

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;
Interim Income Redetermination;
Income Threshold;
Effective Date of Rent Change

DATE May 27, 2015

Staff recommends Board approval of Resolution No. 2015-5/27-4 to revise the Admission and Occupancy (A&O) Policies for both the Public Housing and Section 8 Housing Choice Voucher Programs related to interim income redeterminations and rent adjustments as follows:

1. Raise the threshold for increasing tenant rent payments based on higher household income from the current \$400 per month to \$1,000 per month.
2. Change the effective date of rent increases and decreases (based on changes in household income or other factors) to the first of the month that begins at least 30 days after the month when the change in status occurs (job starts or ends, etc.).

To allow time for public housing residents to receive notice and submit comments, staff is recommending that these policy changes take effect August 1, 2015. Staff is also recommending a change in the Voucher program policy on “shopping time” effective immediately, as explained below.

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. Raise the Threshold for Interim Income Redeterminations and Rent Adjustments

Raising the threshold from \$400/month to \$1,000/month will reduce the number of interim rent adjustments staff must process between annual eligibility reviews. During Fiscal Year 2015 Section 8 staff processed 3,930 interim income redeterminations for Housing Choice Voucher participants (in addition to 3,676 annual redeterminations). Resident Services Department staff processed 3,209 interim income redeterminations (and 4,365 annuals) for public housing residents.

Not all of the interim redeterminations are due to income increases. “Interims” are also required for income decreases, changes in household composition, changes in allowable deductions, and in Section 8, for approved rent increases. However, front-line staff report that a majority of the interims they process for family households are due to income changes, often for families with more than one worker. The PHA’s latest quarterly data reports show that 39% of public housing households have some earned income (65% of family households), as do 38% of households with Housing Choice Vouchers.

Housing authorities are not required to process interim income and rent redetermination for reported income increases at all (only for decreases), so the threshold amount is at the agency’s discretion.

Staff has identified several factors that support raising the threshold, including the following:

1. The higher threshold could operate as a work incentive similar to the Earned Income Disregard (EID), since it would allow the resident to keep up to \$1,000 per month of extra earnings (or other income) without paying higher rent, until the next annual redetermination.
2. Processing fewer rent changes would reduce the administrative burden on staff between annual re-examinations.
3. Low-income families experience many income changes that trigger an income and rent redetermination, but staff reports that most income changes do not result in much change in the family’s rent.
4. During annual reviews staff check HUD’s online “Enterprise Income Verification” (EIV) system and the privately-run “Work Number”, which both provide considerable information about residents’ and participants’ earnings, as well as income from Social Security and SSI (Supplemental Security Income). Staff calculate the resident’s rent for the coming year based on that data and any other information the resident provides.
5. Residents may be more willing to report income increases during the year if they know their rent will not increase until the next annual review.

The following exceptions would apply to implementing the \$1,000 threshold:

- a. A household that has been certified as having no income (a zero-income family) must report all income increases, and the rent will be adjusted accordingly.

- b. If the household's income increases due to another person joining the family, the rent will be adjusted.

B. Change the Effective Date of a Rent Decrease

The PHA's current policies for both programs require a rent reduction to take effect at the beginning of the month following the month in which the resident or participant reports a decrease in income (job loss, work hours reduced, etc.) or another relevant change. In contrast, a public housing resident's rent increase does not take effect until the first day of the second month after the effective date of the change (hired for work, promotion, increased work hours, etc.); that is, the rent goes up on the first of the month that begins at least 30 days after the change occurs. The PHA's Section 8 policy allows even a longer lag time for rent increases in some cases, until the first of the month following 40 days from the day the change occurred. For example, if a voucher participant reports she was laid off from work on April 25, staff would process a rent decrease effective May 1 (which may require a retroactive adjustment). If the same voucher participant reports that she started a new job on May 25, staff would process a rent increase effective August 1. In public housing the rent increase would take effect July 1.

Staff is recommending that the policies be aligned for rent increases and rent decreases, in both public housing and Section 8, so the rent change would take effect on the first of the month that begins at least 30 days after the event occurred. In the examples above, the income loss reported on April 25 would trigger a rent reduction effective June 1 and the new job starting May 25 would cause the rent to go back up effective July 1.

Delaying the effective date of a rent decrease may reduce the number of interim rent adjustments staff must process between annual eligibility reviews.

HUD regulations state that the rent adjustment for an income reduction should occur within a "reasonable time" after the income change is reported. Staff believes the proposed policy is reasonable. It is also consistent with the policies of the Minneapolis and Dakota County CDA.

Staff has identified several factors that support changing the effective dates of rent adjustments including the following:

1. Staff report that although some families' earned income changes frequently, most income losses are followed closely by income increases, when the worker returns to the same job or finds other "replacement income".
2. Families that do not find replacement income soon after an income loss can go to the minimum rent level of \$50 per month, and even request a hardship waiver of that amount. Loss of employment is one of the grounds on which a resident or participant may request a hardship waiver.
3. The current policy puts pressure on staff to obtain income verifications and revise their rent calculations quickly, which disrupts staff's regularly-scheduled work (annual redeterminations). Even with fast action, loss of income reported late in the month results in retroactive adjustments to tenants' rents, and in Section 8, retroactive adjustments to subsidies to property owners (Housing Assistance Payments, HAP).
4. Coupled with the recommended change in the threshold for raising rents based on income increases, staff expects that the proposed delay in implementing rent decreases will result in fewer short-term income changes being reported.

C. SECTION 8 POLICIES: VOUCHER SHOPPING TIME: Staff is recommending revising the policy on voucher shopping time as follows:

A voucher holder who cannot find a suitable unit within 60 days after a voucher is issued, but who intends to continue to look for one, must request in writing an extension from the PHA before the voucher has expired. ~~At its discretion, the PHA may grant a family an extension of up to 30 days.~~ The PHA will grant an extension only as a reasonable accommodation for a person with a disability, or if the voucher holder wishes to use their voucher outside of St. Paul and the receiving housing agency has asked the PHA to extend the voucher. The initial term plus any extensions may not exceed a total period of 90 calendar days from the beginning of the initial term.

Section 8 A&O Policies, Part 2, IV.B.1.

As shown on the attachment, staff is recommending deleting a paragraph in the same section that refers only to vouchers issued from June – September 2014. That provision is no longer needed.

With the Board's approval, staff will send a notice of the pending public housing policy changes to all public housing residents and to the Resident Advisory Board and allow a comment period.

Staff will send notices of the Section 8 policy changes to voucher participants with other scheduled mailings. (No comment period is required for 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.

FAH/DJM/MW

Attachment: Resolution No. 15-5/27-4
Public Housing Admission & Occupancy Policy Revisions
Section 8 Admission & Occupancy Policy Revisions

SAINT PAUL PUBLIC HOUSING AGENCY

RESOLUTION NO. 15-5/27-4

**AMENDING THE ADMISSION AND OCCUPANCY POLICIES FOR THE
PUBLIC HOUSING PROGRAM AND FOR THE
SECTION 8 HOUSING CHOICE VOUCHER PROGRAM;
INTERIM INCOME REDETERMINATIONS; INCOME THRESHOLD;
EFFECTIVE DATE OF RENT CHANGE**

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 regulations promulgated by the U.S. Department of Housing and Urban Development (HUD) for the Public Housing Program and the Housing Choice Voucher Program and related voucher programs require local housing agencies to conduct an interim redetermination of income and rents for a resident or participant whose income decreases, or when other circumstances change that would require a reduction in the rent paid by the resident or participant, and the housing agency is required to reduce the rent accordingly within a reasonable period of time; and

WHEREAS, HUD regulations allow local housing agencies to determine whether and when to make interim redeterminations of income and rents that would increase rents paid by residents and participants in those programs and

WHEREAS, staff has recommended revising both policies to raise the threshold for increasing tenant rent payments based on higher household income from the current \$400 per month to \$1,000 per month, to provide an incentive to residents and participants to increase their income, and to reduce the administrative burden of managing the programs, which is especially needed in this time of reduced funding; and

WHEREAS, staff has recommended revising both policies to change the effective date of rent increases and decreases (based on changes in household income or other factors) to the first of the month that begins at least 30 days after the month when the change in status occurs, to reduce the administrative burden of managing the programs; and

WHEREAS, staff has recommended revising the policies for the Voucher program to state that the PHA will grant an extension of the voucher shopping time only as a reasonable accommodation for a person with a disability, or if the voucher holder wishes to use their voucher outside of St. Paul and the receiving housing agency has asked the PHA to extend the voucher; 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 implement the following changes.
 - a. Raise the threshold for increasing tenant rent payments based on higher household income from the current \$400 per month to \$1,000 per month;
 - b. Change the effective date of rent increases and decreases (based on changes in household income or other factors) to the first of the month that begins at least 30 days after the month when the change in status occurs;
 - c. The PHA will grant an extension of the voucher shopping time only as a reasonable accommodation for a person with a disability, or if the voucher holder wishes to use their voucher outside of St. Paul and the receiving housing agency has asked the PHA to extend the voucher;
2. The new policies stated in (a.) and (b.) above will take effect on August 1, 2015.
3. The new policies stated in (c.) above will take effect immediately upon Board approval.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Fiscal Year 2016 Operating Budget
Revision No. 1; Low Rent Public Housing
And Section 8 Voucher Programs

DATE May 27, 2015

Staff requests Board approval of Revision No. 1 to the Fiscal Year 2016 Operating Budget for Low Rent Public Housing (FY 2016 LRPH), increasing expenses by \$80,160 and decreasing revenue by approximately \$248,958, and Revision No. 1 to the FY 2016 Section 8 Housing Choice Voucher Programs Operating Budget, increasing administrative expenses by \$7,220.

On March 26, 2015 the Board approved the original FY 2016 LRPH Operating Budget with revenue totaling \$31,484,386 and expenses totaling \$33,693,850, resulting in a projected draw on reserves of \$2,209,464. The revenue amount included in the Operating Budget is comprised of subsidy revenue (estimated to be prorated to 83%), tenant rental income, any transfers from the Capital Fund to the Operating Budget, and other miscellaneous income sources.

The first proposed revision will reduce the previously-approved transfer from the FFY 2015 Capital Fund Program budget to the Operating budget from \$700,000 to \$500,000. Retaining the \$200,000 in the FFY 2015 Capital Fund Program budget will allow the Agency to hire consultants to prepare construction documents for the Ravoux Hi-Rise plumbing replacement and to evaluate the condition of the plumbing at the balance of the PHA's hi-rises. Staff will submit Capital Fund Program budget revisions at the June Board Meeting that will detail this and other Capital Fund Program budget changes.

The next proposed adjustment corrects an error in HUD’s figure for PILOT (Payment In Lieu Of Taxes) that was used in the original FY 2016 LRPB budget calculations. This year HUD initially provided an incorrect figure for PILOT and corrected it after the Board had approved the original budget. Based on the information from HUD and staff’s calculations including a proration adjustment, the PHA will receive approximately \$48,958 less subsidy. This reduces the subsidy for each AMP as shown below:

AMP	Original PILOT Add-On Amount (at 83%)	HUD Modified PILOT Add-On Amount (at 83%)	Variance
1	\$ 107,701	\$ 107,356	(\$ 336)
2	72,438	71,810	(628)
3	91,151	90,726	(425)
4	56,027	55,891	(136)
5	106,719	87,841	(18,878)
6	39,813	24,547	(15,266)
7	77,311	77,097	(214)
8	98,745	86,332	(12,413)
9	82,976	82,314	(662)
Total	\$ 732,881	\$ 683,923	(\$ 48,958)

After reducing the transfer from the Capital Fund and correcting the PILOT amount, and with the staffing adjustment described below, the revised FY 2016 LRPB Operating Budget shows revenues totaling \$31,235,428 and expenses totaling \$33,774,010, resulting in a projected draw on reserves of \$2,538,582. The revised HUD Operating Budget form is attached (HUD-52564). (See last paragraph of report for further discussion of reserves.)

Proposed Staffing Adjustments:

Since November of 2014, the Executive Director has initiated a number of Agency-wide process improvements, some of which have led to recommended staffing adjustments. These process improvements have focused on numerous areas of public housing and HCV operations as detailed in attachments to this report (copied on green paper). Separate from that initiative, the Executive Director has continued to look for ways to create depth in key PHA positions partly for succession planning and partly because it makes good business sense to do so. The proposed staffing adjustments below are the outcome of one or both of these analyses:

In this budget revision staff is recommending Board approval to establish the positions of Assistant Director of Maintenance (1.0 FTE) and Assistant Director of Resident Services (1.0 FTE), and preliminarily rate them at the D61 level pending a review by Fox Lawson. The PHA initially hired Fox Lawson to implement the PHA's current job evaluation system and Fox Lawson is now used to review new positions and positions that have significantly changed. Upon receiving Board approval, Maintenance and Resident Services will work with Human Resources to create job descriptions for these positions and submit them to Fox Lawson for a review of their band/grade/subgrade. Staff expects that Fox Lawson will rate these positions as similar to other positions in the upper management tier. These actions may be budget neutral in terms of FTE's and have little impact on the budget, depending on how the new positions are filled. (The position openings will be posted.) Since the new positions will assume some of the duties that are now assigned to other positions, it may be possible to eliminate current positions directly or by attrition. The addition of these two positions, in conjunction with the anticipated reduction of two comparable positions, may result in an increase in expenses of about \$22,000 which includes salaries and benefits.

Resident Services: Staff requests Board approval to add a 0.75 FTE position of Human Services Coordinator (HSC) assigned to work at the Dunedin Terrace family development. With increasing numbers of residents experiencing mental health issues in both hi-rise and family and family units, the current single HSC position shared between Dunedin and Roosevelt Homes is not sufficient to meet the need. The addition of this position will result in an increase of expenses of \$54,640 including salary and benefits.

Information Systems (IS): Staff requests Board approval to reclassify the Business Systems Analyst (Database Specialist) with a band/grade/sub-grade of C42 to a new position titled Assistant Information Systems Manager with a Band/grade/sub-grade of C43. This position is in the Supervisory and Confidential (S&C) employee group and is responsible for support of the IS Manager position in her absence, the primary point of contact for the Agency's industry-specific business software (Emphasys), is the Agency's SQL language programmer, handles data report generation, and monitors, interprets and implements HUD regulatory changes at they relate to information systems.

This position's duties and responsibilities have grown in complexity over time. The job classification reflecting current duties and responsibilities was recently submitted to Fox Lawson for a review of its band/grade/sub-grade. Fox Lawson determined that the correct evaluation of this position is C43. This reclassification will result in an increase in operating expenses of \$5,240 including salaries and benefits. This amount is split between the Low Rent Operating Budget (\$3,540) and the Section 8 Voucher Program Operating Budget (\$1,700).

Section 8 Assistant Manager for Inspections: Staff is recommending converting a 1.0 FTE

Section 8 Inspector position to be 0.5 FTE Section 8 Inspector and 0.5 FTE Assistant Program Manager for Inspections. This FTE-neutral adjustment would formalize a long-term temporary assignment that has served the program’s needs well. The position’s primary supervisory responsibilities include responding to owner questions relating to inspections, conducting quality control inspections, and spearheading process improvements including biennial inspections, self-certifications, and handheld devices for inspections. This position would still be responsible for conducting unit inspections approximately half-time, supplementing the two full-time inspectors (and long-term temporary inspector during peak periods) to conduct timely inspections of new units and annual and interim inspections of units currently assisted with vouchers. This FTE shift also is responsive to increasing general supervisory demands in Section 8, including appeal hearing requests and fraud prevention and investigation, with somewhat decreasing inspection numbers expected as a result of process improvements. This conversion will increase operating expenses in the overall Section 8 Voucher Programs Budget by \$5,520 including salaries and benefits.

A summary of the proposed expense changes is as follows:

Description of Proposed Expense Change	FTE	LRPH Revision #1	Section 8 Revision #1
1. Add Assistant Director of Maintenance	1.00 FTE	\$ 87,750	
2. Anticipated Reduction - Maintenance	-1.00 FTE	-79,780	
3. Add Assistant Director of Resident Services	1.00 FTE	85,830	
4. Anticipated Reduction – Resident Services	-1.00 FTE	-78,030	
5. Add Human Services Coordinator	0.75 FTE	39,220	

6. Reclassify Business Systems Analyst to Assistant IS Manager		2,540	\$ 1,220
7. Add Assistant Section 8 Program Manager	0.50 FTE		26,800
8. Reduce Housing Inspector	-0.50 FTE		-22,840
9. Benefits for changes above		22,630	2,040
TOTAL BUDGET REVISION		0.75 FTE	\$ 80,160

HISTORY OF STAFFING LEVELS

	FY 2015 Approved REV 2	FY 2016 Approved Original	FY 2016 Proposed REV 1	Increase (Decrease)
Executive	3.00	3.00	3.00	0.00
Human Resources	4.00	4.25	4.25	0.00
Section 8	22.00	22.00	22.00	0.00
Housing Policy	1.00	1.00	1.00	0.00
Equal Opportunity and Diversity	1.00	1.00	1.00	0.00
Finance	16.00	16.00	16.00	0.00
Maintenance	99.00	99.00	99.00	0.00
Resident Services	84.23	84.23	84.98	0.75
Resident Initiatives	1.50	1.50	1.50	0.00
TOTAL	231.73	231.98	232.73	0.75

Approval of the proposed budget revision would increase the total expected draw on LRPH operating reserves by \$329,118 from \$2,209,464 to \$2,538,582 resulting in an ending reserve balance of \$15,488,839 which is approximately 5.6 months of routine operating expenses. This is well within the acceptable reserve level established by HUD and close to the PHA's own target of six months of routine operating expenses. The public housing personnel cost changes also impact the Section 8 administrative budget, since they are allocated across programs. Staff

proposes to draw approximately \$185,056 from the Housing Choice Voucher Unrestricted Net Position (UNP) balance, and contribute \$49,232 to the other Section 8 program reserve balances. This will result in a program-wide draw on administrative fee reserves of \$135,824, increasing from \$128,604 in the original FY 2016 budget. The estimated program-wide reserve balance as of March 2015 is \$1,851,321, so is sufficient to cover the projected draw.

JMG/RPM/AJH/FAH

Attachments: HUD-52564 ORIGINAL
HUD-52564 REVISION #1
HCV ADMIN BUDGET

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Appointment of PHA Board
Representative to the Pension
Administrative Committee

DATE May 27, 2015

Staff recommends the re-appointment of Michael McMurray as the Board Representative to the HRA/PHA Pension Administrative Committee, for the term ending June 30, 2018. Mr. McMurray, who is the PHA's Human Resources Director, has been a committee member since July 17, 1996. His current term ends June 30, 2015.

Under the Pension Plan committee members are appointed for three-year terms. The Pension Administrative Committee has the responsibility to control and manage the operation and administration of the Pension Plan.

Other members currently serving on the Pension Administrative Committee are: Kathy Frits, representing PHA Administrative employees; John Falzone, representing Local 363 employees; Peter McCall, representing the St. Paul City Council; and Gary Grabko, representing HRA employees.

DMM/MLM

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

RESOLUTION NUMBER 15-5/27-01

**RESOLUTION IN RECOGNITION OF
DEDICATED SERVICE**

By

Cindy Collier

WHEREAS, Cindy Collier has served the people of Saint Paul as an employee of the Saint Paul Public Housing Agency (PHA) since March 16, 1978; and

WHEREAS, she has provided distinguished service in many ways including the following:

- She started as a Payroll Technician and advanced to Employee Development Specialist, EEO-AAP Officer and then Maintenance Manager, performing each job with skill and dedication;
- She learned about floods in hi-rises on holidays, the potential dangers of a transformer vault, and after-hours calls for just about everything anyone one can imagine; and she handled them all with the utmost aplomb;
- She has demonstrated her commitment to the Agency's mission and the people we serve by maintaining the PHA buildings and grounds in exceptional condition, responding to residents' concerns and treating co-workers and residents alike with courtesy and respect;
- In all these ways, she contributed to building the PHA's national reputation for excellence in public housing administration;

NOW THEREFORE BE IT RESOLVED, that we, the Board of Commissioners of the Saint Paul Public Housing Agency, on behalf of the Board, the staff, and residents, do recognize and hereby acknowledge with deep appreciation, respect and admiration the service provided to the Agency and the community by Cindy Collier and we wish her well in her retirement.

May 27, 2015

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

RESOLUTION NUMBER 15-05/27-2

**RESOLUTION IN RECOGNITION OF
DEDICATED SERVICE**

By

Merry Xiong

WHEREAS, Merry Xiong served the people of Saint Paul as a Commissioner of the Saint Paul Public Housing Agency (PHA) from July 26, 2006 until April 22, 2015; and

WHEREAS, she provided distinguished service in many ways, including the following:

- She faithfully attended Board meetings, respected and supported staff and her fellow Commissioners, and gave full and fair consideration to all matters brought before the Board;
- She balanced the time demands of serving as a PHA Commissioner along with full-time employment, showing her commitment to both endeavors;
- She drew on her life experiences as a former resident of public housing and her professional experience working in the mental health field, to bring important perspectives to the Board's discussions;
- She demonstrated her personal concern for the families and individuals who rely on public housing and Section 8 for safe, affordable, quality housing; and
- During her service as a Commissioner, she demonstrated her commitment both to the PHA's mission and the Agency's Commissioners, staff and residents.

NOW THEREFORE BE IT RESOLVED, that we, the Board of Commissioners of the Saint Paul Public Housing Agency, on behalf of the Board, the staff, and residents, do recognize and hereby acknowledge with deep appreciation and respect the service provided to the Agency and the community by Merry Xiong and we wish her continued success.

May 27, 2015

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Opening the Housing Choice Voucher
(Section 8) Waiting List in 2015

DATE May 27, 2015

Staff recommends that the Board approve the lottery method the Agency will use to select the households to be placed on the Housing Choice Voucher (Section 8) waiting list when the PHA opens the list for new applications in the second half of Calendar Year 2015. Staff is recommending that 95% of the applicants to be selected by lottery for the waiting list be residents, specifically defined for this purpose as the applicant living, working or going to school in St. Paul. This procedure was used successfully by other local housing agencies earlier this year, using the same software, when tens of thousands of families applied for vouchers online.

HUD regulations allow opening and closing waiting lists as an administrative procedure, and the PHA's past practice has been to inform the Board of those actions in an informational report. In this instance staff is recommending Board approval to ratify the lottery process. The PHA will announce the waiting list opening widely, well in advance of the date.

Following the Purchasing Policy, staff issued a Request for Proposals early in 2015 for an "online waiting list solution". Four proposals were submitted and evaluated by staff and HAPPY Software, Inc. was selected. Staff issued a purchase order for \$14,150 to HAPPY on May 18, 2015. HAPPY is a leader in the industry, as demonstrated recently by their successful management of online voucher waiting list openings for the Metro HRA, Bloomington HRA and Dakota County CDA. Metro HRA received the most applications, about 36,000, and immediately selected 2,000 names to put on their waiting list by lottery, again using HAPPY's software.

Metro HRA announced in advance that 95% of the 2,000 voucher applicants to be selected in their lottery would be households living in the Twin Cities metropolitan area, which is the jurisdiction served by the Metro HRA. Dakota County CDA followed the same procedure to place 2,500 names on their voucher waiting list. Staff is recommending that the PHA follow the same procedure for our lottery, so 95% of the applicants selected for the waiting list will be families who live, work or go to school in St. Paul. Staff believes this procedure is consistent with the longstanding Board-approved residency preference for issuing vouchers (which was also approved by HUD), while still allowing some opportunity for families living elsewhere to be added to the voucher waiting list. (If a family issued a voucher did not live in St. Paul when they applied, they are required to live in the City for at least a year before they are allowed to move elsewhere under portability.) Staff has agreed on drawing 3,500 names in the lottery, to create a waiting list that could last for several years without being too large to manage.

All of the households that applied for vouchers when the waiting list was last opened (for three days in 2007) were drawn from the list by the end of 2014. A few applicants whose names were removed when we were unable to reach them by mail have been put back on the list when they contacted the Agency. Residents of project-based voucher (PBV) projects who request a voucher to move are placed on a separate waiting list. Staff do not expect to issue vouchers to any of those families or to applicants from the new waiting list opening until early in 2016, to allow the number of vouchers under lease to subside below the authorized level. The number of vouchers the PHA issues each year varies widely, but a “normal” year might see 300-350 new issuances.

In addition to residency, the PHA's other preferences for issuing vouchers are for veterans and households with income below 30% of the area median income (Extremely Low Income, or ELI). The current ELI limit for a family of four persons is \$26,000. Those preferences would be applied after the lottery selection is completed.

The special voucher programs like Veterans Affairs Supportive Housing (VASH), the Family Unification Program (FUP) and project-based supportive housing programs have other admission requirements and are directly referred from those sources. New participants in those programs do not go through the regular voucher waiting list. Tenant Protection Vouchers (TPVs) are also issued outside of the regular voucher application and waiting list process, going directly to eligible residents of previously-subsidized properties when HUD approves TPVs.

FAH/DJM

Attachment: Section 8 Waiting List Project Plan

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 27, 2015

Staff requests approval of Resolution No. 15-05/27-03 certifying the PHA’s Section 8 Management Assessment (SEMAP) score for Fiscal Year 2015, 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 five 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 2015 SEMAP score is calculated as follows:

SEMAP Performance Indicators	FY 2015 PHA Score	FY 2014 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 60 files for the "Determination of Adjusted Income" factor. Anything over 90% earns full points in this category. Only three files contained an error, giving a success rate of 95% on the sampled set. The files have since been corrected. Though this 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 313 voucher participants in FSS during the year, instead of the 31 who were served. (HUD uses the data in PIC for this indicator.) The PHA earns five points on this factor because 54% of FSS participants during the year (14 of the 31) had escrow accounts, well above the 30% threshold to earn these five points. As the rent portion of an FSS participant increases due to earned wages from a new job, the PHA matches this amount and places it into an account. This escrow account is then returned, with interest, when the participant "graduates" from the FSS program.

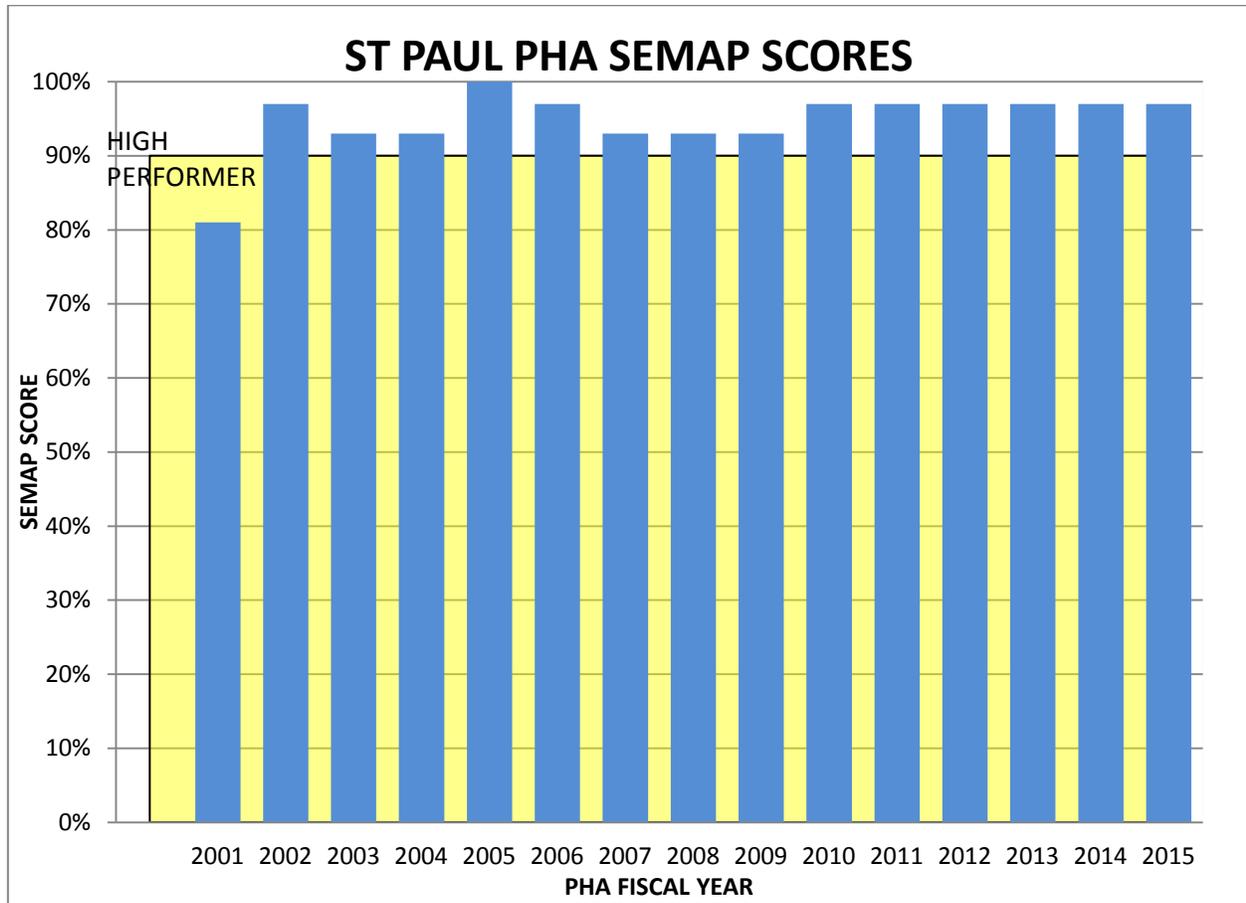
Again this year the PHA did not receive the five bonus points available on Indicator #15, Deconcentration of Poverty. To receive points on this factor, the PHA would have to show that more voucher participant families with children are living in, or moving to, low poverty census tracts. The

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. 15-5/27-03
 2. Explanation of SEMAP Indicators
 3. HousingLink Analysis



PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

RESOLUTION NO. 15-05/27-03

**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 4,619 units; and

WHEREAS, the Saint Paul Public Housing Agency is required to submit a Section 8 Management Assessment Program (SEMAP) certification for Fiscal Year 2015; 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 2015 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 (17 samples) and one for applicants reaching the top of the waiting list (25 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 60 files that were audited for ongoing participants and new applicants, staff audited all of those that had a new rent approved, 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 60 files audited. There were only three findings, for an accuracy rate of 95% 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, and found that no changes were needed. The Board last approved the Utility Allowance Schedule (with no changes) on February 26, 2014. Staff reviewed the schedule early in 2015 and concluded that no changes were needed other than breaking out separate utility allowances for the few multi-family units where the residents are required to pay a separate fee for trash removal and/or water/sewer (recommended for Board approval May 27, 2015).*
- 5. Housing Quality Standards (HQS) Quality Control Inspections (5 of 5 points).** *PHA supervisor(s) re-inspected 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 31 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 our 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 102% 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 one late reexamination out of 4,357 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 2573 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 933 out of 934 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 no inspections out of the 3878 HQS inspections were late. 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 2014 was 98.3% (number of unit-months under HAP contract divided by total of unit-months authorized), earning full points on this indicator. The HCV budget utilization was 98.01%, which would also earn the full points.*
- 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 313 FSS participants (80% of 391), 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: 31 participants, 14 with escrow accounts = 54%, 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. The average poverty rate of 22.0% is the new figure from the 2008-2013 American Community Survey (ACS) from the U.S. Census. The previous average was 22.4%.*

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 22.0% according to ACS figures. There are 41 census tracts with lower poverty rates and 40 with higher poverty rates.

HousingLink's analysis showed that approximately 24.9% of Section 8 participant families with children live in census tracts with poverty rates below 22%.

That percentage is lower than last year (25.5%), showing that fewer families with children are living in low-poverty areas. This is 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 21.7% moved to low-poverty census tracts. That figure is lower than the 24.9% 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 21.7% moved to low-poverty census tracts. That figure is lower than the 26.1% of families who lived in low-poverty census tracts two years ago.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

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

DATE May 27, 2015

Staff requests Board retroactive approval to apply for a grant of up to \$10,000 through the 2015 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. Provide onsite healthy cooking and nutrition classes at hi-rises and community centers;
2. Provide onsite exercise classes at hi-rises and community centers;
3. Expand bicycling clubs in the hi-rises and family sites;
4. Purchase exercise equipment for hi-rises and community centers;
5. Purchase gardening equipment for hi-rises and community centers; and
6. Expand resident walking programs in the hi-rises and family sites.

Staff received the attached notice about this grant opportunity on April 17, 2015, with applications due by May 20, 2015. Staff immediately contacted the Resident Council leadership groups to officially seek their support to apply for funding. The Presidents Council gave its approval on April 27, 2015, and the City Wide Residents Council submitted a letter dated May 5, 2015 giving approval for the application.

Last year, on behalf of the City Wide Residents Council and the Presidents Council, the PHA applied for and received a \$7,000 Neighborhood Health Connection grant from Allina for similar

activities, as approved by the Board on May 28, 2014. The 2015 Allina grant will supplement the current \$129,040 SHIP grant that the PHA and SPRCDPH have received from the State of Minnesota to 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 in mid-June 2015.

ANH

Attachments: April 17, 2015 Allina Neighborhood Health Connection Funding Notification