

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Boiler System Maintenance and
Repair Services
Contract No. 15-052

DATE October 22, 2014

Staff requests Board approval to award a contract for Boiler System Maintenance and Repair Services to the lowest responsible bidder, Louis DeGidio Services Inc. of Lakeville, Minnesota, at the unit prices stated in their bid. The low bid was determined by a formula stated in the bid specifications which weights the various bid items on anticipated quantities for each type of service work. Using the formula, the low bid was \$9,665.25 from Louis DeGidio Services Inc, and the second low bid, from Boiler Services Inc, was \$10,485.00.

The contract will remain in effect for an initial one-year period with options to extend for a second and third year at the bid prices submitted.

Louis DeGidio Services Inc. has previously performed work for the PHA and their work has been satisfactory. Copies of the bid tab and the Employer Information Reports for both Louis DeGidio Services Inc. and Boiler services Inc. 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.

Approximately \$75,000 will be spent during the first year of the contract based on past boiler maintenance and repair costs. There are sufficient funds available in the Operating Budget for this contract.

SEA

Attachments

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Flooring Replacement
Cleveland Hi-Rise; AMP 8
Contract No. 15-054

DATE October 22, 2014

Staff requests approval to award a contract for replacing vinyl flooring at Cleveland Hi-Rise (AMP 8) to the sole bidder, Floors by Beckers, of New Brighton, Minnesota, in the base bid amount of \$99,965. A copy of the October 9, 2014 bid tabulation is attached.

This contract includes removal and replacement of the existing asbestos-containing floor covering in the corridor areas of the Cleveland Hi-Rise. The existing tile and adhesive will be removed and properly disposed of in an off-site location certified to handle asbestos-containing materials. New vinyl composition tile will be installed once abatement is complete.

Staff solicited bids by advertising in local newspapers and trade publications and sending bid invitations directly to six companies from our flooring database. Two additional contractors attended the pre-bid meeting at the site after accessing the documents through a trade publication. The pre-bid meeting was attended by three prime contractors and a subcontractor who would be performing the abatement work for one of the primes. After the pre-bid meeting, staff approached the contractors who did not come to the meeting and offered them a chance to come at their convenience to look over the site. Despite these efforts, only Floors by Beckers submitted a bid. Contractors who declined to bid noted that they were at capacity in their current workloads and were not able to put in a bid at this time.

Floors by Beckers has previously worked for the PHA and their performance has been satisfactory. They performed the prototype flooring work on the sixth floor of Cleveland prior to this bid, so they are versed in the issues that may come up in the building. In order to satisfy the Section 3 requirement, Floors by Beckers will contribute not less than 2.5% of the bid amount to the PHA's Section 3 Training Fund. Floors by Becker's Equal Opportunity Employment Form is attached.

The bid amount is approximately 15% higher than staff's estimate but staff believes the price is reasonable. The staff estimate included assumed economies of scale which did not come to pass. There are sufficient funds available in the Capital Fund Budget for this contract.

MIS/mlp

Attachments

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Corridor and Stairwell Painting
At Front Hi-Rise; AMP 2
Contract No. 15-074

DATE October 22, 2014

Staff requests Board approval to award a contract to paint the corridors and stairwells at Front Hi-Rise (AMP 2) and install vinyl wall covering in the building's main floor elevator lobby to the lowest responsible bidder, Elliott's Painting & Decorating, Inc., Burnsville, Minnesota, for the bid amount of \$107,181.80. A copy of the October 9, 2014 bid tabulation is attached.

This contract includes removing the existing vinyl wall covering in the main floor lobby, installing new vinyl wall covering, painting the building corridor's walls and ceilings on floors two through twenty, and painting the stairwells from the ground floor to the twentieth floor.

Elliott's Painting & Decorating, Inc. has performed satisfactorily under previous PHA contracts for similar work. Copies of the Employer Information Report for Elliott's and the second low bidder, Five Star H Enterprises Inc., are attached. Elliott's Painting & Decorating Inc. is a Woman Owned Business Enterprise (WBE) and a Section 3 business.

The bid from Elliott's Painting & Decorating, Inc. is within staff estimates for the work. There are sufficient 2014 Capital Fund Program funds available for this contract.

JPR/mlp

Attachments

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Consulting Services for Exterior Window Replacement; Wilson and Edgerton Hi-Rises; AMP 3 Contract No. 15-077

DATE October 22, 2014

Staff requests Board approval to enter into an agreement with McMonigal Architects, Minneapolis for providing architectural services to replace exterior windows at the Edgerton Hi-Rise and sliding glass balcony doors at the Wilson and Edgerton Hi-Rises for an amount not to exceed \$76,000. The work will be done in four phases:

- Phase I will complete the investigative work that is necessary for installation of the new windows and sliding glass balcony doors. McMonigal Architects completed some of this investigative work under a previous contract as preparation for the ARRA competition application in 2009 and then recently updated the information for the upcoming 2014 Minnesota Housing Finance Agency Publicly Owned Housing Program (POHP) applications. McMonigal Architects' fees for this phase of work will not exceed \$3,000.
- In Phase II the consultant will research materials, methods and costs for replacing the windows and sliding glass balcony doors. They will assist the PHA in selecting the best solutions and developing a plan for staging the work. McMonigal Architects' fees for this phase of work will not exceed \$19,000.
- In Phase III the consultant will design, and develop construction documents for the window and sliding glass balcony door replacements. McMonigal Architects' fees for this phase of work will not exceed \$31,000.
- In Phase IV the consultant will assist with bidding and awarding the work and will provide construction administration services throughout the construction work to install the windows and sliding glass balcony doors. McMonigal Architect's fees for this phase of the work will not exceed \$23,000. The total fee for all Phase I through Phase IV work will not exceed \$76,000.

Work may be stopped after Phase III services are completed if Minnesota Housing does not award 2014 POHP funding for these window and sliding glass balcony door replacements.

Minnesota Housing expects to announce the POHP funding awards on January 23, 2015. Staff is recommending awarding this contract and proceeding with development of construction documents for the work in advance of the POHP award notifications to allow award of the construction contract at the February 25, 2015 Board meeting and completion of the work during the spring and summer of 2015. Delaying the work until the spring and summer of 2016 would make it difficult to meet Minnesota Housing's timetable. POHP-funded projects are supposed to be completed within 18 months of executing the loan commitment documents, which may occur in March of 2015.

Four consulting firms submitted proposals. The proposals were evaluated on the basis of:

1) related experience, 2) technical competence, 3) MBE/WBE/DBE participation, 4) Section 3 participation, and 5) cost. McMonigal Architects received the highest evaluation score. A summary of the proposal scores is attached.

Staff believes McMonigal Architects' proposed fees are reasonable and that they compare favorably with the fees proposed by the other firms. These expenses were not specifically budgeted in an approved Operating Budget, but staff anticipates that underspending in other approved expense categories will result in sufficient funds being available to cover this contract's cost. Funding for the construction costs will come from the 2014 Minnesota Housing Finance Agency Publicly Owned Housing Program and the FFY2015 Capital Fund Program grant.

McMonigal Architects has previously provided satisfactory consulting services for the PHA. A copy of the Equal Employment Opportunity Employer Information Reports for McMonigal Architects and the second highest rated firm, Blumentals Architecture, are attached. McMonigal

Architects is a woman-owned business enterprise (WBE). McMonigal Architects will meet PHA Section 3 requirements by awarding 25% of the subcontracted work to a Section 3 company.

DAL

Attachments: EEO-1 Forms

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Consulting Services for Exterior
Window Replacement; Valley
and Wabasha Hi-Rises; AMP 5 & 6
Contract No. 15-078

DATE October 22, 2014

Staff requests Board approval to enter into an agreement with McMonigal Architects, Minneapolis for providing architectural services to replace exterior windows at the Valley and Wabasha Hi-Rises (AMP 5 and 6) for an amount not to exceed \$66,000. The work will be done in four phases:

- Phase I will complete the investigative work that is necessary for installation of the new windows. McMonigal Architects completed some of this investigative work under a previous contract as preparation for the ARRA competition application in 2009 and then recently updated the information for the upcoming 2014 Minnesota Housing Finance Agency Publicly Owned Housing Program (POHP) applications. McMonigal Architects' fees for this phase of work will not exceed \$3,000.
- In Phase II the consultant will research materials, methods and costs for replacing the windows. The consultant will assist the PHA in selecting the best solutions and developing a plan for staging the work. McMonigal Architects' fees for this phase of work will not exceed \$16,500.
- In Phase III the consultant will design, and develop construction documents for the window replacements. McMonigal Architects' fees for this phase of work will not exceed \$26,500.
- In Phase IV the consultant will assist with bidding and awarding the work and will provide construction administration services throughout the construction work to install the windows. McMonigal Architect's fees for this phase of the work will not exceed \$20,000. The total fee for all Phase I through Phase IV work will not exceed \$66,000.

Work may be stopped after Phase III services are completed if Minnesota Housing does not award 2014 POHP funding for these window replacements. Minnesota Housing expects to announce the POHP funding awards on January 23, 2015. Staff is recommending awarding this

contract and proceeding with development of construction documents for the work in advance of the POHP award notifications to allow award of the construction contract at the February 25, 2015 Board meeting and completion of the work during the spring and summer of 2015.

Delaying the work until the spring and summer of 2016 would make it difficult to meet Minnesota Housing's timetable. POHP-funded projects are supposed to be completed within 18 months of executing the loan commitment documents, which may occur in March of 2015.

Four consulting firms submitted proposals. The proposals were evaluated on the basis of: 1) related experience, 2) technical competence, 3) MBE/WBE/DBE participation, 4) Section 3 participation, and 5) cost. McMonigal Architects received the highest evaluation score. A summary of the proposal scores is attached.

Staff believes McMonigal Architects' proposed fees are reasonable and that they compare favorably with the fees proposed by the other firms. These expenses were not specifically budgeted in an approved Operating Budget, but staff anticipates that underspending in other approved expense categories will result in sufficient funds being available to cover this contract's cost. Funding for the construction costs will come from the 2014 Minnesota Housing Finance Agency Publicly Owned Housing Program and the FFY2015 Capital Fund Program grant.

McMonigal Architects has previously provided satisfactory consulting services for the PHA. A copy of the Equal Employment Opportunity Employer Information Reports for McMonigal Architects and the second highest rated firm, Blumentals Architecture, are attached. McMonigal

Architects is a woman-owned business enterprise (WBE). McMonigal Architects will meet PHA Section 3 requirements by awarding 25% of the subcontracted work to a Section 3 company.

DAL

Attachments: EEO-1 Forms

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Consulting Services for Boiler and
Domestic Hot Water Replacement;
Iowa, Wilson and Edgerton Hi-Rises; AMP 3
Contract No. 15-079

DATE October 22, 2014

Staff requests Board approval to enter into an agreement with Stanley Consultants Inc., Minneapolis for engineering services to replace the boilers and domestic hot water systems at the Iowa, Wilson and Edgerton Hi-Rises (AMP 3) for an amount not to exceed \$210,861.

The work will be done in three phases:

- Phase I – Study and design development. The consultant will complete the investigative work, develop preliminary designs and cost estimates, and revise them as needed for PHA approval. Stanley Consultants completed some of this investigative work under a previous contract as preparation for the ARRA competition application in 2009 and then recently updated the information for the upcoming 2014 Minnesota Housing Finance Agency Publicly Owned Housing Program (POHP) applications. Stanley Consultants' fee for this phase of the work will not exceed \$23,325 (\$7,775/building).
- Phase II – Construction documents, bidding and award. The consultant will develop specifications and drawings for bidding the work and will assist the PHA throughout the bidding and award process. Stanley Consultants' fee for this phase of work will not exceed \$126,288 (\$42,096/building).
- Phase III – Construction administration. The consultant will provide construction administration services throughout the construction and warranty period. Stanley Consultants' fee for this phase of the work will not exceed \$61,248 (\$20,416/building).
- Stanley Consultants' total fee for Phase I, II and III at all three of the buildings will not exceed \$210,861.

Work may be stopped after Phase II services are completed if Minnesota Housing does not award 2014 POHP funding for these boiler and domestic hot water system replacements. Minnesota Housing expects to announce the POHP funding awards on January 23, 2015. Staff is

recommending awarding this contract and proceeding with development of construction documents for the work in advance of the POHP award notifications to allow award of the construction contract at the February 25, 2015 Board meeting and completion of the work during the non-heating season (May 15 through September 15) of 2015. Delaying the work until after the next heating season would make it difficult to meet Minnesota Housing's timetable. POHP-funded projects are supposed to be completed within 18 months of executing the loan commitment documents, which may occur in March of 2015.

Four consulting firms submitted proposals. The proposals were evaluated on the basis of: 1) related experience, 2) technical competence, 3) MBE/WBE/DBE participation, 4) Section 3 participation, and 5) cost. Stanley Consultants' written proposal received the highest score. Stanley Consultants and Steen Engineering were interviewed by staff and Stanley Consultants also received the higher interview score. A summary of the proposal scores is attached.

Staff believes Stanley Consultants' proposed fees are reasonable and that they compare favorably with the fees proposed by the other firms. These expenses were not specifically budgeted in an approved Operating Budget, but staff anticipates that underspending in other approved expense categories will result in sufficient funds being available to cover this contract's cost. Funding for the construction costs will come from the 2014 Minnesota Housing Finance Agency Publicly Owned Housing Program and the FFY2015 Capital Fund Program grant.

Stanley Consultants have previously provided satisfactory consulting services for the PHA. A copy of the Equal Employment Opportunity Employer Information Reports for Stanley Consultants and the second highest rated firm, Steen Engineering, are attached. Stanley

Consultants has included an architectural firm that is a women-owned business (WBE) in their team. Stanley Consultants will meet PHA Section 3 requirements by contributing 2.5% of the contract amount to the PHA Section 3 training fund.

DAL

Attachments: EEO-1 Forms
Proposal Evaluation Summary

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Consulting Services for Boiler and Domestic Hot Water Replacement; Front, Hamline, Seal and Ravoux Hi-Rises AMP 2 and 7; Contract No. 15-080

DATE October 22, 2014

Staff requests Board approval to enter into an agreement with Stanley Consultants Inc., Minneapolis for the provision of engineering services to replace the boilers and domestic hot water systems at the Front, Hamline, Seal Hi-Rises (all in AMP 2) and Ravoux Hi-Rise (AMP 7) for an amount not to exceed \$281,148.

The work will be done in three phases:

- Phase I – Study and design development. The consultant will complete the investigative work, develop preliminary designs and cost estimates, and revise them as needed for PHA approval. Stanley Consultants completed some of this investigative work under a previous contract as preparation for the ARRA competition application in 2009 and then recently updated the information for the upcoming 2014 Minnesota Housing Finance Agency Publicly Owned Housing Program (POHP) applications. Stanley Consultants' fee for this phase of the work will not exceed \$31,100 (\$7,775/building).
- Phase II – Construction documents, bidding and award. The consultant will develop specifications and drawings for bidding the work and will assist the PHA throughout the bidding and award process. Stanley Consultants' fee for this phase of work will not exceed \$168,384 (\$42,096/building).
- Phase III – Construction administration. The consultant will provide construction administration services throughout the construction and warranty period. Stanley Consultants' fee for this phase of the work will not exceed \$81,664 (\$20,416/building).
- Stanley Consultants' total fee for Phase I, II and III at all three of the buildings will not exceed \$281,148.

Work may be stopped after Phase II services are completed if Minnesota Housing does not award 2014 POHP funding for these boiler and domestic hot water system replacements. Minnesota

Housing expects to announce the POHP funding awards on January 23, 2015. Staff is recommending awarding this contract and proceeding with development of construction documents for the work in advance of the POHP award notifications to allow award of the construction contract at the February 25, 2015 Board meeting and completion of the work during the non-heating season (May 15 through September 15) of 2015. Delaying the work until after the next heating season would make it difficult to meet Minnesota Housing's timetable. POHP-funded projects are supposed to be completed within 18 months of executing the loan commitment documents, which may occur in March of 2015.

Four consulting firms submitted proposals. The proposals were evaluated on the basis of: 1) related experience, 2) technical competence, 3) MBE/WBE/DBE participation, 4) Section 3 participation, and 5) cost. Stanley Consultants' written proposal received the highest score. Stanley Consultants and Steen Engineering were interviewed by staff and Stanley Consultants also received the higher interview score. A summary of the proposal scores is attached.

Staff believes Stanley Consultants' proposed fees are reasonable and that they compare favorably with the fees proposed by the other firms. These expenses were not specifically budgeted in an approved Operating Budget, but staff anticipates that underspending in other approved expense categories will result in sufficient funds being available to cover this contract's cost. Funding for the construction costs will come from the 2014 Minnesota Housing Finance Agency Publicly Owned Housing Program and the FFY2015 Capital Fund Program grant.

Stanley Consultants have previously provided satisfactory consulting services for the PHA. A copy of the Equal Employment Opportunity Employer Information Reports for Stanley

Consultants and the second highest rated firm, Steen Engineering, are attached. Stanley Consultants has included an architectural firm that is a women-owned business (WBE) in their team. Stanley Consultants will meet PHA Section 3 requirements by contributing 2.5% of the contract amount to the PHA Section 3 training fund.

DAL

Attachments: EEO-1 Forms
Proposal Evaluation Summary

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Agency Goals for FY 2015

DATE October 22, 2014

Staff recommends Board approval of the proposed Agency Goals for Fiscal Year 2015 (April 1, 2014 - March 31, 2015). Two copies of the proposed goals are attached, one showing the editing changes and one as a finished copy. A copy of the current Agency Goals is also attached.

Staff is recommending only minor updates to the Agency Goals last approved by the Board on October 23, 2013. Goals #1 and 2 again include statements that possible radical cuts in federal funding for public housing and Section 8 vouchers may require contingency planning.

As in previous years, the proposed goals continue to emphasize the core work of the PHA including public housing property management, maintenance and modernization, and Section 8 Housing Choice Voucher administration. Staff believes that the PHA's success in administering its programs is the product of constant attention to the "basics", combined with the willingness and ability to adapt to new challenges, and the diligent efforts of an experienced, talented staff and a dedicated and supportive Board of Commissioners. The goals also reflect the Agency's continued efforts to promote fair housing, employee and organizational development, safety and security and sound housing policy at the state and national levels.

JMG/FAH

Attachments: Proposed FY 2015 Goals, with changes interlined and underlined
Proposed FY 2015 Goals, finished copy
Approved FY 2014 Goals

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Change Date of December Board
Meeting to December 17, 2014

DATE October 22, 2014

Staff recommends Board approval to change the date of the December regular business meeting from December 24 to Wednesday, December 17, 2014. Holding the meeting a week early will facilitate approval of necessary business items when more Commissioners and staff are able to be present.

The Agency By-Laws state that “[R]egular meetings shall be held on at least one day's notice on the fourth Wednesday of each month at 9:00 a.m. or at such other date and time within the month as the Board of Commissioners at a regular or special meeting shall designate.” (Article VIII.)

The November regular business meeting will be held on November 26, 2014.

MLM

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Section 8 Preservation Vouchers;
Dale Street Place Apartments

DATE October 22, 2014

Staff requests Board approval of Resolution No. 14-10/22-02 to accept and administer up to 24 tenant-based “enhanced vouchers (Section 8 Preservation Vouchers, also called Tenant Protection Vouchers) for the Dale Street Place Apartments in Saint Paul. This would add new vouchers under the PHA’s Section 8 Housing Choice Voucher program, although initially they would be used by the current eligible residents of the property. The local HUD office has asked that the PHA administer these vouchers (request attached).

The PHA most recently accepted 21 preservation vouchers for Como Place Apartments, as approved by the Board on November 28, 2012. In this way the PHA helps low-income residents keep their affordable housing and the Agency expands its pool of Housing Choice Vouchers.

The Dale Street Place Apartments, formerly known as Redeemer’s Arms, is now owned and managed by the Community Housing Development Corporation, a non-profit housing provider. It is located at the southwest corner of Dale Street and Concordia Street in Saint Paul, just south of Interstate I-94. The building has been assisted under the Section 202 HUD subsidy program and that contract has now ended. A HUD notice issued last spring (PIH 2014-13) announced that the 2014 Appropriations Act provided some funding for tenant protection vouchers that could be requested by projects like this one. With the Board’s approval, and assuming that HUD has sufficient funding available, the PHA would be awarded the preservation vouchers for up to

24 “at-risk” households identified by the project owner. Staff would need to review each resident’s eligibility for Section 8 and inspect each unit before issuing the vouchers.

Preservation vouchers function the same as other Housing Choice Vouchers except that they provide “enhanced payment standards” (which may be higher than the PHA’s regular payment standards) to the residents until they move out. A tenant can move with the voucher, and then the regular Housing Choice Voucher payment standards apply.

The PHA has accepted preservation vouchers in the past for the following developments:

Name	Address	Date	Number of Units
Skyline Towers	1247 St. Anthony Avenue	February 2000	58
Hampden Square Apartments	2333 Long Avenue	February 2000	86
Rockwood Place Apartments	2259 Rockwood Avenue	October 2000	59
Carey Apartments	1086 Iglehart Avenue	January 2002	11
Lari Apartments	623 Laurel Avenue	April 2003	17
Sibley Tower	195 5 th Street East	December 2005	27
Kendrick Apartments	1351 Carling Drive	February 2010	29
Afton View Apartments	365 S. Winthrop Street	June 2011	18
Marshall Ave. Townhomes	708-730 Marshall Avenue	June 2011	12
Shamrock Court Apartments	2236 Lower Afton Road East	August 2011	146
Como Place Apartments	195 Edmund Avenue	November 2012	21
		TOTAL	484

The PHA’s Section 8 Voucher Program now includes 4,508 vouchers (Housing Choice Vouchers, Family Unification Program Vouchers, Mainstream/Disability Vouchers and VASH

vouchers for homeless veterans) plus 81 Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) units at Mary Hall and Booth Brown House Foyer, for a total of 4,589 subsidies. These preservation vouchers for the Como Place Apartments would add as many as 24 vouchers to that total.

Because of the continuing uncertainty about cuts in the federal budget for “domestic discretionary budget” programs like Section 8 and public housing, staff carefully considers each opportunity to add vouchers before recommending acceptance. Every addition of a block of vouchers does add to the staff workload, although this infusion of up to 24 vouchers would have less impact than a large project like Shamrock Court’s 146 vouchers. Staff believes the current staffing will be sufficient to administer the additional vouchers. The added administrative fees from these vouchers will help the Section 8 budget. At the current 79% proration of administrative fees, 24 vouchers under lease for a year would earn the Agency about \$16,000. The PHA would also receive \$200 per unit as a one-time special administrative fee totaling \$4,800.

Accepting these preservation vouchers for Dale Street Place Apartments would further the Agency’s mission and goals.

FAH/DJM

Attachments: Resolution
HUD Email Dated October 15, 2014

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

RESOLUTION NO. 14-10/22-02

**EXECUTION OF APPLICATION AND ANNUAL CONTRIBUTIONS CONTRACT
FOR PRESERVATION VOUCHERS UNDER THE
SECTION 8 HOUSING CHOICE VOUCHER PROGRAM;
DALE STREET PLACE APARTMENTS**

WHEREAS, the Public Housing Agency of the City of Saint Paul (PHA) has undertaken the provision of 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 Program in the City of St. Paul with 4,589 authorized units; and

WHEREAS, the United States Department of Housing and Urban Development (HUD) has requested that the PHA administer Preservation Vouchers for Dale Street Place Apartments, located at Dale Street and Concordia Street in Saint Paul; and

WHEREAS, the PHA desires to assist the residents at Dale Street Place Apartments and HUD in preserving affordability in this manner;

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the PHA that the PHA staff is authorized and directed to execute all necessary applications, budgets, contracts (including an Annual Contributions Contract) and other documents that may be necessary for HUD approval and implementation of this action.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Section 8 Housing Choice Voucher
Program; Payment Standards

DATE October 22, 2014

Staff recommends Board approval of Resolution No. 14-10/22-01 to rescind the second round of increases in the payment standards for the Housing Choice Voucher Program that were approved at the September 24, 2014 meeting. As explained below, staff is recommending that payment standards continue at the levels approved effective October 1, 2014, to avoid increasing costs too much over the coming year.

At the September 24 meeting the Board approved raising the payment standards to the amounts then in effect for the Metropolitan Council's Housing & Redevelopment Authority (Metro HRA). A copy of that Board report is attached. Metro HRA's standards for most communities were as follows:

Table 1.

Metro HRA Payment Standards	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
As of 9/24/2014	\$ 651	\$ 800	\$ 970	\$ 1,305	\$ 1,530	\$ 1,760	\$ 1,990

The Board approved making the higher payment standards effective October 1, 2014 for new voucher participants and current participants who are moving to new units (including participants who are "porting in" to St. Paul), and beginning January 1, 2015 for current participants with annual recertifications of eligibility that are effective on that date or later. Staff has observed that those payment standard increases on October 1 have already expanded the housing choices available to voucher holders.

In September the Board also approved making the PHA’s payment standards equal to whatever higher amounts Metro HRA adopted for the coming year, which had not been determined at the time of the PHA’s Board meeting. Metro HRA’s staff has now settled on the new payment standards shown below and recommended them for approval by the Metropolitan Council on October 24, 2014.

Table 2.

Metro HRA Payment Standards	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
As of 12/1/2014	\$ 651	\$ 830	\$ 1,000	\$ 1,355	\$ 1,575	\$ 1,810	\$ 2,050

Metro HRA will implement the higher payment standards effective December 1, 2014 for their new voucher participants, new port-ins and current participants who are moving to new units; and beginning March 1, 2015 for current participants with annual recertifications of eligibility that are effective on that date or later.

After seeing Metro HRA’s new payment standards and estimating the cost of implementing them in St. Paul, staff is now recommending that the PHA not adopt those increases, but instead keep the payment standards at the October 1, 2014 amounts. In the September 24 Board report staff estimated that the cost of the October 1 increase will be about \$475,000 annually after all of the increases are implemented. If the PHA increased all payment standards to Metro HRA’s new amounts effective January 1, 2015, staff estimates that the annualized cost increase would be almost 50% higher, about \$708,000. Given the ongoing uncertainty of federal funding for calendar year 2015, staff does not believe it would be prudent to implement the second round of payment standards increases.

**REPORT TO COMMISSIONERS –OCTOBER 22, 2014
SECTION 8 HOUSING CHOICE VOUCHER PAYMENT STANDARDS
PAGE 3 OF 3**

The cost of Housing Assistance Payments (HAP) in 2015 will also be driven up by several other factors, including higher voucher utilization, higher costs of “port-out” vouchers going to neighboring jurisdictions with higher payment standards, and higher contract rents necessitated by rising rents in the marketplace.

Currently the PHA’s reserves for Housing Assistance Payments are adequate to cover the projected cost increases. Those reserves are held by HUD but are available to the PHA for HAP expenses. As of the end of August 2014 the HAP reserves were \$2,656,843, and HAP expenditures in 2014 were about \$500,000 less than revenues.

The payment standards now range from 92% to 102% of the FMRs, as shown below:

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Approved 10/1/14 PHA Payment Standards	\$ 651	\$ 800	\$970	\$ 1,305	\$1,530	\$1,760	\$1,990
Metro HRA 1/1/15 Payment Standards	\$ 651	\$ 830	\$1,000	\$ 1,355	\$1,575	\$1,810	\$2,050
2015 FMR 10/1/2014	\$641	\$796	\$996	\$1,403	\$1,656	\$1,904	\$2,153
Approved 10/1/14 PHA Payment Standards % of FMR	102%	101%	97%	93%	92%	92%	92%

FAH/RPM/DJM

Attachment: Resolution No. 14-10/22-01
September 24, 2014 Board Report

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL
RESOLUTION NO. 14-10/22-01

ADMISSION & OCCUPANCY POLICIES FOR THE SECTION 8
HOUSING CHOICE VOUCHER PROGRAM;
CHANGE IN PAYMENT STANDARDS

WHEREAS, the Public Housing Agency of the City of St. Paul (PHA) has in effect Section 8 Admission and Occupancy Policies, dated February 23, 2000 as amended, which set forth the Payment Standards that determine the amount of subsidies which can be paid for the Section 8 Housing Choice Vouchers; and

WHEREAS, HUD regulations require that payment standards be set between 90% and 110% of the Fair Market Rents (FMRs); and

WHEREAS, HUD published new Fair Market Rents for the Twin Cities effective October 1, 2014, increasing the FMRs for all unit sizes; and

WHEREAS, on September 24, 2014 the Board approved changing the PHA's payment standards effective October 1, 2014 to equal to the payment standards then in effect for the Metropolitan Council's Housing & Redevelopment Authority (Metro HRA); and

WHEREAS, the Board also approved raising the PHA's payment standards to match whatever increases the Metro HRA adopted for the coming year, which have since been established as follows:

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
\$ 651	\$ 830	\$ 1,000	\$ 1,355	\$ 1,575	\$ 1,810	\$ 2,050

and

WHEREAS, staff has recommended not matching the new Metro HRA increases in payment standards, to avoid increasing costs too much in the coming year, considering the ongoing uncertainty in federal funding;

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 Payment Standards for the Housing Choice Voucher Program approved by the Board on September 24, 2014, effective October 1, 2014 shall remain in effect for all new voucher participants and current participants who are moving to new units on or after that date, and those payment standards shall apply to current participants with annual recertifications of eligibility that are effective on January 1, 2015 or later; and
2. The payment standards will not be further increased on January 1, 2015 to match the new payment standards adopted by the Metro HRA; and
3. The Admission and Occupancy Policies for the Section 8 Housing Choice Voucher Program and the Agency Plan are amended accordingly.