

On June 20, 2018, the Saint Paul Public Housing Agency (PHA) Board of Commissioners approved the following actions:

- Capital Fund Program: 2015, 2016 and 2017 CFP Budget Revisions; Initial 2018 Capital Fund Program Budget; CFP Five-Year Action Plan and Agency Plan Amendment
- Mt. Airy Homes Exterior Modernization, AMP 5, MN 1-3, Phase 4; Contract No. 18-117
- Appointment of PHA Board Representative to the Pension Administrative Committee

# PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

**REPORT TO COMMISSIONERS**

**FROM JON M. GUTZMANN  
EXECUTIVE DIRECTOR**

**REGARDING** Capital Fund Program: 2015, 2016 and  
2017 CFP Budget Revisions;  
Initial 2018 Capital Fund Program Budget;  
CFP Five-Year Action Plan and  
Agency Plan Amendment

**DATE** June 20, 2018

Staff requests Board approval of Resolution No. 18-6/20-01 approving the following budgets and amending the Agency Plan accordingly:

1. Initial budget for the Federal Fiscal Year (FFY) 2018 Capital Fund Program (CFP) grant of \$11,050,058 (attached on green paper);
2. Revisions to the CFP Five Year Action Plan for FFY 2018 - 2022 (attached on blue paper);
3. Reformatted CFP Five Year Action Plan for FFY 2018 - 2022 (attached on pink paper); and
4. Revisions for the FFY 2015, 2016 and 2017 CFP grants (attached on yellow paper).

(The Public Housing Capital Fund distributes money approved by Congress as part of the federal budget for each Federal Fiscal Year, which ends on September 30. Staff generally refers to the grants by the calendar year in which they were received, without the “FFY” designation.)

The attached Capital Fund Program budgets propose the following changes to the CFP budgets that were approved by the Board on March 28, 2018:

1. Adjust the 2018 CFP grant amount to the PHA’s final allocation of \$11,050,058 (an increase of 54.33% (\$3,890,252) from the PHA’s 2017 CFP allocation of \$7,159,806).
2. Move some of the funding for Phase IV of the Mt. Airy Family Exterior Modernization (\$1.6 million) from the 2018 CFP budget to the 2017 CFP budget. This will obligate the older funds more quickly, as explained below. The 2018 CFP budget continues to provide \$1,123,346 of funding for the Mt. Airy Family Exterior Modernization.

HUD announced the 2018 CFP funding amounts for all housing agencies on May 23, 2018. The PHA’s 2018 CFP funding amount of \$11,050,058 allowed staff to increase the number of dwelling units modernized under Phase 4 of the Mt. Airy Family Exterior Modernization

contract and accelerated previously budgeted work items. Those changes are illustrated on the attached 2018 Annual Statement Performance and Evaluation Report (on green paper). That spreadsheet shows the amounts approved by the Board on March 28, 2018 as well as adjustments based on the 54.33% CFP increase in 2018. The revisions for the 2015, 2016 and 2017 CFP grants (on yellow paper) show other changes that staff recommend to protect the funds from a possible HUD rescission of unobligated CFP funds from those years. By funding \$1.6 million of the Phase IV Mt. Airy Family Exterior Modernization work from the 2017 CFP instead of 2018 CFP, the PHA will have obligated approximately 98% of the 2017 CFP grant, up from 75%.

The revised budgets for the 2015, 2016 and 2017 CFP grants adjust line items to match actual obligations and expenditures but do not change the total amount of the grants. The CFP Five Year Action Plan for 2018 through 2022 (on blue paper) has been revised to match the PHA's final 2018 CFP funding amount.

The uses of the funding shown in the attached budgets are consistent with the draft CFP budget and draft CFP Five Year Action Plan staff discussed with residents and presented at the Agency Plan public hearing in November, 2017. Since the amount of the 2018 CFP grant was not known at that time, staff used the amount of last year's CFP grant in those draft CFP budgets. A second version of the CFP Five Year Action Plan is also attached (on pink paper) that highlights the major work items in a more readable format than the official form HUD requires us to submit.

HUD has eliminated the Replacement Housing Factor (RHF) grant for 2018 and the future, merging it into the CFP grant. The PHA's RHF grant for 2017 is still open but staff is not recommending any revisions to the previously approved budget for that grant. A copy of that budget is attached for information only (on salmon paper).

The table below shows the CFP grant amounts, the dates when the PHA gained access to the funds (when HUD signed the amendments to the Annual Contributions Contract, or ACC) and the timelines for expenditure. The PHA routinely meets or exceeds all of HUD’s goals for timely obligation of CFP grant funds (90% obligated within 24 months) and expenditure (grants fully expended within 48 months). The PHA spent the entire 2014 grant well ahead of the May 12, 2018 goal. HUD has eliminated the need for PHAs to execute new CFP ACC Amendments and has established an effective date (obligation clock start date) for the 2018 CFP grant of May 29, 2018.

	<b>2015 CFP Funds</b>	<b>2016 CFP Funds</b>	<b>2017 CFP Funds</b>	<b>2018 CFP Funds</b>
<b>Grant Amount</b>	\$6,786,832	\$7,118,173	\$7,159,806	\$11,050,058
<b>ACC Date</b>	4/13/2015	4/13/2016	8/16/2017	Effective Date: 5/29/2018
<b>Percent Obligated</b>	95.93% (5/30/2018) Met 90% Goal by 4/12/2017	94.30% (5/30/2018) Goal: 90% by 4/12/2018	76.03% (5/30/2018) Goal: 90% by 8/15/2019	0% Goal: 90% by 5/28/2020
<b>Percent Expended</b>	93.37% (5/30/18) Goal: 100% by 4/12/2019	94.07% (5/30/18) Goal: 100% by 4/12/2020	47.16% (5/30/18) Goal: 100% by 8/15/2021	0% Goal: 100% by 5/28/2022

DAL/FAH/va

Attachments: Resolution No. 18-6/20-01  
Summary Spreadsheets of CFP Grant Budgets

**PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL  
RESOLUTION NO. 18-6/20-01**

**CAPITAL FUND PROGRAM (CFP) BUDGETS: INITIAL 2018 CFP BUDGET;  
REVISIONS FOR 2015, 2016 & 2017 CFP BUDGETS; REVISED FIVE YEAR ACTION  
PLAN FOR FFY 2018 - 2022.**

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

1. FFY 2018 Capital Fund Program Grant No. MN46P00150118,
2. FFY 2017 Capital Fund Program Grant No. MN46P00150117,
3. FFY 2017 Replacement Housing Factor Grant No. MN46R00150117,
4. FFY 2016 Capital Fund Program Grant No. MN46P00150116,
5. FFY 2015 Capital Grant Program Grant No. MN46P00150115; and

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

WHEREAS, HUD requires the PHA to establish a Five Year Action Plan for the expenditure of Capital Fund Program funds; and

WHEREAS, staff drafted the attached Capital Fund Program Budgets, and Revised Capital Fund Program Five Year Action Plan:

1. Initial Budget for the FFY 2018 Capital Grant Program Grant No. MN46P00150118
2. May 30, 2018 Budget Revision for the FFY 2017 Capital Grant Program Grant No. MN46P00150117
3. May 30, 2018 Budget Revision for the FFY 2016 Capital Grant Program Grant No. MN46P00150116
4. May 30, 2018 Budget Revision for the FFY 2015 Capital Grant Program Grant No. MN46P00150115
5. Revised Capital Fund Program Five Year Action Plan FFY 2018 through FFY 2022; and

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

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

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

# PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

**REPORT TO COMMISSIONERS**

**FROM** JON M. GUTZMANN  
EXECUTIVE DIRECTOR

**REGARDING** Mt. Airy Homes Exterior Modernization  
AMP 5, MN 1-3, Phase 4  
Contract No. 18-117

**DATE** June 20, 2018

Staff requests Board approval to award a contract for Mt. Airy Homes Exterior Modernization Phase 4 (AMP 5, MN 1-3) to the lowest responsible bidder, J.G. Hause Construction, Inc., of Oakdale, Minnesota, for a base bid amount of \$2,765,000. The unit bid prices shown in the attached June 12, 2018 bid tabulation would also be included in the contract. Since the base bid is within staff's estimates and sufficient funds are available to perform all of the specified work, there is no need to reduce the cost and scope of work by accepting any of the "deduct alternate" bids.

Phase 4 of the Mt. Airy Homes Exterior Modernization will modernize the exteriors of 60 dwelling units in 20 buildings and correct the damage caused by water infiltration into the exterior walls and windows. The work includes the following:

- Removing all exterior stucco
- Correcting deteriorated sheathing, studs and window frames
- Replacing windows
- Replacing shingle roofs
- Replacing soffits, fascia, gutters and downspouts
- Installing new board insulation, cement board siding and new plastic trim boards; and
- Repairing second floor bathroom ceilings.

	Number of Units	Number of Buildings	Cost
PHASE 1	30	12	\$1,216,485
PHASE 2	40	12	\$2,033,337
PHASE 3	34	11	\$1,731,747
PHASE 4	60	20	\$2,765,000
Subtotal Phase 1-4	164	55	\$7,746,569

After Phase 4 is completed, 108 of the 272 affected family units at Mt. Airy Homes will remain to be treated in future phases.

J.G. Hause Construction has not worked with the PHA previously. However, staff checked their references and received favorable responses about their performance as a general contractor on similar projects. Copies of the Employer Information Reports for J.G. Hause Construction Inc. and the second lowest bidder, Minnesota Construction, Inc., are attached.

J.G. Hause Construction will meet HUD's Section 3 requirement by hiring new employees for the duration of the project, and at least 30% of those new employees will be Section 3 residents. The contractor will subcontract 22.5% of the total contract to a Minority Business Enterprise and 13% to a Women Business Enterprise. J.G. Hause Construction will also provide building trades pre-apprenticeship opportunities for PHA residents by participating in the "Step-Up" program.

The bid amount is within estimates. There are sufficient funds in the 2017 and 2018 Capital Fund Program (CFP) grant budgets to pay the cost of this contract. As recommended in the separate report on the CFP budgets, shifting \$1.6 million of this expense from the 2018 CFP grant to the 2017 CFP grant will obligate most of the remaining funds in 2017 grant, protecting it from a possible HUD rescission of unobligated CFP funds.

BLA/DAL/JPR/vma

Attachments: Bid Tabulation  
Employer Information Reports (EEO-1)

# **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** June 20, 2018

Staff recommends the re-appointment of Alicia Huckleby as the Board Representative to the HRA/PHA Pension Plan Administrative Committee for the term ending June 30, 2021. Ms. Huckleby, who is the Resident Initiatives Director/Human Resources Director, has filled the seat by interim appointment since June 28, 2017. Her current term ends June 30, 2018.

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: Terri Gindorff, representing PHA Administrative employees; Les Unklesbay, representing Local 363 employees; Adam Niblick, representing the St. Paul City Council; and Gary Grabko, representing HRA employees. Mr. Grabko's term is also set to expire on June 30, 2018.

ANH/