

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Consulting Services for
Dunedin Hi-Rise Brick Replacement Phase IV
Contract No. 14-013

DATE July 24, 2013

Staff requests Board approval to enter into an agreement with Buildings Consulting Group, Inc. (BCG) of Minneapolis, in the amount of \$113,307, for engineering services for the 4th and final phase of repairs to cracking, spalling and ratcheting brick veneer on the exterior of Dunedin Hi-Rise.

The consultant's work will include developing engineering solutions and cost estimates, producing construction documents and providing full construction administration services during construction work on the building. Staff anticipates that construction work will commence in the spring of 2014 and be completed in the fall of 2016.

Four Architectural/Engineering firms submitted proposals in response to the PHA's RFP for this work. All proposals were evaluated on the basis of general response to the RFP, related experience, technical competence and code knowledge, WMDBE participation, Section 3 participation and cost. Staff gave the highest score to BCG. A copy of the final RFP score sheet is attached.

BCG is a minority-owned company which has previously provided satisfactory engineering services for the PHA. Copies of the Employment Information Reports for BCG and the second

highest rated proposer, Inspec, are attached. BCG will contribute 2.5% of their contract cost to the PHA's Section 3 Training Fund.

There are sufficient FY2012 Capital Fund Program funds available for this work.

JPR/

Attachments

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Consulting Services for Energy Audits
At PHA Hi-Rises, Community Centers &
Central Administrative Office Building
Contract No. 14-018

DATE July 24, 2013

Staff recommends Board approval to award a contract in the amount of \$92,909 for consulting services for energy audits at the 16 PHA hi-rises, three community centers and the W. A. Boss Building to EMG Corporation of Hunt Valley, Maryland. The energy audits will be accomplished in accordance with EMG's proposal, the PHA's Request for Proposals and HUD's Public Housing Energy Audit Rule as published in the Federal Register on November 17, 2011.

EMG Corporation (also known as Clampett Industries LLC) will provide all professional consulting services necessary to produce the energy audits required by HUD's Energy Audit Rule, as part of a required new Green Physical Needs Assessment (GPNA). EMG will present all of the energy audit results to the PHA for review and will load the results into HUD's software to be ready to submit before it is due. The due date will be established when HUD publishes a final rule, but it is expected to be no sooner than December 1, 2014.

EMG will provide training and full-time employment for one Section 3 resident as an intern during the contract period to fulfill Section 3 requirements. EMG has committed to awarding 20% of the contract amount to a minority owned business enterprise subcontractor.

A Request for Proposals (RFP) for these services was advertised in newspapers and sent to local consulting firms that have expressed an interest in working for the PHA. Four firms submitted

proposals, each of which was independently rated by a PHA staff evaluation committee on the criteria stated in the RFP, that included previous experience on similar projects, quality of proposed audit forms and resident education, quality of response to RFP and professional technical competence, M/W/DBE/Section 3 participation, and cost. EMG received the highest overall rating from the committee. A summary of the proposal ratings is attached.

EMG Corporation has not previously provided services to the PHA. Staff contacted references supplied by EMG Corporation and received satisfactory replies. Copies of the Employer Information Reports for EMG and the second highest rated proposer, Partner Energy, are attached.

Staff finds EMG's cost to be reasonable and there are sufficient FY2012 Capital Fund Program funds available to fund this work.

DAL

Attachments: Summary of Proposal Ratings
Employer Information Reports

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Congregate Housing Services
Program (CHSP); Grant Renewal
Request and Budget; Program Year
October 2013 – September 2014

DATE July 24, 2013

Staff requests Board approval (resolution not required) for the Congregate Housing Services Program (CHSP) grant request in the amount of \$798,067. The grant would provide HUD funding to support the five CHSP sites for a one-year period from October 2013 to September 2014. The total CHSP budget for the program year is \$2,015,210 including the HUD subsidy, participant fees, required local matching funds and in-kind contributions. For programs that run out of funds in October 2013 (as is the case with the PHA), grantees must submit their renewal requests to HUD by August 1, 2013.

CHSP is licensed by the State as a home management program that combines affordable housing with services that help participants live independently and avoid unnecessary nursing home, group home or other placement. The PHA's contracts with HUD authorize up to 166 CHSP participants, but the budget supports no more than 125. The PHA sets an enrollment "target" for each of the five CHSP sites, and actual enrollment may be higher or lower during a month. All program participants are disabled, elderly and/or in frail condition, so turnover can occur each month. CHSP and Rental Office staff continue marketing the program to maintain enrollment. At the end of June 2013 there were 116 clients enrolled in the program and 15 applicants on the CHSP waiting list.

CHSP provides case coordination, housekeeping, daily meals and monitoring plus other needed services to prevent institutionalization of frail elderly and disabled persons. Up to two meals are served daily, 365 days per year. Both meals are catered by Presbyterian Homes and Services, Optage Senior Dining Choices. The noon meal is provided to eligible CHSP participants under Title III of the Older Americans Act, and the evening meal is provided through the CHSP program. The current CHSP contract with Presbyterian Homes and Services runs through December 31, 2015.

The five CHSP sites covered by this grant are as follows:

SITE	TARGET ENROLLMENT	6/30/2012 ENROLLMENT
Ravoux	30	26
Valley	15	12
Edgerton	30	24
Iowa	20	24
Montreal	30	30
TOTAL	125	116

The CHSP grant renewal is required annually and serves two purposes:

1. It establishes a new budget level that includes a request for 2.1% more HUD subsidy than the previous budget (\$798,067 for the upcoming year, compared to \$781,652 in the current year); and
2. It formally requests a one-year extension of the grant period, until September 30, 2014.

The proposed budget (Attachment 2) shows total expenditures of \$2,015,210. The budget is balanced, with proposed revenues meeting anticipated expenditures.

Congress earmarks funds in each HUD appropriation act to continue funding existing CHSP programs from year to year. Typically HUD has approved one-year grant renewals with a

modest increase above the funding level from the previous year (historically in the 2.5% range). Based on HUD guidance received June 17, 2013, funding increases for FFY 2013 are limited to an amount not to exceed a 2.1% increase over the amount awarded the previous year. There is no guarantee of long term CHSP funding, despite the program's success in providing needed services at reasonable costs since 1982.

As of March 31, 2013, the PHA has \$144,143 in reserves from payments received from the Wilder Foundation on behalf of participants in Wilder's Assisted Living Program. The proposed budget requires \$1,509 supplemental income from this reserve account. This account grows at approximately \$1,000 per month or \$12,000 per year.

AJH/TLV

Attachments: Attachment 1 – HUD CHSP Budget Formula
Attachment 2 – Summary Budget (Grant Renewals FY 2014)

HUD CHSP Budget Formula

Minimum fee contribution	10% of total budget
Maximum in-kind	10% of total match
Maximum administrative match	10% of total budget
Minimum local match	50% of total budget
Maximum HUD contribution	40% of total budget

Participants may not be charged more than the actual cost of the services, which now averages approximately \$732 per month per participant (salaries, benefits, food, excluding matching and in-kind contributions).

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Request Waiver of HUD Regulation
Requiring a New Asset Management
Project (AMP) Number for New
Construction at Roosevelt and Mt. Airy Homes

DATE July 24, 2013

Staff recommends Board approval of Resolution No. 13-7/24-1, requesting a waiver of a HUD requirement that any new public housing units be identified as a new, separate Asset Management Project (AMP) that requires its own budget and financial reporting. HUD's approval letter for the Roosevelt Homes six-plex (copy attached) designates the new units as AMP 10 (MN001000010), despite the fact that those six units will replace the same number of units that previously stood on the same site, in the middle of the housing development that is AMP 4. The letter confirms what both Minneapolis and Washington HUD staff had previously said, that they are required to assign a new AMP number to any public housing new units that are developed. Staff believes this requirement is not supported by a specific regulation or statute, and that it should be waived to simplify program administration for both the PHA and HUD. The same situation will arise with the proposed four-plex at Mt. Airy Homes.

HUD staff in the Minneapolis Field Office confirmed that no regulation specifically requires a new AMP number for newly-developed units. (HUD's regulations for new public housing development are at 24 CFR Part 941; and 24 CFR Part 990 contains the regulations for the Operating Fund Program, including the Asset Management provisions, Subpart H.)

When HUD required all housing agencies to migrate to "asset management", the PHA's public housing inventory that formerly was managed as a single portfolio had to be divided into

separate AMPs. Where staff used to prepare and monitor one budget, now nine budgets are required (and a tenth budget for the Central Office Cost Center, or COCC).

Staff believes that assigning new AMP numbers to the new Roosevelt six-plex and the new Mt. Airy four-plex will needlessly complicate management, budgeting and reporting for both the PHA and HUD. Both buildings would be a separate AMP within a larger AMP, physically located in the middle of the larger development. (Roosevelt Homes has 314 family units; Mt. Airy Homes has 298 units.) Both new buildings are replacements for earlier public housing dwelling units that were on the same sites. The new construction at Roosevelt is on the exact site of a former six-plex that was damaged by fire and demolished in 1980. The proposed new construction at Mt. Airy will also be on or near the site of old homes that were once part of the development.

Staff believes the recommended waiver request is within HUD's power to grant and should be approved. It is consistent with HUD officials' recent assertions that the agency is seeking ways to reduce unnecessary administrative tasks in public housing and Section 8.

FAH

Attachments:

Resolution No. 13-7/24-1
January 25, 2013 HUD Approval Letter for New Construction at Roosevelt Homes

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

RESOLUTION NO. 13-7/24-1

**REQUESTS TO U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT
FOR WAIVER OF REQUIREMENT TO ASSIGN A NEW ASSET MANAGEMENT
PROJECT NUMBER TO NEW PUBLIC HOUSING UNITS**

WHEREAS, the Public Housing Agency of the City of Saint Paul (PHA) administers the Low Rent Public Housing Program (“Public Housing”) pursuant to Annual Contributions Contracts (“ACC’s”) with the U.S. Department of Housing & Urban Development (“HUD”); and

WHEREAS, HUD has approved the PHA’s application to construct a new building with six public housing rental units on the site of Roosevelt Homes, Asset Management Project (AMP) No.4, on the same lot where a six-plex public housing building previously stood; and

WHEREAS, HUD has assigned a new AMP number (No. 10) to the new six-plex building, even though the new units will replace six units that previously existed on the same site, in the middle of the housing development that is AMP No. 4; and

WHEREAS, staff believes designating the new building as its own AMP is not dictated by federal statutes or HUD regulations and notices; and

WHEREAS, staff further believes that maintaining a small AMP within a larger AMP will create unnecessary administrative burdens for both HUD and the PHA, to allocate fractional costs for staff, contracts, materials and other expenses; and

WHEREAS, HUD has invited housing agencies to submit requests for waivers of non-statutory regulations and other requirements, to ease the administrative burden on agencies and HUD during and after the transition to Asset Management; and

WHEREAS, the Board of Commissioners finds that the recommended waiver would further the interests of the PHA and of its residents by avoiding unnecessary administrative burdens;

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the Public Housing Agency of the City of Saint Paul, that the Executive Director or his designee is authorized to request that HUD waive its requirement that new public housing units be assigned a new Asset Management Project (AMP) number, and that HUD allow new units that the PHA may construct or acquire to be added to existing AMPs, including but not limited to the HUD-approved six-unit building that will be constructed soon at Roosevelt Homes, AMP No. 4.

Date: July 24, 2013

Chair, Board of Commissioners