

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Community Solar Garden
Subscription Agreement
Contract No. 15-086

DATE January 28, 2015

Staff requests approval to enter into a 25-year community solar garden subscription agreement with Geronimo Energy of Edina, Minnesota, subject to HUD approval. Geronimo Energy estimates that the PHA's electric utility costs for sixteen hi-rise apartment buildings and the W. Andrew Boss Building (CAO) will be reduced by approximately \$183,500 per year.

Under this agreement, Geronimo Energy will build a 21-megawatt community solar garden in Rosemount, Minnesota. With the Board's approval (and HUD's) the PHA will enter into solar garden subscription agreements with Geronimo Energy allowing approximately 85% of the electrical consumption at 17 PHA buildings to be supplied to the electrical grid by the community solar garden. Xcel Energy will provide a credit on the electric bills for each PHA hi-rise and the CAO throughout the 25 year term. The calculations are shown on the attached chart.

The PHA issued a Request for Proposals (RFP) for solar garden subscription agreements by advertising in newspapers and sending it to developers listed on the Minnesota Solar Energy Industries Association website. Proposals were received from two solar garden developers. After the initial review of the proposals staff hired two consultants, TKDA and Eutectics Consulting LLC, to provide technical assistance in analyzing the proposals (reported to the Board on December 17, 2014). The consultants reviewed pricing and provided questions to ask the solar garden developers. The staff evaluation

committee interviewed each developer and following a second review, Geronimo Energy was selected. Each developer was independently evaluated by PHA staff on several criteria stated in the RFP, including related experience, technical competence, references for similar projects, M/W/DBE participation, Section 3 status, and subscription pricing. A summary of staff's evaluations of the proposals is attached. Representatives from Geronimo Energy will attend the Board meeting, along with representatives from Xcel Energy and the PHA's two consultants, TKDA and Eutectics Consulting.

A copy of the Employee Information Report for Geronimo and the other proposer, Innovative Power Systems, are attached.

TDB/MLP

Attachments: Summary of Proposal Evaluations
Spreadsheet Showing Credits, Subscription Rates, Savings Etc.
Employer Information Reports (EEO-1)
Proposed Subscription Agreement

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Roof Replacement at Hamline Hi-Rise;
AMP 2; Contract No. 15-090

DATE January 28, 2015

Staff requests approval to award a contract for roof replacement at the Hamline Hi-Rise (AMP 2) to the lowest responsible bidder, Central Roofing Company, of Minneapolis, Minnesota, for the total bid amount of \$508,640. A copy of the December 16, 2014 bid tabulation is attached.

The contract includes removal of the existing roofing materials and installation of an insulated EPDM roofing system. Central Roofing has not previously performed roof replacement work for the PHA. Staff contacted several references and received satisfactory responses on their past performance. The second low bid was submitted by Rosenquist Construction, Inc. for \$599,815.

Central Roofing will perform a majority of the work with their own workforce rather than subcontract. They plan to commit to hire at least 30% of new employees for this contract from qualified Section 3 residents. Central Roofing is a woman-owned business enterprise (WBE) and they plan to subcontract 25% of the contract to Emerge Construction, a minority-owned business enterprise (MBE). The Employer Information reports for Central Roofing and the second lowest responsible bidder, Rosenquist Construction, are attached.

The low bid amount is 16% higher than the engineer's estimate, but the number of even-higher bids confirms that market conditions have driven prices up. There are adequate 2013 Capital Fund Program funds available for this work.

BNF/mlp

Attachments

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Exterior Wall Repairs at
Roosevelt Homes "A" Buildings – Phase 3;
AMP 4; Contract No. 15-096

DATE January 28, 2015

Staff requests Board approval to award a contract for exterior wall repairs at three Roosevelt Homes "A" Buildings (AMP 4) to the lowest responsible bidder, The Caulkers Company, Inc., Fridley, Minnesota, for the bid amount of \$248,000. A copy of the January 15, 2015 bid tabulation is attached.

This contract is Phase 3 of a multi-stage project to tuckpoint brick and repair stucco on the exteriors of the seven "A" Buildings at Roosevelt Homes. The three buildings in this contract are at 1128, 1132, and 1136 Supornick Lane. Each building contains ten units, all of which have one bedroom except for a two-bedroom apartment that is accessible for persons with disabilities. One of the one-bedroom units is also handicapped-accessible. Similar exterior work has been completed in the last two years at the other "A" buildings, at 1140 - 1152 Supornick Lane.

The Caulkers Company has performed satisfactorily on previous PHA work. Copies of the Employer Information Reports for The Caulkers and the second low bidder, A&M Construction, are attached. The Caulkers is a certified women-owned business enterprise (WBE). The Caulkers will contribute 2.5% of the contract amount to the PHA's Section 3 Training Fund.

There are sufficient 2014 Capital Fund Program funds to accomplish this work.

JTL/mlp

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING AmeriCorps Program Application:
Community Technology Empowerment
Project (CTEP)

DATE January 28, 2015

Staff requests retroactive Board approval for an application submitted to Saint Paul Neighborhood Network (SPNN) for one member of the AmeriCorps “Community Technology Empowerment Project” (CTEP). If selected, a CTEP member would be assigned to the PHA for twelve months beginning September 2015, and would focus on the McDonough and Roosevelt family sites. The proposed cost to the PHA would be \$7,000 for the “host site fee” and \$300 for mileage. Staff is requesting retroactive Board approval because on December 16, 2014 staff learned that applications were due to AmeriCorps by January 23, 2015, almost a month earlier than in past years. With this late notice, there was no time to bring the matter before the December 17, 2014 Board meeting.

Background: The PHA’s partnership with SPNN began in September 2011. SPNN is a non-profit community media center serving Saint Paul and the Twin Cities metro area, operating five channels on the Comcast cable system. SPNN administers AmeriCorps CTEP with a focus on “digital literacy” for adults and youth, particularly those with limited English. CTEP members assist low-income families, new immigrants, and individuals with disabilities to better use technology resources. The program partners with organizations in the Twin Cities metro area that have community technology centers located in or serving low income neighborhoods.

Although each of the four family public housing developments has a computer lab located in the community center, the CTEP member would serve only two of the four sites during the service year. The current CTEP member was assigned to assist residents at McDonough and Mt. Airy, and supervised structured youth activities and open labs, as well as recruiting volunteers from the community, and expanding programming options in the computer labs. In addition, the CTEP member has increased computer use awareness by marketing to adult learners; offering them opportunities to learn basic computer skills, enhance their current level of computer literacy, and learn or sharpen their job search skills (including resumé writing).

The 2015-2016 host site fee was recently increased to \$7,000 per member, up from \$6,000 for the past two years. AmeriCorps programs require that the host site fee be paid from non-federal or de-federalized dollars, so staff is recommending that the \$7,000 be paid from the Building Fund. Staff proposes that the \$300 requested for mileage be paid from the “Tenant Participation” line item in the Operating Budget. With the Board’s retroactive approval of this application, staff will include these costs in the budget recommendations for the Building Fund and the Operating Budget (Tenant Participation line item) for next fiscal year.

Staff believes that the AmeriCorps CTEP program provides quality services to adults and youth living in the family developments, furthering the PHA’s mission to provide links to community services (Agency Goal #9) at a small direct cost to the Agency.

If approved, this would be the PHA’s fifth year serving as a host site for an AmeriCorps CTEP member through SPNN. The 2015/2016 CTEP member would continue the work begun by

previous members, as well as the Digital Literacy Coordinator funded under the 2011-2014 HUD ROSS grant (Resident Opportunities & Self Sufficiency).

ANH/AZJ

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Section 8 Housing Choice Voucher Programs; Biennial Inspections; Streamlining Annual Recertifications In Public Housing and Voucher Programs

DATE January 28, 2015

Staff requests Board approval of Resolution No. 2015-1/28-01 to revise the Admission and Occupancy (A&O) Policies for the Section 8 Housing Choice Voucher Program to allow Housing Quality Standards (HQS) inspections to be conducted biennially (every two years) for assisted rental units that passed their previous annual inspection without a physical reinspection. The unit would also have to meet other criteria described below. Commissioners and staff discussed the issue extensively at the meeting on December 17, 2014, and this recommendation is based on the Board's guidance. The proposed policy revision is shown on the attachment, with new language double-underlined and deleted language ~~interlined~~. With the Board's approval staff will proceed with modifying the Agency's computer software business systems to accommodate the change in inspection schedules, and begin implementing biennial inspections for eligible units as soon as practicable.

Allowing biennial inspections for voucher units is consistent with other measures HUD has authorized to "streamline" some administrative requirements in the Section 8 program. Another such measure staff is implementing simplified annual recertifications of eligibility in the Public Housing and Housing Choice Voucher programs, as described below.

Congress authorized biennial inspections in the Appropriations Act for Fiscal Year 2014 and HUD issued a notice on June 25, 2014 giving PHAs the option to implement biennial inspections. HUD issued a proposed rule in the Federal Register on January 6, 2015, beginning the formal process to

amend the regulations on inspections and several other topics, but providing no new details on implementation of biennial inspections.

Shifting some annual Section 8 inspections to a biennial cycle would reduce the number of inspections which must be performed each year, saving some staff time and mileage expense for the PHA. As described in the December 17, 2014 staff report (copy attached) biennial inspections as now proposed could eliminate about 600 of almost 9,000 inspections now performed annually. That number is based on phasing in the biennial inspections so approximately one-half of the eligible units are inspected each year. Staff believes most property owners and tenants would welcome the change, since they would have fewer inspections to attend. (The tenant or a representative must be present in the unit for the annual inspection, and responsible owners and managers also attend many inspections.)

Biennial inspections can only apply to units that are already under a lease and Housing Assistance Payments (HAP) contract. HUD regulations and the PHA's own policies require each new unit to pass an HQS inspection before it can be approved for the voucher subsidy, even if the unit was previously assisted with a different tenant. The PHA will also conduct an inspection whenever the current tenant-participant requests one. And if the tenant, neighbors or other parties have requested inspections since the last annual inspection, based on alleged HQS deficiencies, the PHA would not allow two years to pass before the next annual inspection.

Streamlined Annual Income Reexaminations and Recertifications of Eligibility. The proposed rule HUD published for comment on January 6, 2015 also starts the formal rulemaking process authorizing a "streamlined" annual reexamination of income and recertification of eligibility for some public housing residents and Housing Choice Voucher participants. HUD initially offered this option to PHAs on a temporary basis by issuing a notice early in 2013 (PIH 2013-3). The Board approved policy changes

authorizing streamlined reexaminations on February 27, 2013. HUD says a streamlined annual reexamination (verifying the household income and redetermining the rent amount) may be conducted when 100 percent of the family's or individual's income consists of fixed income sources. For those households, the PHA may "recalculate family incomes by applying a published cost-of-living adjustment (COLA) for the source of income to the previously verified income amount." In other words, the PHA does not have to verify current sources and amounts of income by obtaining documents or verifying online. Calculating adjustments to annual income (*e.g.*, medical deductions, child care deductions) is still required as part of the streamlined annual reexamination of income. However, in many households the deductions are relatively constant, so no adjustments are needed during the annual reexamination.

Staff intends to stop scheduling appointments for annual reexaminations for most elderly and disabled households with fixed incomes. Instead staff will send a letter to those public housing residents and Section 8 participants, showing what income will be used to adjust their rent, based on published cost of living adjustments, and telling them what their new rent amount will be. (The mailing will also include the release of information forms which must be signed annually.) The residents/participants will have the opportunity to contest the amount of the income and rent adjustment, and to report other changes affecting their eligibility. If the resident or participant does not respond with new information or request a review, the annual reexamination will be considered completed.

This procedure will reduce the number of visits by Section 8 participants to the PHA Central Administrative Office (CAO), saving those clients the expense and inconvenience of travelling downtown. It can potentially save staff time as well. Other housing agencies in the Twin Cities

currently conduct annual reexaminations for those households by mail rather than in-person appointments.

For most other households with only elderly and disabled members, who have income sources that are not fixed (employment, etc.), staff will continue to conduct annual reexaminations. Staff will explore whether some of those reexaminations can be completed by mail, without requiring the residents or participants to attend an appointment in person.

Currently 733 voucher participant households and 839 public housing households (717 in hi-rises and 122 in family housing) report having only fixed income from Social Security and/or SSI (Supplemental Security Income), which are paid primarily to elderly persons and persons with disabilities. Not all of those households would be eligible for streamlined reexaminations, since some include members who are not elderly or disabled.

No further policy changes are required to implement the streamlined annual reexaminations. Staff does not consider the policy change to implement biennial inspections to be so significant that it would require convening the Resident Advisory Board, soliciting public comment and holding a public hearing to amend the policies.

FAH/DJM

Attachments: Proposed Policy Language
Resolution No. 2015-1/28-01
December 17, 2014 Board Report

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL
RESOLUTION NO. 2015-1/28-01

ADMISSION & OCCUPANCY POLICIES FOR THE SECTION 8
HOUSING CHOICE VOUCHER PROGRAM;
BIENNIAL INSPECTIONS

WHEREAS, the Public Housing Agency of the City of St. Paul (PHA) has in effect Admission and Occupancy Policies for the Section 8 Housing Choice Voucher Program, dated February 23, 2000 as amended; and

WHEREAS, the Policies require housing units subsidized by Housing Choice Vouchers to be inspected at least annually, as previously required by federal law and regulations of the U.S. Department of Housing & Urban Development (HUD); and

WHEREAS, Congress authorized biennial inspections in the Appropriations Act for Fiscal Year 2014 and HUD issued a notice on June 25, 2014 giving PHAs the option to implement biennial inspections, and HUD published a proposed rule in the Federal Register on January 6, 2015; and

WHEREAS, staff recommends that biennial inspections be allowed for units that passed their previous annual inspection without needing a physical reinspection; and

WHEREAS, allowing biennial inspections of those units, subject to the other conditions stated in the attached policy language, would provide reasonable assurance that those units comply with HUD's Housing Quality Standards (HQS); and

WHEREAS, the Board finds that the recommended policy change is in the best interests of the Agency and participating tenants and property owners;

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 and Occupancy Policies for the Section 8 Housing Choice Voucher Program (Part Six) are amended as shown on the attachment, to allow units participating in the Section 8 Housing Choice Voucher Program to be inspected biennially (every two years) if they meet the stated criteria.
2. The Agency Plan is amended accordingly.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Comparable Worth: 2014 Pay Equity
Implementation Report

DATE January 28, 2015

Staff requests Board approval of the PHA's most recent Pay Equity Implementation Report, which must be submitted to the Minnesota Management & Budget Department (MMB) by January 31, 2015.

In accordance with the Local Government Pay Equity Act, the PHA is required to submit a report every three years that gives statistics on each job classification including gender mix of employees, number of years to reach the top of the pay grade, and pay grade salary maximums. This report is a "snapshot" of all job classifications on December 31, 2014. The PHA has been in compliance with the Act since the first reporting period that ended December 31, 1991.

Although the "test run" of the MMB's Compliance Report shows the PHA as receiving passing scores for comparable worth, official confirmation of the scores won't come from the MMB until later this year. The next Pay Equity Implementation Report will be submitted to the MMB in January 2018, showing information on all job classifications as of December 31, 2017.

DMM/ANH/AAG/MGB

Attachments: "Test run" Compliance Report
Pay Equity Implementation Form