRFP) process and received three applications requesting Housing Voucher/ Section 8 Project-Based Assistance, and

WHEREAS, Minnesota Housing staff evaluated all of the proposals that requested State and federal assistance and awarded Housing Infrastructure Bond funding to one of those projects, submitted by Beacon Interfaith Housing Collaborative for Prior Crossing located at 1949 University Avenue West, which application also requested 32 PBV units; and

WHEREAS, no other project that requested both PBVs and other funding through the SuperRFP was approved for other funding by Minnesota Housing; and

WHEREAS, the proposed project will provide permanent supportive housing to formerly homeless youth and therefore meet the highest-priority selection criteria for the Housing Voucher/ Section 8 Project-Based Assistance Program approved by the PHA Board of Commissioners on November 23, 2011;

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 proposal submitted by Beacon Interfaith Housing Collaborative for Prior Crossing located at 1949 University Avenue West, requesting 32 units of Housing Voucher/Section 8 project-based assistance, is hereby approved, subject to HUD regulations and subject to the availability of adequate federal funding for the Housing Choice/Section 8 Vouchers.
2. Staff is authorized to execute an initial Housing Assistance Payments contract for up to 15 years with this project; and
3. The Executive Director or his designee is hereby authorized to execute all necessary contracts, budgets and other documents that may be necessary to comply with HUD regulations and guidelines for this action.