

On June 26, 2019, the Saint Paul Public Housing Agency (PHA) Board of Commissioners approved the following actions:

- Pension Administrative Committee; Appointment of Administrative Employee Representative
- Language Interpretation and Translation Services; Contract No. 20-009
- Elevator Modernization at Exchange, Central, Neill, and Dunedin Hi-Rises (AMP 6, 7 & 8); Contract No. 20-011
- RAD Financing Plans; Use of “Excess Funds” in RAD Transaction

**PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL****REPORT TO COMMISSIONERS****FROM JON M. GUTZMANN  
EXECUTIVE DIRECTOR****REGARDING** Pension Administrative Committee  
Appointment of Administrative  
Employee Representative**DATE** June 26, 2019

Staff recommends that the Board reappoint Terri (Therese) Gindorff to the HRA/PHA Pension Administrative Committee for a three-year term from July 1, 2019 through June 30, 2022.

Ms. Gindorff has been a committee member since November 18, 2015.

Ms. Gindorff was the only candidate nominated for this position on the Pension Committee, and all AFSCME members and Supervisory and Confidential employees were eligible to vote. When the voting period ended on June 10, 2019, a total of 38 ballots had been submitted. Ms. Gindorff received 100% of the votes.

Other members currently serving on the Pension Administrative Committee are:

- Adam Niblick, representing the Saint Paul City Council
- Alicia Huckleby, representing the PHA Board
- Les Unklesbay, representing the City's Local 363 employees and
- Gary Grabko, representing City of Saint Paul HRA employees.

ANH/MLM

## PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

**REPORT TO COMMISSIONERS**

**FROM JON M. GUTZMANN  
EXECUTIVE DIRECTOR**

**REGARDING** Language Interpretation  
And Translation Services;  
Contract No. 20-009

**DATE** June 26, 2019

Staff requests Board approval to award a contract to ARCH Language Network of Little Canada, Minnesota to provide on-site spoken language and sign language interpretation and written translation services for public housing applicants and residents and Housing Choice Voucher applicants and participants, at the rates stated in ARCH Language Network's proposal. The rates are as follows:

- \$42/hour for on-site spoken language interpretation;
- \$65/hour for American Sign Language;
- \$.25/ per word for Spanish language written translations; and
- \$.30/per word for other language written translation.

The contract will run for eight months (July 15, 2019 – March 31, 2020) with options to renew for a full second (April 1, 2020 – March 31, 2021) and third year (April 1, 2021 – March 31, 2022) at the bid prices submitted. Staff estimates that approximately \$7,000 per month (\$84,000 annually) will be expended under this contract.

The PHA's spoken language needs include but are not limited to:

- |             |             |           |              |
|-------------|-------------|-----------|--------------|
| • Amharic   | • Chinese - | • Nepal   | • Thai       |
| • Arabic    | Mandarin    | • Oromo   | • Tigrinya   |
| • Burmese   | • French    | • Russian | • Vietnamese |
| • Cambodian | • Hmong     | • Somali  |              |
| • Chinese   | • Laotian   | • Spanish |              |
| Cantonese   | • Karen     | • Swahili |              |

Services are needed to assist with the following activities:

- Interviews with applicants prior to their admission to the programs
- Group orientation sessions
- Lease signing, annual program re-certifications
- Meeting with individual tenant families
- Tenant-requested grievance hearings and lease termination actions
- Resident workshops and other situations as needed
- Written translations of notices, etc.

In FY 2018 staff requested interpreters through the contract 1,518 times. The average number of requests over the past three years was about 1,400.

The Board approved a contract for these services with INGCO International on February 27, 2019. However, staff had to terminate the contract with INGCO International due to the lack of performance. Staff solicited proposals for the new contract by advertising in local newspapers and posting the Request for Proposals (RFP) publicly on the Northstar Imaging website. Six interpreting firms submitted proposals to provide the necessary language and translation services. After evaluating all of the proposals on the basis of related experience, technical competence, M/W/DBE participation, Section 3 status and cost, staff selected the two highest rated firms for interviews. ARCH Language Network received the highest interview scores and the highest overall evaluation.

ARCH Language Network has provided language and translation services for the PHA in the past and has performed satisfactorily. Copies of the Employer Information Reports for the top two firms, ARCH Language Network and Weaving Cultures, LLC, are attached. Because this is a unit-price contract, it is not subject to the Section 3 Policy's requirement for contributing to the

PHA's Section 3 Training Fund. The PHA includes all such contracts in reporting the total of contracting activity that is subject to Section 3.

Sufficient funds are included in the PHA's Operating Budgets for this contract.

MLM/

Attachments: Interview Evaluation Sheet  
Employer Information Reports, EEO-1

**PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL****REPORT TO COMMISSIONERS****FROM JON M. GUTZMANN  
EXECUTIVE DIRECTOR****REGARDING** Elevator Modernization at Exchange,  
Central, Neill, and Dunedin Hi-Rises,  
(AMP 6, 7, & 8); Contract No. 20-011**DATE** June 26, 2019

Staff requests Board approval to award a contract to modernize the elevators at Exchange, Central, Neill and Dunedin Hi-Rises (AMP 6, 7 & 8) to the lowest responsible bidder, Schumacher Elevator Co. of Eagan, Minnesota in the amount of \$2,523,625. The contract amount includes the base bid and a 12 month warranty service. A copy of the June 13, 2019 bid tabulation is attached.

Both elevators at Exchange, Central, Neill, and Dunedin Hi-Rises will be completely modernized and renovated under this contract. The modernization will include replacing most of the elevators' mechanical and electrical components, and installing new cab finishes. To meet the requirements of the new elevator code, the contract includes modifications to the building's architectural, mechanical and electrical components.

Schumacher Elevator Co. has not performed elevator work for the PHA. Staff checked their references and received favorable responses about their performance as an elevator contractor on similar modernization projects.

Copies of the Employer Information Reports for Schumacher Elevator Co. and the second low bidder, All City Elevator, are attached. The bid amounts are less than the engineer's estimate.

Schumacher's own employees will perform the majority of the modernization work.

The cost of elevator modernization, maintenance and repair is included in the total of contracting activity the PHA reports to HUD for Section 3 compliance. Due to the specialized nature of this work, the PHA's Section 3 Policy specifically exempts these contracts from the requirements for contributions to the Section 3 Training Fund and submission of an Action Plan.

The entire contract cost will be paid from the four grants awarded to the PHA on December 14, 2018 by the Federal Home Loan Bank of Des Moines (FHLBDM), which totaled \$3 million. A copy of the January 23, 2019 informational Board report about the FHLBDM grants is attached. The FHLBDM will allow the PHA to hold the \$476,375 balance of the grants for contingency funding of project cost increases during construction. Upon the completion and final payment of the modernization project all unused grant funding will be returned to FHLBDM.

SEA/VA

Attachments: Tabulation of Bids  
January 23, 2019 FHLBDM Informational Board Report  
Employer Information Reports (EEO-1)

**PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL**

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN  
EXECUTIVE DIRECTORREGARDING RAD Financing Plans;  
Use of "Excess Funds" in RAD Transaction

DATE June 26, 2019

Staff is requesting Board direction on how to utilize \$101,990 in "excess funds" that are not specifically needed in the RAD transactions as currently projected. That is, this amount is not needed to fund the Initial Deposit to Replacement Reserves (IDRR), the RAD Conversion Year Funding and the scattered site capital improvements. The "excess funds" consist of the 2017 Replacement Housing Factor (RHF) grant and part of the 2019 Capital Fund Program (CFP) grant which was higher than originally estimated. If the Board decides to add these excess funds to the RAD transaction, we need to show that in the final Financing Plan revisions which will be part of the RAD closing documents. In the alternative, the Agency could keep the excess funds in the remaining Public Housing program for capital improvements in the 418 scattered site single family homes and duplexes, to supplement the \$552,737 already budgeted for that purpose.

Staff recommends dedicating the full amount of excess funds (\$101,990) to the Replacement Reserves for RAD Project #2 (Front, Hamline and Seal Hi-Rises, previously known as AMP 2), to supplement the available funds for Front Hi-Rise boiler replacements and plumbing modernization. As explained in a November 28, 2018 Board report,

Front Hi-Rise (727 Front Street) is a 20-story apartment building built in 1969, with 151 dwelling units. The boilers and plumbing systems are original to the building construction; and after 49 years they have exceeded their expected service lives. The PHA's consultant (Stanley Consultants) did an evaluation of 13 hi-rise heating plants in 2003 and updated it in 2009 and 2014. Stanley also did an evaluation of 15 of the hi-rise plumbing systems in 2016. They updated both the heating plant and plumbing portions of their earlier surveys for the current application. Stanley estimates the cost to expand



the boiler room, replace the boilers and replace the plumbing at the Front Hi-Rise will be about \$4,888,000. Stanley also estimates that the total cost would be about \$366,000 higher if the boilers and plumbing were replaced as two separate projects, rather than doing the work as a single construction project.

Staff agree with Stanley that the Front Hi-Rise boiler and plumbing replacements are the PHA's highest priorities now for seeking funding from Minnesota Housing. The plumbing has been replaced at the Ravoux and Valley Hi-Rises; and the same work began in September at Montreal Hi-Rise. The boilers were replaced at the Central, Neill, Cleveland and Montreal Hi-Rises in 2010. Recent boiler repairs and plumbing leaks at Front Hi-Rise, as well as the extremely small boiler room there, underscore the need to complete the boiler and plumbing system replacements without further delay.

The costs to replace the boilers and plumbing at Front Hi-Rise will be paid partly by the \$1,000,000 award from Minnesota Housing and, if awarded, another \$1,000,000 we have requested from the Federal Home Loan Bank of Des Moines for this project. Additional funds will be needed to cover the cost, so adding the excess funds to the Replacement Reserve account for Project #2 would help.

Although the amount of the excess funds is small compared to the total costs of capital improvements needed at Front Hi-Rise, adding it to the RAD transaction will trigger adjustments in the figures shown in the Capital Needs Assessment (CNA) for RAD Project #2, and in the 20-year Pro Forma for that project and the total RAD conversion (copies are attached). If the Board approves staff's recommendation to add the excess funds (\$101,990) to the Replacement Reserves for RAD Project #2, staff will make the necessary adjustments in the spreadsheets before the closing.

In the alternative, no adjustments would be needed in the Financing Plans, CNA and Pro Formas if the Board decides to keep the excess funds in the Public Housing program for capital improvements in scattered site properties.

History: On November 28, 2018 the Board approved using the 2019 CFP and the 2017 RHF grant awards to fund the IDRR which is required as part of the conversion process for the eight RAD-PBRA Projects. The IDRR is based on the independent recommendation from the Capital Needs Assessment (CNA) contractor. At the time of Board approval, the actual 2019 CFP award was not known, but staff estimated that it would be approximately \$11,177,209, the same as the previous year’s grant. That amount would have been sufficient to fully fund the IDRR balance. Staff have since evaluated and refined the actual IDRR based on guidance from our Financing Transaction Manager at HUD, Arnold Taylor. The total IDRR amount now required is \$9,381,000, which is the sum of the amounts required for each RAD Project, as follows:

RAD Project #	RAD Project Name	IDRR Required
1	McDonough Homes	\$250,000
2	Front – Hamline - Seal	\$170,000
3	Edgerton - Iowa - Wilson	\$415,000
4	Roosevelt Homes	\$135,000
5	Mt Airy - Valley	\$7,659,000
6	Exchange - Wabasha	\$337,000
7	Central – Neill - Ravoux	\$115,000
8	Dunedin - Cleveland - Montreal	\$300,000
	TOTAL	\$9,381,000

As explained above, the PHA’s 2019 CFP grant announced by HUD on April 23, 2019 is \$11,628,402. As shown below, the award amount is sufficient to fund the conversion needs and provide funding for continued improvements to the scattered site and duplex properties that are not converting to RAD-PBRA, leaving the \$101,990 as “excess funds” available for other uses.

2019 CFP Award	\$11,628,402
Add 2017 Replacement Housing Factor	+ 9,564
Total Available Funds	\$11,637,966
Subtract Initial Deposit to Replacement Reserve	- 9,381,000
Subtotal 1	\$2,256,966
Subtract Scattered Site/Duplexes funding	- 552,737
Subtotal 2	\$1,704,229
Subtract CFP Conversion Year Funding Eligibility	- 1,602,239
<b>EXCESS CFP/RHF FUNDS</b>	<b>\$101,990</b>

As explained above, staff is recommending that this amount be added to the Replacement Reserves for RAD Project #2 (Front, Hamline and Seal Hi-Rises, previously known as AMP 2), to supplement the available funds for Front Hi-Rise boiler replacements and plumbing modernization.

JMG/AJH/FAH

Attachments: St. Paul PHA’s 20 Year Capital Needs Assessment Excerpt; AMP 2 Front Hi-Rise  
 EMG’s 20 Year Capital Needs Assessment Summary  
 20 Year Operating Pro Forma for AMP 2  
 20 Year Consolidated Operating Pro Forma – All AMPs