

On April 24, 2019, the Saint Paul Public Housing Agency (PHA) Board of Commissioners approved the following actions:

- Renew Blue Cross/Blue Shield Medical and Delta Dental Insurance Policies
- Housing Choice Voucher Programs Director; Reclassification
- Control Technician: New Title and Reclassification from Administrative Support Professional
- Boiler Operation Services; Contract No. 19-136
- Journeyman Pipefitter Services; Contract No. 19-138
- Apprentice Pipefitter Services; Contract No. 19-139
- Employee Handbook: Proposed Paid Parental Leave Policy
- HUD Multifamily Model Lease and House Rules for Subsidized Programs; Rental Assistance Demonstration-Project Based Rental Assistance (RAD-PBRA)
- Housing Choice Vouchers/Section 8 Program Admission & Occupancy Policy Revisions; Amending Agency Plan; Opening the Waiting List in 2019

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL**REPORT TO COMMISSIONERS****FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR****REGARDING** Renew Blue Cross/Blue
Shield Medical and Delta Dental
Insurance Policies**DATE** April 24, 2019

Staff recommends Board approval to renew the contract with Blue Cross and Blue Shield of Minnesota for the Agency's medical insurance policy, and Delta Dental for the Agency's dental insurance policy, effective July 1, 2019 to June 30, 2020. Staff is recommending that the Agency's medical insurance plan continue to include the four levels of coverage (Basic Plan, Standard Plan, Premium Plan and High Deductible Plan). Staff also requests Board approval of the medical insurance premium costs of the Basic, Standard, Premium and High Deductible Plan options, and the dental insurance premium costs shown below.

Both the medical and dental insurance plans include in-network and out-of-network coverage.

MEDICAL INSURANCE

The rates for medical insurance effective July 1, 2019 will increase by 10% in accordance with the rate cap commitment offered by Blue Cross Blue Shield of Minnesota (BCBS) in 2017. In February 2017, the Agency issued a Request for Proposals (RFP) for medical and dental insurance. As part of its proposal, BCBS offered a 3.0% rate decrease in 2017 and rate caps of 9% in 2018 and 10% in 2019. The Board approved renewing the contract for medical insurance with BCBS on April 26, 2017.

Following are the current premium amounts and proposed new rates starting July 1, 2019 for the BCBS Basic Plan, Standard Plan, Premium Plan and High Deductible Plan:

High Deductible Plan	SINGLE	TWO-PARTY	FAMILY
Current Total Premium	\$681.00	\$1,319.50	\$1,770.00
Proposed Total Premium	\$749.00	\$1,451.50	\$1,947.00

Basic Plan	SINGLE	TWO-PARTY	FAMILY
Current Total Premium	\$777.00	\$1,506.00	\$2,019.00
Proposed Total Premium	\$855.00	\$1,657.00	\$2,221.00

Standard Plan	SINGLE	TWO-PARTY	FAMILY
Current Total Premium	\$838.00	\$1,627.00	\$2,181.00
Proposed Total Premium	\$922.00	\$1,790.00	\$2,399.00

Premium Plan	SINGLE	TWO-PARTY	FAMILY
Current Total Premium	\$883.00	\$1,711.00	\$2,294.50
Proposed Total Premium	\$971.00	\$1,882.00	\$2,524.00

With various levels of coverage offered, employees can choose the one that best fits their financial and medical insurance needs. There are no changes in the features for any of the plans.

Some of the significant plan features are as follows:

- The annual deductible amounts remain the same for the Basic and High Deductible level plans. The Standard and Premium plans do not have deductibles.
- The co-payments remain at \$20 for doctors' office visits and \$55 for emergency room visits for both the Standard and Premium level plans. There are no co-pays for the Basic and High Deductible level plans.
- The co-payment for prescription drugs remains at 20% of the cost, with a minimum cost to the employee of \$10 and a maximum of \$25 for all four plan options.
- The medical insurance plan includes in-network and out-of-network coverage.

DENTAL INSURANCE

The rates for dental insurance effective July 1, 2019 remain the same. Delta Dental guaranteed in its 2017 contract proposal there would be no premium increases through June 30, 2020. Delta Dental increased its premium rates by 14% in 2008 and has not changed the rates since then.

The table below shows the Delta Dental Insurance premium amounts effective July 1, 2019:

Employees (30+ hours / week)

	SINGLE	SINGLE + 1	FAMILY
Current Total Premium	\$41.08	\$82.26	\$107.86
Proposed Total Premium	\$41.08	\$82.26	\$107.86

AMOUNT PAID BY AGENCY AND BY EMPLOYEE

The PHA's share of medical insurance premium costs starting July 1, 2019 will increase by 3.5% for all employees represented by the following groups:

- City Employees' Union Local 363
- Supervisory and Confidential Employees (S&C Group)
- American Federation of State, County and Municipal Employees (AFSCME) Local 1854.

The Board approved this provision in the 2019 agreement with Local 363, as well as the AFSCME Agreement and the S&C Policies, both of which were approved in 2018.

This will be the ninth consecutive year the PHA has increased its portion towards employee medical insurance by 3.5% with the intent of leveling out its annual cost increases rather than changing each year as premiums changed by varying amounts. This strategy was originally approved by the Board in 2011.

The current agreements with the AFSCME, Local 363, and S&C employee groups for dental insurance state that the PHA contributes the full monthly premium cost for single coverage for all eligible regular full time employees, and pays 60% of the monthly premium cost for dependent coverage for all eligible full time employees who qualify for and are enrolled in the plan.

The amounts the PHA pays toward employee medical and dental insurance premiums were

included in the Operating Budget approved by the Board on March 27, 2019.

With the Board's approval of the recommended renewals with BCBS and Delta Dental, as well as the new premium costs, an open enrollment period will be offered to employees to provide them the opportunity to choose between the four (Basic Plan, Standard Plan, Premium Plan and High Deductible) medical insurance plan options, as well as make any needed changes to their dental insurance coverage.

ANH/MGB/AAG

Attached: History of PHA Health Insurance Increases

HISTORY OF PHA HEALTH INSURANCE INCREASES

YEAR	PREMIUM INCREASE	PHA INCREASE	EMPLOYEE INCREASE
2019	10%	3.5%	Varies by option and type
2018	9%	3.5%	Varies by option and type
2017	-3%	3.5%	Varies by option and type
2016	0%	3.5%	Varies by option and type
2015	0%	3.5%	Varies by option and type
2014	5%	3.5%	Varies by option and type
2013	12%	3.5% *	Varies by option and type
2012	7.2%	3.5%	Varies by option and type
2011	0%	3.5%	Varies by option and type
2010	9%	9%	Varies by option and type
2009	13%	12%	Varies by option and type
2008	7%	2.5%	Varies by option and type
2007	7.5%	7.5%	Varies by option and type
2006	7.13%	7.13%	Varies by option and type
2005	0%	0%	Varies by option and type
2004	5.27%	4.99%	6.41% (\$330/60% dependent coverage)
2003	9.71%	5.82%	28.06% (\$315/60% dependent coverage)
2002	8.2%	8.2%	(\$315/60% dependent coverage)
2001	15.4%	15.4%	(\$295/60% dependent coverage)
2000	24.33%	24.33%	(\$255/60% dependent coverage)
1999	20%	20%	(\$245/60% dependent coverage)
1998	5.12%	5.12%	(\$225/60% dependent coverage)
1997	9.9%	9.9%	(\$215/60% dependent coverage)
1996	6%	6%	(\$215/60% dependent coverage)
Average Increase	7.82% 187.76/24 years	7.06% 169.39/24 years	

* In 2013, in addition to the 3.5%, PHA contributed one time only – July 1, 2013 – June 30, 2014 an additional \$100 per month for full-time employees and \$75 per month for part-time employees.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Housing Choice Voucher Programs Director;
Reclassification

DATE April 24, 2019

Staff recommends Board approval to reclassify the Housing Choice Voucher Programs Director position and incumbent from its current salary rating at the D63 band/grade/subgrade to the proposed salary rating at the D71 band/grade/subgrade. The Housing Choice Voucher (HCV) Programs Director position is in the Supervisory and Confidential Group (S&C).

Based on changes in the job duties of the position, Human Resources staff sent an updated description of the position to Fox Lawson & Associates for reevaluation. Fox Lawson (a Division of Gallagher Benefit Services) is the firm used by the Agency to evaluate, for pay purposes, new positions and those where duties have substantially changed. Fox Lawson rated the position at the D71 band/grade/subgrade because of the high diversity and complexity of the D7 level tasks, in relation to similarly banded and graded classifications.

In requesting Fox Lawson's review, staff explained that the HCV Programs Director should be rated at a higher level based on changes to the positions requirements, including the following:

1. The HCV Programs Director will now supervise four Assistant Section 8 Managers, and indirectly supervises sixteen line staff.
2. HCV Programs are increasingly part of the community's answer to solving homelessness. The HCV Programs Director is responsible for working with various community and regional partners to finding effective solutions, and implementing them, within the various available resources. These partners include Minnesota Housing, the Minnesota InterAgency Council to end Homelessness, the Minnesota & St. Paul Foundations, Ramsey County, the Ramsey County Continuum of Care (Heading Home Ramsey), the City of St. Paul and their Planning and Economic Development team, the Department of Veteran Affairs, the Department of Housing and Urban Development, Housing Link, and other local non-profits and community partners.

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The PHA's HCV program represents approximately 50% of the Agency's annual budget. Staff believes the proposed reclassification recognizes the high level of complexity and responsibility required from this position, while also ensuring that the HCV Programs Director is at the same level with its counterpart who oversees the Agency's Resident Services Department. With the Board's approval of this recommendation, the employee in this job classification will receive a 10% increase or be moved to the minimum salary in the new band/grade, whichever is greater, in accordance with Article 8.4 of the S&C Policies. The employee will serve a probationary period. The annualized cost of the salary increase would be approximately \$7,654. Sufficient funds for this proposed change were included in the FY 2020 budget approved by the Board at its March 27, 2019 meeting.

ANH/AAG/MGB/DJM

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Control Technician: Control Technician;
New Title and Reclassification
From Administrative Support Professional

DATE April 24, 2019

Staff recommends Board approval of a new job title of “Control Technician” for a position in the Housing Choice Voucher Programs Department, with the new salary band/grade/sub-grade of B23 and reclassifying the incumbent into this new position. This position is currently held by a single employee who is classified as an “Administrative Support Professional: Control Technician”, rated at the B22 band/grade/ subgrade. The new position and salary range would be included in the Agency’s contract with Local 1854 of the American Federation of State, County and Municipal Employees (AFSCME) union. The union has agreed to add this job title at the increased rating, if the Board approves.

Based on changes in the job duties of this position, Human Resources staff sent an updated position description to Fox Lawson & Associates for reevaluation. Fox Lawson (a Division of Gallagher Benefit Services) is the firm used by the Agency to evaluate, for pay purposes, new positions and those whose duties have substantially changed.

In requesting Fox Lawson’s review, staff explained that the Control Technician position should be rated at a higher level based on several changes to the position’s requirements, including the following tasks and responsibilities:

1. Create and maintain ownership files and investigate owner discrepancies. Determine who is the owner of record through research, verification, and consultation with all available resources, including legal counsel if necessary, and confirm that owner of record is eligible for payment.

2. Work with Information Technology (IT) Department to identify and implement new reports to monitor program and payment compliance. This position also has authority to perform data corrections in digital records as necessary to ensure accurate and prompt rental assistance payments.
3. Complete the billing process for all new files from other housing agencies, and accurately completing this determination and communicating it to the other agencies.
4. Serve as first line responder for questions from owners and tenants regarding foreclosure process, property sales/owner changes, and housing assistance payments. The position is the front-line interface for initial owner inquiries.
5. Exercise sole responsibility for implementing and maintaining the online portal for property owners participating in the Housing Choice Voucher program, including implementing of any portal-related software changes.
6. Exercise sole responsibility for managing and overseeing the process of archiving owner files, including filing, purging, and retention according to HUD and PHA guidelines.

Fox Lawson rated the position at a B23 because of the higher diversity and complexity of the tasks it performs, compared to other B2 level positions.

With the Board's approval of this recommendation, the employee in this position would move to the same salary step in the B23 pay range, which represents a 4.73% increase in salary, at an annualized cost of approximately \$2,226. In accordance with Article 11.5 of the AFSCME contract, which defines the increase for a reclassification, the employee will not serve a probationary period nor will they receive an increase after 6 months. Sufficient funds for this proposed change were included in the FY 2020 budget approved by the Board at its March 27, 2019 meeting.

ANH/AAG/MGB/DJM

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL**REPORT TO COMMISSIONERS****FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR****REGARDING** Boiler Operation Services
Contract No. 19-136**DATE** April 24, 2019

Staff requests Board approval to award a one-year contract for boiler operation services for all boiler and District Energy heating systems at 20 PHA properties to Sprung Services of New Brighton, Minnesota, at the unit prices stated in their proposal.

A Request for Proposals (RFP) for these services was advertised in newspapers and sent to several firms that had expressed an interest in working for the PHA. Three proposals were received. The proposals, from Sprung Services, Northland Mechanical and Simineau Sterling Midwest, were evaluated by a committee of PHA staff using criteria (stated in the RFP) that included point values for experience/technical competence, licenses and certifications, references, affirmative action efforts (Minority-, Women- or Disabled-Owned business enterprises; MBE/WBE/DBE) and cost. Sprung Services received the highest evaluation score from staff, as shown on the attached summary..

This contract includes the following services in PHA hi-rises, community buildings, and the Central Administrative Office (CAO):

- Provide state required boiler operator license in each PHA property.
- Check boiler water level, pressure, and temperature; make adjustments as necessary.
- Check flame, flue gas temperature and firing rate.
- Perform chemical testing and adjust chemical feed as necessary.
- Check for leaks and unusual sounds.
- If boiler repairs are required, contractor will inform PHA staff, who will perform the repairs or issue a Work Authorization to a PHA service contractor to perform the work.

This contract is for one year, with options to extend it in one-year increments, up to a total of five years, if mutually agreeable to both the PHA and Sprung Services. Any price increases would be negotiated at the time of the extension. Sprung Service's unit prices for the first year are within staff estimates for the work.

Sprung Services has performed satisfactorily under the current PHA contract for similar work. Copies of the Employer Information Reports for Sprung and the second highest rated proposer, Simineau Sterling Midwest are attached. Because this is a unit price contract it is not subject to the PHA's Section 3 Policy requirements for an Action Plan, hiring/subcontracting or contribution to the Section 3 Training Fund. The contract cost will be included in the PHA's year-end total of all contracting activity.

Staff expects to spend approximately \$80,000 per year under this contract. Sufficient funds are available for the contract in the current Operating Budget and will be recommended in subsequent fiscal year budgets.

TDB/VMA

Attachments

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL**REPORT TO COMMISSIONERS****FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR****REGARDING** Journeyman Pipefitter Services
Contract No. 19-138**DATE** April 24, 2019

Staff requests Board approval to award a one-year contract for journeyman pipefitter services to provide HVAC maintenance and repair at 20 PHA properties to Egan Company of Brooklyn Park, Minnesota, at the unit prices stated in their proposal.

A Request for Proposals (RFP) for these services was advertised in newspapers and sent to several firms that had expressed an interest in working for the PHA. Three proposals were received. The proposals, from Egan Company, Northland Mechanical and NAC Mechanical and Electrical, were evaluated by a committee of PHA staff using criteria (stated in the RFP) that included point values for experience/technical competence, licenses and certifications, references, affirmative action efforts (Minority-, Women-, or Disabled-Owned business enterprises; MBE/WBE/DBE) and cost. Egan Company received the highest evaluation score from staff, as shown on the attached summary.

This contract includes the following services in PHA hi-rises, community buildings, and the Central Administrative Office (CAO):

- Furnish a full-time, on-site journeyman pipefitter, materials, equipment and service vehicle to provide HVAC system repairs.
- Perform scheduled maintenance on HVAC equipment including pumps, compressors, and condensers.
- Perform minor upgrades to HVAC systems as ordered.

This contract is for one year, with options to extend it in one-year increments, up to a total of five years, if mutually agreeable to both the PHA and Egan Company. Any price increases

would be negotiated at the time of the extension. Egan Company's unit prices for the first year are within staff estimates for the work.

As explained in an Informational Report for the November 28, 2018 Board meeting, the Agency began to rely more on contractors to maintain our heating, ventilation and air conditioning equipment after the retirement of the PHA's Chief Operating Engineer and abrupt departure of the Assistant Chief Operating Engineer. The recommended contracts for Journeyman and Apprentice Pipefitter services will continue that arrangement, supplementing PHA staff with skilled HVAC personnel from local contractors to maintain our heating, ventilation and air conditioning equipment. This approach has proven to be very beneficial to the PHA by providing an in-house skill set needed to immediately address a broad range of repair needs to critical mechanical systems.

Egan Company has performed satisfactorily under the current PHA contract for similar work. Copies of the Employer Information Reports for Egan and the second highest rated proposer, NAC Mechanical and Electrical, are attached. Because this is a unit price contract it is not subject to the PHA's Section 3 Policy requirements for an Action Plan, hiring/subcontracting or contribution to the Section 3 Training Fund. The contract cost will be included in the PHA's year-end total of all contracting activity.

Staff expects to spend approximately \$230,000 per year under this contract. Sufficient funds are available for the contract in the current Operating Budget and will be recommended in subsequent fiscal year budgets.

TDB/VMA

Attachments

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL**REPORT TO COMMISSIONERS****FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR****REGARDING** Apprentice Pipefitter Services
Contract No. 19-139**DATE** April 24, 2019

Staff requests Board approval to award a one-year contract for apprentice pipefitter services to provide HVAC maintenance and repair at 20 PHA properties to Corval Constructors, Inc., of Saint Paul, Minnesota, at the unit prices stated in their proposal.

A Request for Proposals (RFP) for these services was advertised in newspapers and sent to several firms that had expressed an interest in working for the PHA. Four proposals were received. The proposals, from Corval Constructors, Egan Company, Northland Mechanical and NAC Mechanical and Electrical, were evaluated by a committee of PHA staff using criteria (stated in the RFP) that included point values for experience/technical competence, licenses and certifications, references, affirmative action efforts (Minority-, Women-, or Disabled-Owned business enterprises; MBE/WBE/DBE) and cost. Corval Constructors, received the highest evaluation score from staff, as shown on the attached summary.

This contract includes the following services in PHA hi-rises, community buildings, and the Central Administrative Office (CAO):

- Furnish a full-time, on-site apprentice pipefitter, materials, equipment and service vehicle to provide HVAC system repairs.
- Perform scheduled maintenance on HVAC equipment including pumps, compressors, and condensers.
- Perform minor upgrades to HVAC systems as ordered.

This contract is for one year, with options to extend it in one-year increments, up to a total of five years, if mutually agreeable to both the PHA and Corval Constructors. Any price increases

would be negotiated at the time of the extension. Corval Constructor's unit prices for the first year are within staff estimates for the work.

As explained in an Informational Report for the November 28, 2018 Board meeting, the Agency began to rely more on contractors to maintain our heating, ventilation and air conditioning equipment after the retirement of the PHA's Chief Operating Engineer and abrupt departure of the Assistant Chief Operating Engineer. The recommended contracts for Journeyman and Apprentice Pipefitter services will continue that arrangement, supplementing PHA staff with skilled HVAC personnel from local contractors to maintain our heating, ventilation and air conditioning equipment. This approach has proven to be very beneficial to the PHA by providing an in-house skill set needed to immediately address a broad range of repair needs to critical mechanical systems.

Corval Constructors has performed satisfactorily under the current PHA contract for similar work. Copies of the Employer Information Reports for Corval Constructors and the second highest rated proposer, Egan, are attached. Because this is a unit price contract it is not subject to the PHA's Section 3 Policy requirements for an Action Plan, hiring/subcontracting or contribution to the Section 3 Training Fund. The contract cost will be included in the PHA's year-end total of all contracting activity.

Staff expects to spend approximately \$208,000 per year under this contract. Sufficient funds are available for the contract in the current Operating Budget and will be recommended in subsequent fiscal year budgets.

TDB/VMA

Attachments

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL**REPORT TO COMMISSIONERS****FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR****REGARDING** Employee Handbook:
Proposed Paid Parental Leave Policy**DATE** April 24, 2019

Staff requests Board approval of the attached draft Paid Parental Leave policy, which would provide up to four consecutive weeks of paid leave for all FMLA-eligible employees. This issue was identified as a high priority by the Agency employees represented by AFSCME when that bargaining agreement was negotiated in 2018. Staff's recommendation is based on those discussions, and consultations with Human Resources staff at the City of Saint Paul, Metro HRA (Metropolitan Council's Housing & Redevelopment Authority) and the Minneapolis Public Housing Agency, all of which have Paid Parental Leave policies in place.

Under the proposed Paid Parental Leave policy, an employee's use of this leave would run concurrently with any eligible leave under the Family Medical Leave Act (FMLA). To be eligible for FMLA, an employee must be employed with the Agency for at least twelve months and have worked a minimum of 1,250 hours during the 12-month period prior to the leave. The FMLA-eligible employee could request and receive up to four consecutive weeks of Paid Parental Leave. This leave would be in addition to, and not a replacement for, the employee's eligible use of other accrued paid time off such as vacation, comp time, or sick leave. Eligible employees would be required to use Paid Parental Leave within twelve weeks following the birth, adoption, or foster placement of a child. Compensation for Paid Parental Leave would be based on the employee's normal rate of pay, and would not include scheduled overtime.

Staff believes that the recommended Paid Parental Leave policy would better align the PHA's policies with other similarly-situated agencies, assist with employee retention, and serve as a strong recruitment tool to position the Agency to be more competitive to prospective job seekers.

Staff estimates that this new employee benefit will cost the Agency approximately \$23,000 per year. This estimate is based on 1) the annual number of FMLA-eligible employees who have requested time off for either the birth, adoption, or foster care placement of a child over the past four years; and 2) the Agency-wide average hourly salary of \$28.11 per hour. Sufficient funds to cover the cost of this proposed provision were included in the FY20 budget approved by the Board at its March 2019 meeting.

ANH/LTS

Attachments: Draft Paid Parental Leave Policy

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING HUD Multifamily Model Lease and House
Rules for Subsidized Programs; Rental
Assistance Demonstration - Project Based Rental
Assistance (RAD-PBRA)

DATE April 24, 2019

Staff recommends the Board adopt Resolution 19-4/24-01 approving use of the HUD Multifamily Model Lease for Subsidized Programs and PHA House Rules for the eight Project Based Rental Assistance (PBRA) projects the PHA will own, maintain, and manage after converting to HUD's Rental Assistance Demonstration (RAD) program. The Model Lease and House Rules will apply to 3,855 units in the PHA's sixteen hi-rises and four family developments. The PHA's scattered site and duplex properties will continue to be managed under the existing Low Income Public Housing lease and Admissions and Occupancy Policies.

HUD MULTIFAMILY PROGRAMS MODEL LEASE

The lease is a legally binding document between the PHA and the residents which identifies the program requirements for both the PHA and the residents. Regulations governing HUD's various multifamily housing programs state that owners (the PHA) must use leases that are in an acceptable format to HUD. In practice, this means the PHA is required to use a standard "Model Lease" (Form HUD-90105a) for the RAD-PBRA conversion. PHA staff and the legal team have spent considerable time reviewing the Model Lease and have taken great care to keep the substantive policies as close to those in the current public housing lease as possible. The PHA does not have the ability to edit or change the substantive terms of the model lease, so maintaining our current practices is done through the implementation of House Rules, which is a

lease addendum in which PHAs may incorporate additional policies and lease requirements that are not otherwise contained in the model lease.

PHA HOUSE RULES

The PHA is allowed to incorporate policies and lease requirements into the House Rules (Attachment 3 to the Model Lease) provided that these policies do not contradict any of the provisions of the Model Lease. Resident Services staff began drafting the House Rules several months ago in order to ensure sufficient time for staff input, HUD review, and Board approval. Staff have prepared two versions of the House Rules, one for Hi-Rise properties and one for Family Sites. Both versions are attached to this Board report. The documents are substantively similar besides slight differences for things like utility costs*, maintenance requirements, and pet policies. Staff received HUD's approval of these proposed House Rules on April 10, 2019.

With the Board's approval, staff will begin showing the new lease documents to residents and staff so that everyone involved can be educated about the updates before the RAD conversion closing date. The closing is anticipated to occur in August or September 2019. Staff plan to hold a series of resident meetings to introduce and explain the new documents and allow residents to ask questions before they are all required to sign the new lease, after the closing.

While there are some policy changes associated with the new documents, PHA staff have spent considerable time analyzing the Model Lease and preparing the related House Rules in an effort to minimize the impact on residents and maintain the high standards our current residents have come to expect from the PHA. We believe the model lease and proposed House Rules will allow

* Utility costs are included in the rent that hi-rise residents pay to the PHA. In the family housing developments residents pay their own utility costs for gas, electricity and heat, so their rent payment to the PHA is reduced by a utility allowance.

us to continue operating our housing program as successfully under PBRA as we have historically done under LIPH.

JMG/AJH

Attachments: Resolution 19-4/24-01
Form HUD – 90105a – PHA Model Lease for Subsidized Programs
House Rules – Family Sites
House Rules – Hi-Rise

**PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL
RESOLUTION NO. 19-4/24-01**

**RENTAL ASSISTANCE DEMONSTRATION (RAD) CONVERSION TO
PROJECT-BASED RENTAL ASSISTANCE (PBRA);
APPROVAL OF MODEL LEASE AND HOUSE RULES**

WHEREAS, the Public Housing Agency of the City of Saint Paul (PHA) has applied to the U.S. Department of Housing & Urban Development (HUD) to convert 3,855 dwelling units of Low Income Public Housing (LIPH; Section 9) 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 August 20, 2018 the PHA received HUD's approval letters for all eight RAD conversion applications; and the letters also serve as the "Commitment to Enter into a Housing Assistance Payment" (CHAP) awards for those Asset Management Projects (AMPs 1-8); and

WHEREAS, in late March 2019 staff submitted the PHA's eight RAD Financing Plan packages by uploading over 300 documents to HUD's online "RAD Resource Desk"; and

WHEREAS, PHA staff are now working with a "Financing Transaction Manager" assigned by HUD who will work with other HUD staff and PHA staff on the next steps in the RAD conversion process, leading up to HUD issuing "RAD Conversion Commitments (RCCs)" to the PHA, which staff anticipates will occur by the end of May 2019; and

WHEREAS, owners of subsidized housing operating under HUD's Office of Multifamily Housing, including PBRA, are required to use a Model Lease (Form HUD-90105a) along with a House Rules addendum that must be approved by HUD; and

WHEREAS, PHA staff and legal counsel refined the formatting of the Model Lease and submitted for HUD's preliminary review and approval separate House Rules for Hi-Rises and Family Sites to be used after the conversion to PBRA; and

WHEREAS, PHA staff have received HUD's approval for the House Rules and formatted Model Lease and now recommended approval by the PHA Board of Commissioners to utilize these documents in connection with the PHA's post-conversion PBRA housing program; and

WHEREAS, the Board of Commissioners finds that the proposed Model Lease and House Rules are necessary and appropriate for use in the PHA's post-conversion PBRA housing program;

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 Model Lease and House Rules for Hi-Rises and Family Sites are approved as presented;
2. Staff is authorized to utilize and execute the Model Lease, House Rules, and all associated policy documents as necessary in connection with the PHA's post-conversion PBRA housing program; and
3. 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 Housing Choice Voucher/Section 8 Program
Admission & Occupancy Policy Revisions;
Amending Agency Plan;
Opening the Waiting List in 2019

DATE April 24, 2019

Staff recommends approval of revisions to the Admission & Occupancy Policies (AOP) for the Housing Choice Voucher/Section 8 Programs as explained below (copies attached). In addition to some “housekeeping” updates and edits, the more significant revisions are recommended to facilitate the PHA’s support for ending homelessness, and to improve staff’s efficiency and effectiveness in administering the Housing Choice Voucher (HCV) program. With the Board’s approval of the recommended revisions, the changes can be in place when the PHA opens its waiting list to accept new applications for HCVs in June 2019. The Agency Plan will be revised to incorporate the AOP revisions.

The significant policy revisions recommended by staff are as follows:

1. Expand the admissions preference for “St. Paul residents” to include families and individuals who are experiencing homelessness. AOP Part 2.
2. Extend the admissions preference for “Veterans” to include any household in which one or more members are veterans; the veteran need not be the head of household or spouse. AOP Part 2.
3. Eliminate the admissions preference for households with “Extremely Low Income” (ELI; approximately 30% of Area Median income). AOP Part 2.
4. Adopt an admissions preference for not more than 50 HCVs to be awarded to households that include one or more persons with disabilities who are younger than age 62 (“Non-Elderly Disabled Individuals/Families”). This recommendation supports utilizing the “Mainstream” vouchers awarded to the PHA in 2018. AOP Part 2 and Appendix H.

5. Amend policies on Informal Hearings and Reviews for HCV applicants and participants. The recommended revisions align the requirements for the sharing of information prior to reviews and hearings, and require the disclosure of witnesses in advance of informal hearings. AOP Appendix G.
6. Updating policies around temporary income situations and the timing of interim decreases to close loopholes that currently exist in policy. AOP Part 6.

Opening the Waiting List in June 2019. All of the households that applied for vouchers when the waiting list was last opened in September of 2015 have been drawn from the list, so staff is preparing to open the list again for new applications.¹ The Metropolitan Housing and Redevelopment Authority (Metro HRA) and the Minneapolis Public Housing Authority (MPHA) are planning to open their waiting lists at the same time.

Staff intends to follow the same procedure used successfully for the last waiting list opening in September of 2015. After announcing the waiting list opening widely, well in advance of the date, the Agency accepted applications online for one week. (This year the PHA plans to coordinate announcements with both Metro HRA and MPHA, if administratively feasible.) In 2015 we received approximately 12,000 applications in seven days. When the waiting list closed the computer software randomized the list (like a lottery) to select 3,500 households to be placed on the HCV waiting list. Staff plans to draw 3,500 names in the lottery again this time, to create a waiting list that could last for three to five years without being too large to manage.

As approved by the Board in 2015, 95% of the applicants to be selected by lottery for the waiting list were “St. Paul residents”, specifically defined for this purpose as the applicant living,

¹ HUD regulations allow opening and closing waiting lists as an administrative procedure, and the PHA’s past practice has been to inform the Board of those actions in an informational report.

working or going to school in St. Paul. The recommended policy revision also would include as “residents” any applicant families and individuals who are experiencing homelessness, as identified by Ramsey County Coordinated Entry (explained below).

Software for online applications. The PHA will be using essentially the same online applications software that performed successfully for the 2015 HCV waiting list opening. At that time we selected Happy Software System, which had been used by Metro HRA and many other large housing authorities. Since then Happy Software was acquired by the PHA’s new software provider, MRI, which also acquired Tenmast. The product is now called WaitListCheck, MRI’s Online Application for PHAs; and it is integrated into the suite of software products that the PHA is using for its core business functions.

With this approval, staff expect to issue vouchers to applicants from the new waiting list approximately a month after opening. The number of vouchers the PHA issues each year varies widely, but a “normal” year might see 400-450 new issuances.

Explanation of Recommended Changes in Admissions Preferences. Admission preferences determine an applicant’s place on the waiting list. An applicant with more preference points is ranked higher on the waiting list than an applicant with fewer points.

1. Expand the Residency Preference to include Homeless. The PHA has been participating with regional and local partners on better ways to serve and house the homeless, and staff are working on a number of different fronts to address this growing concern. As one step, the PHA is proposing to incorporate a homeless criteria within the Residency Preference to ensure that certain homeless applicants are awarded residency. Applicants who have been deemed as “homeless” through Ramsey County’s Coordinated Entry System will be eligible to receive the residency preference, just as a household where the head of household or spouse is living, working or going to school within the city limits of

St. Paul. This criteria will also assist Coordinated Entry to ensure that their clients are being awarded a preference on the Section 8 waiting list, so that their housing needs could potentially be met sooner than the Coordinated Entry process. However, clients who receive these preference points through the homeless criteria will still be required to reside for 12 months in St. Paul prior to porting out of the jurisdiction.

2. Expand the Veterans Preference. Staff are recommending that the existing preference for veterans be updated to give the preference points to any applicant household that includes a veteran. This would broaden the current definition that requires the veteran to be the head of household or their spouse. Staff are also recommending eliminating the requirement that the veteran was “honorably discharged”.

Relatively few applicants on the general HCV waiting list claim the veterans preference. Most veterans are now eligible for the special “HUD-VASH” vouchers. Veterans referred for the HUD-VASH vouchers are receiving case management provided by the VA, and HUD waives most of the eligibility screening criteria. Ramsey County Veteran Services staff have requested that the local Continuum of Care (CoC) provide a short-term preference on the Coordinated Entry list to place all veterans at the top when single units are available. (The CoC is a required body providing planning and oversight for federally-funded homeless assistance services.) Given the broad state and community interest in functionally ending veteran homelessness, staff are recommending that we follow the lead of the CoC, and expand this preference as explained above. There would be no change in the PHA’s current policy that includes all veterans who served “under the direction of the Armed Forces and clandestine forces of the United States”, as well as those in the uniformed armed services.

3. Eliminate the “Extremely Low Income” Preference. Since 1998 Federal law has required that at least 75% of the households that are admitted to a PHA’s Section 8 Program in a year have incomes that are at or below HUD’s “Extremely-Low-Income” (ELI) limit, which is approximately 30% of the Area Median Income (AMI). This is called “ELI income targeting”. The PHA adopted an ELI admissions preference to ensure that the PHA met this target. However, with the great majority of eligible applicants having

extremely low incomes, especially in the special programs (VASH, FUP, supportive housing PBV), staff believes the Agency can meet the ELI targeting requirement without continuing the preference; and eliminating the preference will improve the admissions process. Administering this preference causes confusion for applicants and staff, and makes more work without benefit. The St. Paul PHA is the only agency in the Metro that has retained this admissions preference.

HUD regulations require that any family with annual gross income over HUD’s “Very-Low-Income” limit (VLI; approximately 50% of the AMI) must be denied and removed from the waiting list. That limits the number of eligible applicants whose incomes are above the ELI limit. Many HCV applicants have fluctuating income that rises temporarily due to working more hours in a pay period, adding a seasonal part-time job and similar factors. If the applicant reaches the top of the waiting list based on the ELI preference, but has higher income at the time of the eligibility interview, they are returned to a lower position on the waiting list. If the applicant then reports a drop in income, they move back to the top of the waiting list with ELI preference. This can happen repeatedly.

Income Limits for Section 8 Vouchers in 2018-2019*			
Area Median Income \$94,300			
	Current Priority for HCV Applicants	Regulatory Maximum Income in order to admit HCV Applicants	Monthly difference between ELI and VLI
Household Size	Extremely Low Income (30% of AMI)	Very Low Income (50% of AMI)	
1 Person	\$19,850	\$33,050	\$1,100
2 Person	\$22,650	\$37,750	\$1,258
3 Person	\$25,500	\$42,450	\$1,431
4 Person	\$28,300	\$47,150	\$1,571
5 Person	\$30,600	\$50,950	\$1,696
6 Person	\$33,740	\$54,700	\$1,747
<ul style="list-style-type: none"> Income limits effective 4/1/2018. HUD has not published income limits for 2019 yet. 			

Staff believe that removing the ELI preference will save time for staff and applicants by reducing the “churning” effect. It also would remove a penalty for working families, and the possible incentive for families to quit their jobs to obtain an earlier voucher placement.

NAHRO explains the unintended consequences of “income targeting” this way:

Although the intention of income targeting is admirable, many PHAs find it to be a burdensome process that results in wasted time for both PHA administration and the applicants themselves. Often applicants do not list all sources of income and assets accurately on their applications. As such, when a housing authority pulls an applicant from the waiting list, PHA staff spend updates of two hours per applicant for intake and eligibility, ensuring all necessary income and assets are correctly listed. PHAs routinely have to place applicants back on the waiting list if those applicants ultimately do not meet the income targeting requirement, which is often determined during the intake process. This requires PHA staff to spend time explaining the purpose of income targeting to the applicant, and can even result in an applicant quitting their place of employment in order to become eligible, ultimately defeating the purpose of income targeting to begin with. PHAs should be able to pull applicants from their waiting list in a way that makes sense at the local level to best address local housing concerns.

4. Adopt a limited admissions preference for “Non-Elderly Disabled Individuals/Families”. Staff is recommending a preference for not more than 50 HCVs to be awarded to households that include one or more persons with disabilities who are younger than age 62. This preference will help maintain full utilization of the HCVs HUD awarded to the PHA under the “Mainstream (Section 811) 2017 Voucher Program” (reported to the Board on May 23 and September 26, 2018).

Other Recommended Policy Changes.

5. Informal Hearings and Reviews. Staff is recommending revising the policies on Informal Hearings and Reviews for HCV applicants and participants (AOP Appendix G) to align the requirements for the sharing of information prior to reviews and hearings, and require the disclosure of witnesses in advance of informal hearings. Informal Reviews are offered to applicants who disagree with the PHA’s decision to deny their application.

Informal Hearings are for HCV participants who are contesting a PHA decision affecting their voucher assistance.

6. Temporary Income Changes; Interim Redeterminations of Income and Rent. Staff is recommending updating policies relating to temporary income situations and the timing of interim rent decreases, to close loopholes that currently exist in policy. Specifically, if a participant does not report a loss of income promptly, the timing of a rent decrease is based on when the participant reported the decrease, not retroactively to the earlier date when the reduction in income occurred. It is the HCV participant's responsibility to report changes in the household's income; and if the income goes down the PHA is required to reduce the participant's share of the rent. To provide an incentive for prompt reporting and reduce the staff time spent on interim adjustments (and confusion for participants and property owners) staff is recommending eliminating retroactive adjustments caused by late reporting. AOP Part 6.

All of the recommended policy changes are attached, with new language double-underlined and deleted text interlined.

DJM/CHY/FAH

Attachments:

- Resolution No. 19-4/24-02
- Admission & Occupancy Policies for the Housing Choice Voucher/Section 8 Programs:
 - Part 1
 - Part 2
 - Part 3
 - Part 6
 - Appendix G
 - Appendix H

**PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL
RESOLUTION NO. 19-4/24-2**

**AMEND SECTION 8 HOUSING CHOICE VOUCHER
ADMISSION & OCCUPANCY POLICIES; AGENCY PLAN**

WHEREAS, the Public Housing Agency of the City of Saint Paul (PHA) has undertaken to provide decent, safe and sanitary housing for families pursuant to Section 8 of the United States Housing Act of 1937, as amended (42 USC 1437, et seq.); and

WHEREAS, the PHA currently administers a Section 8 Housing Choice Voucher (HCV) Program, for which the guiding policies are set forth in the Admission and Occupancy Policies (AOP) for the Section 8 Housing Choice Voucher Program, dated February 23, 2000, as amended; and

WHEREAS, staff has recommended revising the AOP to facilitate the PHA's support for ending homelessness, and to improve staff's efficiency and effectiveness in administering the Housing Choice Voucher (HCV) program, as follows:

1. Expand the admissions preference for "St. Paul residents" to include families and individuals who are experiencing homelessness. AOP Part 2.
2. Extend the admissions preference for "Veterans" to include any household in which one or more members are veterans; the veteran need not be the head of household or spouse. AOP Part 2.
3. Eliminate the admissions preference for households with "Extremely Low Income" (ELI; approximately 30% of Area Median income). AOP Part 2.
4. Adopt an admissions preference for not more than 50 HCVs to be awarded to households that include one or more persons with disabilities who are younger than age 62 ("Non-Elderly Disabled Individuals/Families"). AOP Part 2 and Appendix H.
5. Amend policies on Informal Hearings and Reviews for HCV applicants and participants, to align the requirements for the sharing of information prior to reviews and hearings, and require the disclosure of witnesses in advance of informal hearings. AOP Appendix G.
6. Updating policies around temporary income situations and the timing of interim decreases to close loopholes that currently exist in policy. AOP Part 6; and

WHEREAS, the Board of Commissioners finds that the proposed policy revisions, as shown on the attachments, are necessary and appropriate to continue and improve the HCV and PBV 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 & Occupancy Policies for the Section 8 Housing Choice Voucher Program are hereby revised as shown on the attachments; and
2. The Agency Plan is amended accordingly.