

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING HUD Waiver Request for Officer in
Residence Units; HUD's Rental Assistance
Demonstration

DATE May 22, 2019

Staff requests Board approval to request a waiver from HUD to classify the Officer in Residence (OIR) units in the sixteen hi-rises as "unassisted" in conjunction with the conversion to HUD's Rental Assistance Demonstration Project Based Rental Assistance (RAD-PBRA).

Currently the PHA allows one St. Paul Police Officer to reside in each hi-rise, without paying rent. In most hi-rises the officers occupy the apartment previously designated as a "resident caretaker unit". These units generally have two bedrooms, and are not offered as rental units to regular low-income residents. In exchange for this housing opportunity, the officers agree to provide services to the residents including weekly office hours, "meet and greet" visits, and wellness checks. Hi-rise residents and staff say the OIRs are a welcome addition to other safety and security measures and the St. Paul Police Department's regular services.

HUD's handbook for Multifamily Housing, which governs Project-Based Rental Assistance (PBRA), provides guidance on housing police or other security personnel in "assisted units" in subsidized housing. (Handbook 4350.3 Occupancy Requirements of Subsidized Multifamily Housing Programs) Owners like the PHA can offer an assisted unit to a police officer or security person whose income is over the program limits, who would not otherwise be eligible for subsidized housing, with the following requirements:

1. The officer would be subject to the same screening criteria as other program participants
2. The officer would be subject to the Model Lease and House Rules approved by the Board at the April 27, 2019 meeting.

3. The PHA must set a monthly rent that is “attractive to the officer, but not less than what the officer would pay as an eligible Section 8 tenant”.

Since the OIR program’s success has been based partly on offering the hi-rise units to the officers rent-free, staff believes that requiring a monthly rent payment now would deter the most qualified officers from applying for or staying in the program, and possibly prevent the PHA and SPPD from filling OIR vacancies as they occur.

Staff requested guidance from HUD Multifamily Field Office staff in Minneapolis and were advised to request a waiver to classify these units as “unassisted”. If HUD approves the waiver, the units would no longer be subject to program regulations including income and screening requirements as well as the Model Lease and House Rules. Officers would still be subject to the same expectations currently in place including the existing Officer in Residence lease and other program requirements. HUD staff have indicated that this waiver request would be approved if requested.

The specific timing of the waiver execution is still being determined, as the units need to be officially converted to RAD-PBRA to remove them from the Low Income Public Housing program, but immediately classified as “unassisted” to allow the Officer in Residence program to remain intact. The waiver would also result in the RAD contract rent being eliminated on these units. Staff are requesting an associated CHAP amendment from HUD to capture the eligible subsidy on these units (like the CHAP amendments requested for the excess utilities and special purpose units). PHA staff are working with local HUD field staff as well as the HUD Financing Transaction Manager assigned to our conversion, to determine the best way to structure the conversion documents to accomplish these requests.

Staff believe the recommended waiver will enable the PHA to continue the OIR program in its current form, supplementing other safety and security protections for hi-rise residents and staff, and maintaining the high standards our residents have come to expect at the PHA properties.

JMG/AJH/FAH