

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

**REPORT TO COMMISSIONERS**

**FROM JON M. GUTZMANN  
EXECUTIVE DIRECTOR**

**REGARDING** Elevator Maintenance Services  
Contract No. 16-077

**DATE** October 28, 2015

Staff recommends approval to award a three-year contract, with an optional fourth and fifth year extension, for maintenance and service of all elevators in PHA-owned buildings to Schindler Elevator Corporation of Eagan, Minnesota. Staff estimates that approximately \$19,195 per month (\$230,340 annually) will be expended in each of the first three years of the contract with scheduled increases in the optional fourth and fifth years.

Under this contract all elevator equipment in the sixteen PHA hi-rise apartment buildings, two community center buildings and the W. Andrew Boss Building/Central Administrative Office will receive regularly scheduled examination, adjustment, cleaning, and lubrication as necessary to keep the equipment in proper working order. The contract provides 24-hour emergency callback service as required to restore non-operating or malfunctioning equipment to safe and satisfactory operation. In addition, annual safety equipment inspections and safety tests will be conducted to determine the need for elevator equipment replacement or repairs. HUD requires PHAs to verify that they perform annual inspections of elevators and other building systems as part of the PHAS Physical Conditions Assessment. The contract also includes all repairs and replacement of parts required to ensure proper elevator operation and to prevent avoidable breakdowns.

A Request for Proposals (RFP) for these services was advertised in newspapers and trade journals, and staff sent copies of the RFP to elevator firms that have expressed an interest in

working for the PHA. Proposals were received from four firms. Each responding firm was independently evaluated by PHA staff on several criteria stated in the RFP, including related experience, technical competence, ability to provide service, references for similar work, M/W/DBE participation, callbacks, cost and general response to the PHA's invitation to submit a proposal. Schindler received the highest overall score on all criteria from the evaluation committee.

Schindler has done service work on the PHA's elevators in the past and has performed satisfactorily. A copy of the Employer Information Report for Schindler and the second highest proposer, All City Elevator, are attached.

The cost of elevator service contracts is included in the total of contracting activity the PHA reports to HUD for Section 3 compliance, but under the PHA's policy these contracts are exempt from the requirements for contributions to the Section 3 Training Fund and submission of an Action Plan. There are sufficient Operating Budget funds available for the contract.

SEA/VMH

Attachments: Employer Information Reports (EEO-1)  
Evaluation Summary

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

**REPORT TO COMMISSIONERS**

**FROM JON M. GUTZMANN  
EXECUTIVE DIRECTOR**

**REGARDING** Furnish and Deliver Magnesium  
Chloride Crystals  
Contract No. 16-079

**DATE** October 28, 2015

Staff requests approval to award a contract for furnishing magnesium chloride crystals to Univar USA Inc. of St. Paul, Minnesota for the unit bid price of \$17.14 per 50-pound bag. A copy of the October 19, 2015 bid tabulation is attached.

The contract includes delivering bagged and palletized shipments of magnesium chloride crystals on an as-needed basis for application by staff at all PHA properties. Magnesium chloride (ice-melting) crystals are used to keep sidewalks and driveways free of ice during winter months.

Univar holds the PHA's current contract for supplying magnesium chloride crystals and has performed satisfactorily. The Employer Information Reports for Univar and the second low bidder, Iceman Industries Inc. are attached. Because this is a materials contract, it is not subject to the Section 3 Policy's requirement for contributing to the PHA's Section 3 Training Fund. The PHA will still include all such contracts in reporting the total of contracting activity that is subject to Section 3.

The contract will remain in effect for one year with options for four additional one-year extensions if agreeable to both the PHA and the contract vendor. The total contract period will not exceed five years.

Staff anticipates spending approximately \$70,000 per year on this contract. Sufficient Operating Budget funds are available for purchases anticipated under this contract.

JTL

Attachments: Bid Tabulation  
EEO Employer Information

# PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN  
EXECUTIVE DIRECTOR

REGARDING Admission and Occupancy Policies  
For Public Housing; Time Limits for  
Over-Income Households

DATE October 28, 2015

Based on the Board's action at the September 23, 2015 business meeting, staff recommends preliminary approval of the following policies to limit the length of time an "over-income" family or an individual can remain in public housing:

1. General Policy Statement. A family whose countable annual income, as verified at an annual income reexamination, exceeds the income limit for admission to public housing (80% of the Area Median Income), will be given notice that the PHA will not renew their lease at the next annual reexamination if their income again exceeds the limit. If the family's annual income exceeds the limit at the second annual reexamination, the PHA will extend the lease for not more than 90 days, at the family's request, and there will be no further lease renewals.
2. Exemptions: The following families are exempt from the time limit stated above:
  - a. Families in which one or more members are receiving the Earned Income Disregard (EID) on the effective date of the annual recertification;
  - b. Families in which one or more members are participating in the Family Self-Sufficiency (FSS) program on the effective date of the annual recertification;
  - c. A family whose head or spouse is a veteran or a member of the active armed services; and
  - d. A family whose only income is from Social Security.
3. Hardship exceptions: The PHA may extend or waive the time limit stated in this policy if enforcing it would impose an extreme hardship on one or more family members.
4. Local Preference for Returning Families: A family or individual will receive preference over other applicants on the public housing waiting list, if they reapply after having to move out of public housing due to being over-income for two consecutive annual reexaminations. To be eligible for re-admission, the family will have to meet the same economic and non-economic eligibility requirements as other applicants.
5. Annual Reexaminations for Over-Income Families on Flat Rent: A family whose countable annual income, as verified at its most recent annual income reexamination, exceeds the income limit for admission to public housing (80% of the Area Median

Income), will be required to undergo a full annual income reexamination each year, until the family's income either falls below the 80% of AMI limit, or the family's income exceeds the limit at second consecutive annual reexamination and results in non-renewal of the family's lease (See #1 above.)

If approved, these policies would become revisions to the Public Housing Admission & Occupancy Policies (AOP; Parts 2 and 6) and noted in the next Agency Plan.

Staff is recommending that the Board approve this policy in concept and without setting an effective date, to allow time for a 30-day notice to be sent to all households and for discussions with the Hi-Rise Presidents Council, the City-Wide Residents Council and other interested parties. Staff will bring the policy back to the Board to ratify or modify, based on comments that are received. Staff already discussed the concept at a Resident Advisory Board (RAB) meeting on October 6, 2015, and the participating members stated their general approval for the proposed policy. Staff will also raise the issue at the November 24, 2015 public hearing on the Agency Plan.

As explained in the September Board report (copy attached), the proposed policy would affect very few current residents. Staff reviewed the list of 15 households whose annual incomes exceeded the 80% of AMI limit as of June 30, 2015 and compared it to the list of over-income households as of September 30, 2015. The September 30, 2015 list includes 21 households that report incomes over 80% of median, and are not on Earned Income Disregard (EID) or Family Self-Sufficiency (FSS) (11 family and 10 hi-rise).

Staff intends to recommend changes in the flat rents at the November 25, 2015 Board meeting.

JMG/FAH/MW

Attachment: 2015 Income Limits; September 23, 2015 Board Report  
Profiles of "Over-Income" Households in Hi-Rises and Family Housing  
Summary of Incomes of All Households (from Monthly Management Report)

## 2015 INCOME LIMITS

Household Size	TWIN CITIES AREA MEDIAN INCOME (AMI)	LOW INCOME (80% OF MEDIAN)	Very Low (50%) Income	Extremely Low (30%) Income
1	\$60,700	\$46,100	\$30,350	\$18,200
2	\$69,300	\$52,650	\$34,650	\$20,800
3	\$78,000	\$59,250	\$39,000	\$23,400
4	\$86,600	<b>\$65,800</b>	<b>\$43,300</b>	<b>\$26,000</b>
5	\$93,600	\$71,100	\$46,800	\$28,410
6	\$100,500	\$76,350	\$50,250	\$32,570
7	\$107,400	\$81,600	\$53,700	\$36,730
8	\$114,400	\$86,900	\$57,200	\$40,890
9	\$123,552	\$93,852	\$61,776	\$44,161
10	\$133,436	\$101,360	\$66,718	\$47,694
11	\$144,111	\$109,469	\$72,056	\$51,510
12	\$155,640	\$118,226	\$77,820	\$55,630

# PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

**REPORT TO COMMISSIONERS**

**FROM** JON M. GUTZMANN  
EXECUTIVE DIRECTOR

**REGARDING** Community Service; Eliminate Exemption  
For Primary Caregiver for Child Under Six;  
Admission & Occupancy Policies for the  
Public Housing Program

**DATE** October 28, 2015

Staff recommends Board approval of Resolution No. 15-10/28-03 to amend the Public Housing Admission and Occupancy Policies (AOP) to revise exemptions from the “Community Service” requirement for public housing residents, effective January 1, 2016. This revision is based on a recent HUD Notice that responded to a report by the HUD Office of Inspector General.

The 1998 Public Housing Reform Act (also called “QWHRA”, the Quality Housing and Work Responsibility Act) introduced the Community Service requirement for public housing residents. Adult residents who do not fall into one of several exempt categories (listed on the attachment) must perform at least 96 hours per year (8 hours per month) of volunteer community service. If a non-exempt resident fails to perform community service, the PHA is required to “non-renew” the household’s lease after allowing an additional 12 months for the resident to make up the missed hours.

When the PHA revised its policies on community service in 2004, it added an exemption for an adult who is the primary caretaker for a family member under the age of six. At that time staff reported that residents who were parents or grandparents caring for small children said they had little or no time to spare for community service, and enforcing the requirement on them would create an unintended hardship.

Also in 2004 the Board approved exempting residents who are working at least 10 hours per week or actively looking for work or searching for suitable community service activities for at least 10 hours per week. HUD has since recommended that housing agencies use a 30-hour per week minimum for the exemption, but staff is not recommending raising the bar that high at this time.

As of this month, there were 6,049 adults age 18 and older living in the PHA's public housing units. Of those, 5,877 had been determined to be exempt from the community service requirement, leaving only 172 who are subject to the requirement, or for whom determinations are still pending. The number of residents who are subject to the Community Service requirement may increase if the Board adopts the recommended policy changes. A resident who does not agree with the PHA's determination may dispute the decision through the PHA's Grievance Procedures.

The exact wording of the policy changes is attached, with deleted language ~~interlined~~ and new language double-underlined. A few "housekeeping" edits are recommended in addition to deleting the exemption discussed above. As required by HUD regulations, staff will give 30-day advance notice of these proposed policy changes to all residents. Staff discussed the issue at an October 6, 2015 meeting of the Resident Advisory Board (RAB), which includes the Resident Council officers. This policy revision would be noted in the next Agency Plan.

FAH

Attachment Resolution No. 15-10/28-03  
AOP Part 6, Community Service (Revised with Highlighting and Clean Copy)  
AOP Part 9, Termination and Non-Renewal of Lease

**SAINT PAUL PUBLIC HOUSING AGENCY  
RESOLUTION NO. 15-10/28-03**

**REVISION TO THE PUBLIC HOUSING  
ADMISSION AND OCCUPANCY POLICIES;  
COMMUNITY SERVICE EXEMPTIONS**

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

WHEREAS, as required by federal statute and regulations of the U.S. Department of Housing & Urban Development (HUD), the policies include provisions on Community Service which were approved by the PHA Board on January 28, 2004; and

WHEREAS, the PHA's policy on Community Service includes an exemption for an adult who is the primary caretaker for a family member under the age of six; and

WHEREAS, HUD Notice PIH 2015-12, issued in response to a report by the HUD Office of Inspector General, does not include that exemption in the allowable categories; and

WHEREAS, staff has now recommended that eliminating the exemption from Community Service for an adult who is the primary caretaker for a family member under the age of six, to comply with HUD requirements; and

WHEREAS, this change has been discussed with the Resident Advisory Board and the required notice will be provided to all residents; and

WHEREAS, the Board of Commissioners finds that the proposed revision is necessary and appropriate to the administration of the public housing program;

NOW THEREFORE BE IT RESOLVED by the Board of Commissioner of the PHA that the Public Housing Admission and Occupancy Policies, dated February 23, 2000 as amended, be amended as follows:

1. The attached revisions to the policies on the Community Service requirement are hereby approved to clarify and define the exempt categories, effective January 1, 2016; and
2. The PHA Agency Plan is hereby amended accordingly.

# PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

**REPORT TO COMMISSIONERS**

**FROM JON M. GUTZMANN  
EXECUTIVE DIRECTOR**

**REGARDING** Section 8 Housing Choice Voucher Program; Increase Payment Standards; Extend Shopping Time; Admission & Occupancy Policies

**DATE** October 28, 2015

Staff requests Board approval of Resolution No. 15-10/28-02 to increase the payment standards for the Housing Choice Voucher Program and to extend the “shopping time” for voucher holders as explained below. These measures would be amendments to the Admission and Occupancy Policies for the Section 8 Housing Choice Voucher Program and would be noted in the next Agency Plan. If approved, the higher payment standards would take effect on January 1, 2016. The extension of the shopping time would be effective immediately. Staff is also recommending other “housekeeping” changes to the Admission & Occupancy Policies, all shown in the attachment with the deleted language interlined and the proposed new language double-underlined.

Increasing Payment Standards. The PHA's current and proposed standards are as follows:

	<b>0 BR</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR</b>	<b>5 BR</b>	<b>6 BR</b>
<b>Current Payment Standards</b>	\$651	\$800	\$970	\$1,305	\$1,530	\$1,760	\$1,990
<b>Proposed Payment Standards</b>	\$651	\$805	\$1,015	\$1,350	\$1,585	\$1,820	\$2,060
<b>New Payment Standards as % of new FMR</b>	100%	100%	100%	95%	95%	95%	95%

The proposed increase in payment standards is based on proposed new Fair Market Rents (FMRs) that HUD published on September 8, 2015. When this report was written HUD had not finalized them but staff assumes that the final FMRs will be the same as proposed.

	<b>0 BR</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR</b>	<b>5 BR</b>	<b>6 BR</b>
<b>Current Fair Market Rents (FMRs)</b>	\$641	\$796	\$996	\$1,403	\$1,656	\$1,904	\$2,153
<b>Proposed FMRs</b>	\$648	\$804	\$1,015	\$1,427	\$1,673	\$1,924	\$2,175
<b>% increase in FMRs</b>	1.1%	1.0%	1.9%	1.7%	1.0%	1.0%	1.0%

HUD regulations allow housing authorities to set their payment standards between 90% and 110% of the FMRs. Metropolitan Council’s Housing & Redevelopment Authority (Metro HRA) currently has higher payment standards than what staff is recommending, but staff does not believe it is necessary to match those levels.

On September 24, 2014 the Board approved increasing the payment standards, effective November 1, 2014 for new participants and movers and January 1, 2015 for current participants. (A second round of future increases approved on September 24, 2014 was rescinded by Board action the following month.)

Raising the payment standards again and extending the shopping time would help families with vouchers who are searching for a unit by giving them more access to units that have somewhat higher rents, allowing greater choice and mobility. It would also help the PHA utilize the annual budget authority approved by HUD for the voucher program, and even to increase it over time.

The Section 8 payment standards are the maximum subsidy amount that the PHA can pay for each size of rental unit (by number of bedrooms). The participant pays 30% of monthly adjusted income (minus utility allowances for tenant-paid utilities) towards their rent and the PHA pays the difference up to the contract rent or the payment standard, whichever is lower. If the contract rent stated in the lease plus the utility allowance exceeds the payment standard, the tenant pays any additional costs over the payment standard (subject to the PHA's determination that the rent is reasonable for the unit). The tenant's total payment is limited to 40% of the family's monthly adjusted income at the time of initial move-in but there is no such restriction thereafter. That "40% affordability limit" is preventing many voucher holders from leasing new units in the current tight rental market with rising rents.

(Despite its terminology, HUD does not dictate to the rental housing market what the "fair" market value of a unit is. The FMR is simply a reference point used to define subsidy limits for the Section 8 voucher program and other HUD subsidy programs. It is statistically derived from surveys of large numbers of "standard" rental units in the private market, excluding new and luxury units. The FMRs are adjusted annually for inflation and other factors. For the Twin Cities metropolitan area, HUD now sets the FMR at the 40<sup>th</sup> percentile of rents, meaning that 40% of standard rental units have rents including utilities at or below that amount. Since the PHA can set its payment standards only between 90% and 110% of the FMR's, at least half of all rental units have rent and utility costs higher than the FMR.)

If these recommended increases are approved, they will be implemented gradually for current participants remaining in the same units, as annual recertifications take place over the next year. Staff will continue to review the reasonableness of any requested rent increases, to prevent

voucher subsidies from artificially inflating the market rents. Staff estimates that if the payment standards are raised as recommended, monthly HAP payments would be approximately \$27,500 higher (\$330,000 annually) after all of the increases are implemented. Staff expects the PHA's budget authority for Housing Assistance Payments (HAP) for Calendar Year 2016 to be adequate to cover this increase, supplemented as needed by HUD-held reserves that totaled about \$2.3 million as of September 30, 2015.

HUD requires housing authorities to evaluate their payment standards as part of the annual SEMAP certification. Part of that evaluation is to determine the number of families who are "rent-burdened", meaning that they are paying more than 30% of monthly adjusted income toward their share of rent. If more than 40% of families in a particular unit size are rent-burdened, HUD can require the housing authority to raise their payment standards. When staff analyzed the rent burdens of current voucher participants this month, 832 families out of the 2,715 (31%) reviewed met the definition of rent-burdened, ranging from 25% of households in one-bedroom units up to 36% of families in four-bedroom units. Increasing the payment standards as recommended above would reduce the number of families paying more than 30% of income by approximately 195, and bring the percentage of rent-burdened families below 30% for all unit sizes.

Another test of the adequacy of payment standards is the "shopping success rate" of voucher holders who are shopping for a unit to rent. The shopping success rate of all new families and "movers" continues to drop. From April through September of this year, 365 (76%) of the 480 voucher holders shopping for a unit succeeded in leasing one in St. Paul (counting both newly-

issued vouchers and households moving between units). In earlier years the shopping success rate was generally in the low 90% range.

Extending shopping time. From time to time the PHA adjusts the amount of shopping time allowed to participants, depending on the current and projected availability of vouchers and funding. During most of 2014 shoppers were given an initial shopping term of 60 days with extensions freely allowed, to help raise voucher utilization. Then early in 2014 extensions were restricted, other than as a reasonable accommodation for a person with a disability, to help reduce utilization. Staff is now recommending Board approval to allow one 30-day extension of the shopping period, to help end the year at full utilization. Extensions may also be granted as a reasonable accommodation for a person with a disability, or for a family moving to another jurisdiction under portability (a “port-out”).

As of the end of October 2015, 242 families and individuals were shopping with a voucher. Rental housing for low-income families is in short supply in St. Paul and statewide, as shown by the attached report from the Minnesota Housing Partnership. Current market trend data from HousingLink show average rental rates for all units in St. Paul have increased an average of 5.25% since last year (based on available vacant units in this quarter). Allowing more shopping time and increasing the payment standards as recommended should help more of those shoppers lease a unit with their voucher.

FAH/DJM

Attachment: Resolution No. 15-10/28-02  
Admission & Occupancy Policies Part 2, VI. Time Frame to Find a Suitable Unit  
B. Extensions of Term (Current Policy, Revised with Highlighting, and Clean Copy of Revised)  
“A Place to Call Home in Ramsey County”; Minnesota Housing Partnership 2015

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL  
RESOLUTION NO. 15-10/28-02

ADMISSION & OCCUPANCY POLICIES FOR THE SECTION 8  
HOUSING CHOICE VOUCHER PROGRAM;  
CHANGE IN PAYMENT STANDARDS;  
EXTENSIONS OF SHOPPING TIME

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

WHEREAS, the Policies set forth the Payment Standards which determine the amount of subsidies which can be paid for the Section 8 Housing Choice Vouchers; and

WHEREAS, HUD regulations require that payment standards be set between 90% and 110% of the Fair Market Rents (FMRs); and

WHEREAS, HUD published proposed new Fair Market Rents for the Twin Cities effective October 1, 2015, increasing the FMRs for all unit sizes; and

WHEREAS, the low vacancy rate and rising rents in the Twin Cities area including St. Paul are making it difficult for holders of Housing Choice Vouchers to rent suitable units; and

WHEREAS, increasing payment standards and by extending the shopping time allowed to voucher holders to locate and lease a suitable unit may help voucher holders rent suitable units; and

WHEREAS, there has been considered at this meeting the staff's recommendation that the PHA make its payment standards and to extend the "shopping time" for voucher holders, to increase their opportunities to rent suitable units;

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 Payment Standards for the Housing Choice Voucher Program are hereby revised as shown below and this action shall take effect on November 1, 2015 for new voucher participants and current participants who are moving to new units, and beginning January 1, 2016 for current participants with annual recertifications of eligibility that are effective on that date or later.
2. The Admission and Occupancy Policies for the Section 8 Housing Choice Voucher Program and the Agency Plan are amended accordingly.

# PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

**REPORT TO COMMISSIONERS**

**FROM** JON M. GUTZMANN  
EXECUTIVE DIRECTOR

**REGARDING** Amendments to Employee Handbook  
Policies: Drug Free Workplace, FMLA,  
No Smoking

**DATE** October 28, 2015

Staff requests Board approval to amend the following three policies in the PHA's Employee Handbook:

1. Drug Free Workplace Policy;
2. Family Medical Leave Act (FMLA) Policy; and
3. Smoking/No Smoking.

Many of these policies were originally created and approved by the Board between 1980 and 2000. In the past, policy amendments have been brought to the Board for approval when federal and/or local laws changed, or when the policy was no longer in alignment with how the PHA conducts business. Staff has worked closely with the PHA's Legal department on all recommended policy revisions. The exact text of each recommended policy revision is attached, with deletions interlined and new language double-underlined. Following is an explanation of each recommendation:

**Drug-Free Workplace Policy:** The PHA's Drug-Free Workplace Policy was last approved in 1989. Staff is recommending that the policy is amended to include additional information on the PHA's Drug Awareness Program, which is a required benefit as stated under the policy. The PHA's Drug Awareness Program remains an option provided to employees through the Employee Assistance Program (EAP), which is a benefit through the PHA's health insurance provider.

Family Medical Leave Act (FMLA) Policy: The PHA’s FMLA Policy was approved in 1994 and later amended in 2008. Staff is recommending that the policy is amended a second time to directly reflect language issued by the U.S. Department of Labor with regards to the FMLA overview, definitions, and applicable forms. The proposed policy also reflects the Final Rule issued by the U.S. Department of Labor’s Wage and Hour Division on the definition of “spouse.”

Smoking/No Smoking Policy: The PHA’s Smoking/No Smoking Policy was approved in 1991 and later amended in 2000. Staff is recommending that the policy is amended to more clearly define the PHA as a smoke free work place. Amendments include changing the title of the policy from “Smoking/No Smoking” to the “No Smoking Policy;” prohibiting the use of both electronic and non-electronic smoking devices; providing additional clarification on what constitutes PHA property, such as vehicles, and property that the PHA owns but leases to others; establishing a twenty-five (25) foot distance from building entrances for smokers; and providing more detailed information on the EAP program for employees who would like assistance with smoking cessation support.

LTS/FAH/DMM/ANH

Attachments: Drug Free Workplace Policy  
Family Medical Leave Act Policy  
Smoking/No Smoking Policy

# PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN  
EXECUTIVE DIRECTOR

REGARDING Section 8 Housing Choice Vouchers;  
Section 811 Project Rental Assistance  
Demonstration for Non-Elderly Persons With  
Disabilities; Mainstream/Disability Vouchers;  
Section 8 Admission and Occupancy Policies

DATE October 28, 2015

Staff recommends approval of Resolution No. 2015-10/28-01 to revise the Admissions and Occupancy Policies for the Section 8 Housing Choice Voucher Program, Appendix H, Special Programs, as follows:

1. Give admission priority to up to 30 non-elderly persons with disabilities who are on the Housing Choice Voucher/Section 8 waiting list, to support Minnesota Housing's Section 811 Project Rental Assistance (PRA) Demonstration; and
2. Clarify how Disability Vouchers (originally "Five-Year Mainstream Vouchers") are issued.

Both recommended revisions are shown on the attachment, with new language double-underlined and deleted language ~~interlined~~. The revisions would become effective immediately upon the Board's approval.

Section 811 Project Rental Assistance (PRA) Demonstration. On July 25, 2012 the Board approved the PHA's commitment of 30 vouchers to support Minnesota Housing's application to HUD for a Section 811 Project Rental Assistance ("PRA") Demonstration grant (see attached Board report). The Board report explained the commitment as follows:

[The PHA will] reserve 30 vouchers from the PHA's existing supply of vouchers for use by non-elderly households in which at least one member has a disability. Since no new vouchers will be provided to the PHA for this purpose, ... the 30 vouchers would be taken from the next 100 turnover vouchers that became available for eligible applicants on the waiting list after the grant agreement is signed.

Minnesota received a grant for 95 project-based subsidies for the demonstration project, as announced by HUD on February 12, 2013. The program start was delayed due to budget sequestration in 2013 and negotiations between HUD and the demonstration projects. Finally this year Minnesota Housing began executing rental assistance contracts with existing housing projects that were chosen through a Request for Proposals process.

To implement the PHA's commitment of 30 vouchers, staff is recommending adding the following language to the policies (Appendix H, Special Programs, Section II.):

- F. Section 811 Project Rental Assistance (PRA) Demonstration: To support Minnesota Housing's Section 811 PRA Demonstration program (a special grant from HUD to Minnesota Housing), the PHA committed up to 30 Housing Choice Vouchers from its current allocation, to be issued to eligible households on the regular HCV waiting list whose head, spouse or sole member is a non-elderly person with a disability.
1. To issue and lease up the setaside of 30 HCVs from the next 100 issued and leased up from the waiting list, those households may be given priority over other applicants on the waiting list beginning November 1, 2015. This is a one-time commitment; the priority for admission will end after the 30 HCVs have been leased up.
  2. Upon turnover those 30 HCVs will be returned to the general pool to be re-issued to another family on the waiting list or in PBV-assisted housing when the PHA is issuing vouchers.
  3. The PHA will follow all of the rules and guidelines contained in the Section 811 program's regulations, NOFA (Notice of Funding Availability), other HUD guidance, including but not limited to eligibility, applicant selection, affirmatively furthering fair housing, and other requirements.

Staff expects that the PHA will easily be able to fulfill its commitment to issue and lease up the 30 vouchers for persons with disabilities. In the recent Section 8 waiting list opening and lottery, almost 30% of the applications selected for the waiting list (1044 of 3500) were households where the head or spouse was a person with a disability. Staff will begin pulling applications from the top of that waiting list in the next month or two, to begin the process of verifying their eligibility for a Housing Choice Voucher. The recommended policy language authorizes the PHA to "reach down" lower on the waiting list if necessary to fulfill the setaside commitment.

Mainstream/Disability Vouchers. The PHA first received 100 5-Year Mainstream Vouchers (“MS5”) in 1998 and 17 more in 2006. HUD later started calling them Disability Vouchers (DV), but the Mainstream label remains, too. To keep these vouchers fully utilized even when the regular Housing Choice Voucher (HCV) program is not issuing new vouchers to the waiting list, staff has assigned available Mainstream Vouchers to current HCV participants who were originally drawn from the waiting list. The recommended policy revision simply documents this current practice.

FAH/DJM

Attachments: Resolution No 2015-10/28-01  
Section 8 Admission & Occupancy Policies, Appendix H Special Programs  
July 25, 2012 Board Report on Section 811 Demonstration

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL  
RESOLUTION NO. 15-10/28-01

ADMISSION & OCCUPANCY POLICIES FOR THE SECTION 8  
HOUSING CHOICE VOUCHER PROGRAM;  
SECTION 811 PROJECT RENTAL ASSISTANCE  
DEMONSTRATION FOR NON-ELDERLY PERSONS WITH  
DISABILITIES; MAINSTREAM/DISABILITY VOUCHERS

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

WHEREAS, the Policies include Appendix H which sets forth policies relating to special allocations of vouchers and other special programs related to the Section 8 Housing Choice Voucher program, including the 5-Year Mainstream program, also known as the Disability Voucher program; and

WHEREAS, on July 25, 2012 the Board approved a commitment to set aside Housing Choice Vouchers to support an application to HUD for a grant under the Section 811 Project Rental Assistance (PRA) Demonstration for Non-Elderly Persons with Disabilities, by reserving 30 vouchers from the PHA's existing supply of vouchers for use by non-elderly households, with those 30 vouchers to be taken from the next 100 turnover vouchers that became available for eligible applicants on the waiting list after Minnesota's Section 811 PRA program begins; and

WHEREAS, staff has recommended the revising the Admissions and Occupancy Policy as shown on the attachment to implement the set aside commitment; and

WHEREAS, the PHA has been administering vouchers for persons with disabilities under the 5-Year Mainstream Voucher program, now also called Disability Vouchers, since 1998; and

WHEREAS, the PHA desires to keep the authorized number of Mainstream/Disability Vouchers as fully utilized as possible; and

WHEREAS, staff has recommended the policy revision shown on the attachment to help maintain full utilization of those vouchers; and

WHEREAS, the Board finds that these recommended policy revisions are necessary and appropriate for the administration of these programs;

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 Admission and Occupancy Policies for the Section 8 Housing Choice Voucher Program, Appendix H, Special Programs, are hereby revised as shown on the attachment, effective immediately; and
2. The Admission and Occupancy Policies for the Section 8 Housing Choice Voucher Program and the Agency Plan are amended accordingly.

# PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN  
EXECUTIVE DIRECTOR

REGARDING “Shelter Plus Care” Renewal Grants;  
PPL Fort Road Flats/West 7<sup>th</sup> Housing;  
TCHDC St. Philip’s Gardens

DATE October 28 , 2015

Staff requests Board approval to request one-year grant renewals for the PHA’s two HUD-funded “Shelter Plus Care” (S+C) program s:

- “Fort Road Flats”, a supportive housing development at 2242 West 7<sup>th</sup> Street built and managed by Project for Pride in Living, Inc. (“PPL”); 8 apartments (four 2-bedroom and four 3-bedroom). The PHA also subsidizes eight other apartments at Fort Road Flats with project-based vouchers (PBVs).
  - Renewal grant request: **\$115,795** based on HUD’s proposed 2016 Fair Market Rents (FMRs); (\$\_\_\_\_\_ for rent assistance plus \$\_\_\_\_\_ administrative fee, subject to possible proration) **[checking these amounts]**
- “St. Philip’s Gardens”, a supportive housing development at 754 Concordia Avenue managed by Twin Cities Housing Development Corporation (TCHDC).
  - Renewal grant request: **\$56,380**; (\$\_\_\_\_\_ for rent assistance plus \$\_\_\_\_\_ administrative fee, subject to possible proration)

The two projects’ initial five-year grant periods have ended and HUD now renews these projects for one year at a time. With the Board’s approval the renewal grant requests would be submitted as part of Ramsey County’s “Continuum of Care” application for funding under the HEARTH Act (formerly the McKinney-Vento Homeless Assistance Act). Both TCHDC and PPL have asked the PHA to join in their requests to renew the grants for another year.

All of the families participating in the Shelter Plus Care program must meet HUD’s definition of “chronic homeless”. The S+C grant provides the rent subsidies and the program sponsors provide other services.

FAH/DJM

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

**REPORT TO COMMISSIONERS**

**FROM JON M. GUTZMANN  
EXECUTIVE DIRECTOR**

**REGARDING** Cancel December Board Meeting

**DATE** October 28, 2015

Staff recommends Board approval to cancel the December regular business meeting because there are no business items for consideration. The fourth Wednesday falls on the December 23 this year. In previous years staff has recommended holding the December regular business meeting a week early to facilitate approval of necessary business items when more Commissioners and staff are able to be present. However, it does not appear to be necessary for the Board to meet in December this year.

The Agency By-Laws state that “[R]egular meetings shall be held on at least one day's notice on the fourth Wednesday of each month at 9:00 a.m. or at such other date and time within the month as the Board of Commissioners at a regular or special meeting shall designate.” (Article VIII.)

The November regular business meeting will be held on November 25, 2015.

MLM

# PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

**REPORT TO COMMISSIONERS**

**FROM JON M. GUTZMANN  
EXECUTIVE DIRECTOR**

**REGARDING** Approval to Apply for Federal Home  
Loan Bank of Des Moines Grants

**DATE** October 28, 2015

Staff recommends Board approval to apply for 2016 Competitive Affordable Housing Program grants offered by the Federal Home Loan Bank of Des Moines (FHLBDM) to assist the PHA's efforts to make needed capital grant improvements to PHA properties, and/or to assist with the production of new public housing units. A presentation from the FHLBDM and an email from Construction Program Manager Dave Lang are attached to provide further information on this funding opportunity.

With the Board's approval, staff would prepare several individual Competitive Affordable Housing Program grant applications in the amount of \$500,000 each (the maximum grant application permitted per improvement project). Applications would be for capital improvement projects already identified in existing PHA Capital Fund Program annual or five year plans, previously submitted grant applications to Minnesota Housing, or to produce new public housing units utilizing shelved subsidies. The list of potential projects includes:

- a. Mt. Airy Homes Exterior Modernization
- b. Ravoux Hi-Rise plumbing replacement
- c. Other PHA hi-rise plumbing replacements
- d. Hi-Rise window replacements
- e. Hi-Rise boiler replacements
- f. Construction of 10 more units of public housing to use "on the shelf" subsidies.

Staff also requests Board approval to solicit interest from St. Paul FHLBDM member agencies whose participation is required as part of the PHA's applicant team.

JMG/

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

**REPORT TO COMMISSIONERS**

**FROM JON M. GUTZMANN  
EXECUTIVE DIRECTOR**

**REGARDING** Pension Administrative Committee  
Appointment of Administrative  
Employee Representative

**DATE** October 28, 2015

Staff recommends that the Board appoint Terri (Therese) Gindorff to the HRA/PHA Pension Administrative Committee to replace Kathy Frits as the Administrative Employee Representative. Ms. Gindorff's interim appointment would run from November 18, 2015 to June 30, 2016, the end of the three-year term begun by Ms. Frits on July 1, 2013. Ms. Frits retired on October 13, 2015.

Three employees were nominated for this position on the Pension Committee and all AFSCME members and Supervisory and Confidential employees were eligible to vote. When the voting period ended on September 25, 2015, a total of 83 ballots had been submitted. Ms. Gindorff received 57% of the votes.

Other members currently serving on the Pension Administrative Committee are: Pete McCall, representing the Saint Paul City Council; Mike McMurray, representing the PHA Board; John Falzone representing Local 363 employees; and Gary Grabko representing HRA employees.

MLM/DMM