

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Multifamily Tenant Selection Plan
And Occupancy Policies (TSP) Revisions;
Rental Assistance Demonstration –
Project-Based Rental Assistance (RAD-PBRA)

DATE December 18, 2019

Staff recommends the Board adopt Resolution No. 19-12/18-01 approving revisions required by HUD to the “Tenant Selection Plan and PBRA Occupancy Policies” (TSP) for the eight Project-Based Rental Assistance (PBRA) projects that are converting from public housing under HUD’s Rental Assistance Demonstration (RAD) program effective January 1, 2020. The Board approved the current version of the TSP on May 22, 2019, after HUD had approved the draft language. As explained below, HUD Multifamily staff subsequently requested revisions to clarify certain processes related to residents moving from one project to another. In response, staff are recommending two types of revisions to the TSP:

1. Adding a “Current Tenant Unit Transfer Preference” to the list of admission preferences (TSP Section 5.A.5.); and
2. Removing the “Tenant-Initiated Transfer” category of voluntary transfers available to PBRA residents (TSP Sections 6.C.1.a. and e.).

Other housekeeping edits include minor text changes for clarity or accuracy. The proposed revision also deletes references to HUD’s Enterprise Income Verification (EIV) System “Debts Owed to PHAs and Terminations Module”, which is not available to PBRA owners and agents. (TSP Sections 3.B.3.f. and 3.C.8.) The full text of the TSP with the proposed revisions is attached, with deleted text ~~interlined~~ and new language double-underlined.

1. Addition of Current Tenant Unit Transfer Preference

Staff is recommending adding a “Current Tenant Unit Transfer Preference” to the TSP to allow a

resident of one the PHA's PBRA projects (a former public housing Asset Management Project/AMP), who needs to move to an available unit in another PBRA project, to "jump ahead" of eligible applicants on the waiting list. The preference is limited to the types of transfers that received priority in public housing; for example, transfers related to VAWA, reasonable accommodation, or to alleviate unit overcrowding. Without this preference, a PBRA resident approved for the transfer would have to be placed on the waiting list, and then wait to be housed after other eligible applicants.

This is a technical revision intended to clarify the TSP policies previously approved by the Board. It is in keeping with the PHA's goal of continuing policies that existed in public housing, as much as possible. (TSP Section 5.E.)

Background: The PBRA "rulebook" is designed primarily to regulate the management of individual housing projects that are managed by different owners/managers, so the concept of "transfers" between projects is not addressed. Staff in HUD's Multifamily Housing office understand and accept that the PHA needs to continue moving residents between projects to meet other statutory requirements (VAWA, reasonable accommodation, etc.).¹ However, after approving the PHA's TSP language months ago², they now are requiring us to modify the TSP to clarify the mechanics of how a resident of one PBRA project will be able to transfer to a unit located in a different PBRA project.

¹ In the PBRA world, a resident who is approved to move from one project to another must be treated as a "move-out" from the first project, and a new "move-in" to the second project. Therefore, absent a specific admission preference stated in the second project's TSP, that resident must go through the PBRA applicant waiting list, rather than moving directly to the top of the list.

² See attached Chronology of TSP Drafting and HUD Approval

2. Removal of “Tenant-Initiated Transfer Category”

Staff are also recommending eliminating the “Tenant-Initiated Transfer” category of voluntary transfers (TSP Section 6.C.1.e.). The PHA has permitted this type of discretionary transfer in public housing, allowing residents to request a transfer to a different unit if the move would support current employment or education, or relates to health issues that do not rise to the level required for a reasonable accommodation. However, HUD staff have advised us that prioritizing such discretionary transfers would be out of compliance with Multifamily Housing rules. For that reason staff is recommending eliminating the option.

Staff also believe that eliminating this category of transfers would have little impact on residents. Each year staff process fewer than ten Tenant-Initiated Transfer requests; and most of those are related to resident health issues that might otherwise be approvable as a reasonable accommodation, with sufficient medical documentation.

If the Board approves the recommended TSP revisions, staff will begin administering transfers and unit assignments in the PBRA program accordingly beginning on January 1, 2020. Staff will continue to review the TSP after RAD conversion to ensure that it reflects current operating practices, program priorities, and HUD requirements. Staff will recommend revisions to the Board as needed. At this time, staff believes the revisions outlined in the attached Tenant Selection Plan and PBRA Occupancy Policies will satisfy HUD’s request for clarification and allow us to continue operating our housing program as close to current LIPH practices as possible.

JMG/LTS/SDW/AJH/LF/FAH

Attachment: Resolution No. 19-12/18-01
Chronology of TSP Drafting and HUD Approval
Revised Tenant Selection Plan and PBRA Occupancy Policies

**PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL
RESOLUTION NO. 19-12/18-01**

**APPROVAL OF REVISIONS TO
TENANT SELECTION PLAN AND PBRA OCCUPANCY POLICIES (TSP);
RENTAL ASSISTANCE DEMONSTRATION (RAD) CONVERSION TO
PROJECT-BASED RENTAL ASSISTANCE (PBRA);**

WHEREAS, the U.S. Department of Housing & Urban Development (HUD) approved the applications of the Public Housing Agency of the City of Saint Paul (PHA) to convert 3,855 dwelling units of Low Income Public Housing (LIPH; Section 9) in eight Asset Management Projects (AMPs 1-8) to Project-Based Rental Assistance (PBRA; Section 8), through HUD's Rental Assistance Demonstration (RAD) program, as initially approved by the PHA's Board of Commissioners on August 23, 2017; and

WHEREAS, on October 3, 2019 the PHA closed on all eight RAD conversions, with the effective dates for the Housing Assistance Payments (HAP) contracts of January 1, 2020; and

WHEREAS, owners of subsidized housing operating under HUD's Office of Multifamily Housing, including PBRA, are required to adopt a Tenant Selection Plan and Occupancy Policies (TSP; and

WHEREAS, on May 22, 2019 the Board approved staff's recommendation to adopt a Tenant Selection Plan and Occupancy Policies that PHA staff and legal counsel had drafted and submitted for HUD's preliminary review; and staff subsequently submitted that document to HUD for final review; and

WHEREAS, HUD's Multifamily Housing staff requested that the PHA clarify certain provisions in the Tenant Selection Plan and Occupancy Policies related to residents moving from one project to another; and

WHEREAS, the Board of Commissioners finds that the proposed revisions to the Tenant Selection Plan and Occupancy Policies are necessary and appropriate to the administration of the PHA's high-rises and family housing developments as projects with Project-Based Rental Assistance (PBRA), 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 revised Tenant Selection Plan and Occupancy Policies are approved as presented; and
2. Staff is authorized to execute and submit all required documents relating to the PHA's RAD conversion of public housing units and projects to Project-Based Rental Assistance.

Chronology of TSP Drafting and HUD Approval

- During the first half of 2019, the PHA's small RAD workgroup (staff and legal counsel) developed the draft TSP and incorporated all policies and procedures from the LIPH world, while following the requirements of HUD's Multifamily Housing Occupancy Handbook, HUD-4350.3 and referring to model policies provided by industry consultants.
- During this time, the workgroup communicated frequently with HUD Multifamily Housing staff in Minneapolis.
- Over the course of several telephone calls and emails between PHA and HUD Multifamily Housing staff, all of the issues in the draft TSP language were identified, clarified, and ultimately resolved, to get to the version approved by the Board in May.
- Staff presented the draft TSP to the Board for the first time on May 8, 2019 at a Special Board meeting. (The special meeting was called primarily to discuss issues related to the South Saint Paul HRA's request for assistance.) Staff called the draft TSP an "advance copy" and stated that the final TSP would be recommended for approval at the regular Board meeting on May 22, 2019.
- May 22, 2019 - The Board approved the TSP. Staff submitted a copy of the Board-approved document to HUD.
- During June, July and August, staff and legal counsel prepared the RAD closing packets and held numerous conference calls with HUD staff in Minneapolis and Washington and HUD's contracted "transaction managers".
- In August 2019, HUD Multifamily Housing staff in Minneapolis raised an issue with the TSP regarding transfers, to the surprise of the PHA team. HUD had already approved the TSP language and it was approved by the Board months previously. We responded that it was not an issue that should affect the timely closing of the RAD transactions, and it was something that could be addressed after closing.
- For the last couple of weeks, the workgroup has been working on language to address HUD's concerns regarding transfer language in the (already Board-approved) TSP.