



PHA Profile: St. Paul Public Housing Agency Project-based Assistance Program

Basic PHA Stats

Location: St. Paul, Minnesota
 Housing Choice Vouchers: 4,430
 Public Housing Apartments: 4,242

Program Description

St. Paul Public Housing Agency (PHA) has created a project-based assistance program that has no limit on the number of units that can serve homeless and special needs populations. They currently have 259 units under contract that serve households who have experienced homelessness, including those recovering from chemical dependency, homeless youth exiting foster care, and families with children.

Program Details	
HCVs that can be project-based under Admin Plan	PHA Board authorized up to 544
HCVs that can be dedicated to homeless or special-needs populations	No separate limit
Project-based vouchers currently under contract	458 (plus 8 under construction)
Project-based vouchers currently under contract for homeless or special-needs populations	259 (plus 8 under construction)

Motivation

The St Paul PHA was motivated by the need for supportive housing in their community to serve some of the families and individuals who would not otherwise qualify for federal rent subsidies through their public housing or tenant-based voucher programs. Community partner agencies also needed project-based voucher (PBV) rent assistance to be paired with their supportive services for their programs to be viable.

Resources Required

MTW status was not required to implement this program. The St Paul PHA feels that project-based supportive housing projects and participants require more time than other project-based projects or regular housing choice voucher (HCV) clients due to “challenging” tenants, project staff turnover, and project tenant turnover. Extra staff time is generally used in cooperation and communication with the project partners and service providers throughout the initial placement and leasing and throughout tenancy as issues come up. The program originally allowed for vacancy payments, but PHA is removing that provision for new and renewal contracts.

Challenges

A major issue for PHA and for their partners is the “mobility” requirement that gives the tenant a right to move with the next available tenant-based voucher after living in the unit for twelve months. Some supportive housing managers say that this quick voucher offering undercuts their ability to help families that need more time to stabilize. The families are then less likely to succeed with their Section 8 voucher in their next housing unit (without the services they had previously had). From the PHA’s standpoint, the one-year mobility requirement restricts access to Section 8 by other applicants on the waiting list, makes voucher utilization management more challenging, and puts more pressure on the supportive housing projects with PBVs from families who see them as a way to bypass the list.

Rewards

PHA has seen many families, single adults and youth benefit from the safe, affordable housing and supportive services they have received, which has helped them improve their personal, educational and employment situations. They believe some may be succeeding in their current supportive services environment who wouldn't have succeeded on their own with a regular housing choice voucher. The response from the supportive housing and affordable housing providers has also been very positive.

Documentation Changes Made

Document	Access the Documents
Annual Plan	Attached: See p. 4 of Annual Plan
Admin Plan	Attached: Appendix K to Section 8 Admission & Occupancy Policies
Board Reports	Attached: Reports to the Board re: PBVs

Words of Wisdom from St. Paul Public Housing Agency

“The 12 month mobility feature is still troublesome, and it's complicated work, but it's worth doing. PHAs should be sure to learn and follow all of the HUD requirements and keep good records showing that you fully complied with those requirements. For example, all PBV units in a project must pass an inspection for HQS (HUD's Housing Quality Standards) before the PHA signs the Housing Assistance Payments contract with the project owner. The PHA must retain those original inspection booklets for the life of the project, at least. There are many requirements that aren't listed clearly in the regulations, and so it's often best to get guidance directly from HUD, or from others who have experience working with PBV programs.”

Contact Person for PHAs Interested in Implementing a Similar Program

Name	Title	Phone	Email
Al Hester	Housing Policy Director	651-292-6173	Al.hester@stpha.org
Dominic Mitchell	Section 8 Programs Manager	651-292-6191	Dominic.mitchell@stpha.org

PHA 5-Year and Annual Plan	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires 4/30/2011
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1.0	PHA Information PHA Name: <u>PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL</u> PHA Code: <u>MN001</u> PHA Type: <input type="checkbox"/> Small <input checked="" type="checkbox"/> High Performing <input type="checkbox"/> Standard <input type="checkbox"/> HCV (Section 8) PHA Fiscal Year Beginning: (MM/YYYY): <u>04/2012</u>																										
2.0	Inventory (based on ACC units at time of FY beginning in 1.0 above) Number of PH units: <u>4248</u> Number of HCV units: <u>4551 (as of 4/1/2012, incl. 100 FUP, + 117 DV + 81 Sec 8 Mod Rehab SRO + 125 VASH)</u>																										
3.0	Submission Type <input type="checkbox"/> 5-Year and Annual Plan <input checked="" type="checkbox"/> Annual Plan Only Version 2 <input type="checkbox"/> 5-Year Plan Only																										
4.0	PHA Consortia <input type="checkbox"/> PHA Consortia: (Check box if submitting a joint Plan and complete table below.)																										
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Participating PHAs</th> <th rowspan="2">PHA Code</th> <th rowspan="2">Program(s) Included in the Consortia</th> <th rowspan="2">Programs Not in the Consortia</th> <th colspan="2">No. of Units in Each Program</th> </tr> <tr> <th>PH</th> <th>HCV</th> </tr> </thead> <tbody> <tr> <td>PHA 1:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>PHA 2:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>PHA 3:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) Included in the Consortia	Programs Not in the Consortia	No. of Units in Each Program		PH	HCV	PHA 1:						PHA 2:						PHA 3:					
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5.0	5-Year Plan. Complete items 5.1 and 5.2 only at 5-Year Plan update.																										
5.1	Mission. State the PHA's Mission for serving the needs of low-income, very low-income, and extremely low income families in the PHA's jurisdiction for the next five years: <i>"The PHA helps families and individuals with low incomes achieve greater stability and self reliance by providing safe, affordable, quality housing, and links to community services."</i>																										
5.2	Goals and Objectives. Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income and very low-income, and extremely low-income families for the next five years. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan. <i>The PHA's Agency Goals for FY 2012 are as follows:</i> PERFORMANCE EXCELLENCE 1. <u>Public Housing:</u> Maintain "High Performer" status under HUD's Public Housing Assessment System (PHAS). Ensure that PHA properties continue to be managed to the highest possible standards, including thorough and uniform applicant eligibility determination, fair lease enforcement, regular preventative maintenance, prompt responses to maintenance work orders, full occupancy and timely turnover of vacant units, timely and accurate reporting of financial data, and all other components of quality property management and maintenance. Continue to advocate for full funding and program reform, while preparing contingency plans for possible radical cuts in federal funding. Explore opportunities to develop new multi-family housing for re-use of available subsidies and possible sales proceeds from the disposition of other properties. 2. <u>Section 8 Housing Choice Vouchers:</u> Maintain "High Performer" status under HUD's Section 8 Management Assessment Program (SEMAP). Maintain high utilization of vouchers and budget without exceeding authorized limits. Successfully implement and administer current agreements for Project-Based Vouchers (PBV), including Project-Based Vouchers (PBV) in supportive housing projects that support Minnesota's Business Plan to End long-Term Homelessness. Adopt policy on renewals of expiring PBV contracts and possible expansion of the program. Continue to advocate for full voucher funding and program reform, while preparing contingency plans for possible radical cuts in federal funding. Continue the HUD-Veterans Affairs Supportive Housing Program (VASH) and the Family Unification Program (FUP) with approved special vouchers, working with partner agencies to receive required referrals. Apply for more special purpose vouchers, incremental vouchers or preservation vouchers if offered by HUD.																										

Explore possible opportunities to develop new multi-family housing for PBV use.

3. Capital Improvements: Continue renovating public housing properties and making capital improvements which promote fire safety and life safety as well as preserve the asset. Maintain high quality and timely design, bidding and construction, utilizing “green and sustainable” principles to conserve energy and water and protect the environment to the greatest extent feasible. Continue to actively involve residents, staff and the community in planning capital improvements. Promptly obligate and spend Capital Fund Recovery Grants. Apply for additional grants that may become available.

EMPLOYEE AND ORGANIZATIONAL DEVELOPMENT

4. Equal Opportunity and Diversity: Promote and enforce equal employment opportunity and affirmative action. Attract and retain a diverse and qualified work force. Manage workplace diversity by fostering respect for and valuing of diversity.

5. Employee and Organizational Development: Promote education, growth and advancement of employees through career planning, training opportunities and other resources. Continue internal rethinking strategies to promote organizational development, continuous improvement, and appropriate responses to budget challenges and program changes.

6. Safety and Security: Maintain safety and security at all PHA housing and work sites for residents, staff and the public. Promote non-violence in all aspects of the PHA’s work. Continue safety efforts such as ACOP, Officer-in-Residence, Resident Doorwatch, limited use of off-duty police, and Workplace Violence Prevention programs, as well as making physical improvements to properties that enhance safety and security.

7. W. Andrew Boss Building: Continue to fully lease and manage the commercial space in the W. Andrew Boss Office Building according to sound business practices to generate reliable non-HUD revenue.

RESPECTED AND RESPONSIVE COMMUNITY PARTNER

8. Fair Housing: Work cooperatively with community representatives and other units of government to ensure non-discrimination in PHA programs and to affirmatively further fair housing objectives. Promote the value of diversity and respect for differences.

9. Linking Residents to Community Services: Promote links to community services through PHA Community Centers and at other sites to meet the changing needs of PHA residents, focusing on programs and services that enrich residents’ lives, promote independence, increase community involvement and support successful tenancies in public housing. Continue and promote CHSP and other assisted living programs.

10. Economic Opportunities for Section 3 Residents and Businesses: To achieve Section 3 goals, the PHA will, to the greatest extent feasible:

- a. Hire qualified residents and participants in PHA housing programs and other low income residents of the metropolitan area and promote training opportunities.
- b. Contract with Section 3 businesses and require other businesses seeking PHA contracts to comply with Section 3 requirements.

11. Housing Preservation and Development: Work with other agencies and organizations to preserve, develop, and/or manage affordable housing and other cooperative and entrepreneurial efforts. Seek out opportunities to produce affordable housing for veterans by leveraging existing public housing or Section 8 resources. Support efforts to create and pass a state bonding bill for public housing development and rehabilitation.

	<p>12. <u>National and State Leadership Responsibilities:</u> Continue active leadership in national and state housing organizations especially to advocate for full funding and program reform, with special attention to HUD’s proposals for “Transforming Rental Assistance”. Continue to provide assistance to other housing authorities and organizations seeking organizational development, business systems, or program support. Continue to lead by example, modeling a strong commitment to Equal Employment Opportunity, Fair Housing and Section 3 implementation, including linking residents to economic opportunities.</p>
	<p>Progress in Meeting Goals The PHA has consistently achieved its Annual Agency Goals, earning HUD’s High Performer rating for both Public Housing and the Section 8 Voucher Program, despite the ongoing federal disinvestment in public housing and severe cuts in funding for Section 8 administrative costs.</p>
<p>6.0</p>	<p>PHA Plan Update</p> <p>(a) Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission: <i>See Attachment I., Update: Policy Changes</i></p> <p>(b) Identify the specific location(s) where the public may obtain copies of the 5-Year and Annual PHA Plan. For a complete list of PHA Plan elements, see Section 6.0 of the instructions. <i>Copies of the Plan are available at the PHA Central Administrative Office, 555 N. Wabasha Street, Suite 400, St. Paul MN 55102 and at Management Offices at PHA Hi-rises and family developments (Asset Management Project (AMP) offices). The Plan is also posted on the PHA’s website, www.stpha.org The current and previous approved Plans are available on HUD’s website: http://www.hud.gov/offices/pih/pha/approved</i></p>
<p>7.0</p>	<p>Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers. <i>Include statements related to these programs as applicable.</i></p> <ol style="list-style-type: none"> <u>HOPE VI activities or Mixed-Finance Modernization or Development:</u> <i>The PHA is not currently involved in these activities. Early in CY 2012 PHA staff identified a multi-family property that appeared to be a suitable candidate for acquisition, to fully utilize the federal subsidies that are available to the PHA. It would have been a “mixed-finance development” since not all of the units would be used for public housing. The property is a 53-unit apartment building in an attractive location in St. Paul. It was in good condition and was available for a good price. However, due to a number of complicating factors, staff is recommending at the March 28, 2012 Board meeting that the Agency discontinue its efforts to acquire the property. Attachment N provides more information on this project and other small-scale development and conversion actions that are under consideration. The PHA considered the possible purchase of the multi-family property to be a significant amendment to the Agency Plan so we convened the RAB to discuss it, gave 45 days public notice and held a public hearing on March 26, 2012.</i> <u>Demolition/Disposition:</u> <i>See Attachment F. Pending Disposition Activities. The only disposition activity underway or contemplated when this Plan was written was the sale of one scattered site public housing house.</i> <u>Development:</u> <i>The PHA is exploring possible development opportunities to acquire or construct a multi-family property for public housing rental. Commissioners and staff have discussed several alternative models and staff has discussed those options with the Resident Advisory Board. The RAB members supported continued exploration of development opportunities. See Attachment N.</i> <u>Conversions:</u> <i>The PHA has no current plans for large-scale conversions of public housing to Section 8 or other forms of assisted housing. If Congress and HUD continue to underfund the public housing Operating Fund and Capital Fund, the PHA will consider selling additional scattered site homes and/or converting other public housing units to Section 8 tenant-based or project-based assistance. Staff has discussed this option with the Resident Advisory Board and</i>

	<p><i>the RAB members expressed general support. Before taking such a course of action the PHA would reconvene the RAB to discuss the details. See Attachment N for more information.</i></p> <p>5. <u>Homeownership</u>: <i>The PHA has no current plans to implement a Voucher Homeownership Program. For over 20 years the PHA has operated a successful homeownership program (not using vouchers) in conjunction with the Family Housing Fund and Thompson Associates. As of September 2011, 289 families from public housing and Section 8 had purchased their own homes.</i></p> <p>6. <u>Project-Based Vouchers (PBV)</u>: <i>The PHA Board has authorized a Project-Based Voucher (PBV) program of up to 544 units. To date the PHA Board has approved 467 vouchers for use in PBV projects. Of those, 272 provide subsidies to units in 18 supportive housing programs. The other PBVs are in mixed-income and low-income housing developments. The PBV projects are in several areas of the City, including downtown/Lowertown, Upper Landing, East Side, Summit-University, North End, Midway, and others.</i></p> <p><i>On November 23, 2011 the Board approved policies to continue and expand the PBV program. the Agency should renew expiring PBV contracts. The PHA Board received stakeholder comments at its business meeting on September 20, 2011, and all of the speakers urged the PHA to renew PBV HAP contracts as they expired. Contract renewals must be requested by the property owners and they are subject to agreement on rents and other contract terms. Staff had discussed this issue with the Resident Advisory Board and received their support for renewing contracts and offering a limited number of additional PBVs.</i></p> <p><i>The Board also approved staff's recommendation to offer up to 50 additional Housing Choice Vouchers for PBV use over the next five years. All offerings of HCVs for PBV use will be made through Minnesota Housing's Consolidated Request for Proposals (SuperRFP) as in the past.</i></p> <p><i>Using a limited number of Housing Choice Vouchers as project-based vouchers is consistent with the PHA's mission and goals as stated in this Agency Plan. The PBVs provide essential financial stability to supportive housing projects that help families and individuals with low incomes achieve greater stability and self-reliance; and the PBVs can also provide greater locational choice to eligible families. Other goals of the PBV program are stated in the PHA's Admission & Occupancy Policies for the Section 8 Housing Choice Voucher Program, Appendix K. The PBV program is also consistent with the City of Saint Paul's Consolidated Plan and the Ramsey County and State of Minnesota Plans to End Long-Term Homelessness. However, project-based vouchers delay or prevent applicants on the tenant-based voucher waiting list from receiving assistance, because tenants who move out of a PBV unit after living there for a year or longer can receive a tenant-based voucher. Current federal law and regulations give the "PBV movers" priority over applicants on the voucher waiting list.</i></p>
8.0	<p>Capital Improvements. Please complete Parts 8.1 through 8.3, as applicable.</p>
8.1	<p>Capital Fund Program Annual Statement/Performance and Evaluation Report. As part of the PHA 5-Year and Annual Plan, annually complete and submit the <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i>, form HUD-50075.1, for each current and open CFP grant and CFFP financing.</p> <p><i>See Attachment G. (updated to match the actual 2011 Capital Fund Grant amount.)</i></p>
8.2	<p>Capital Fund Program Five-Year Action Plan. As part of the submission of the Annual Plan, PHAs must complete and submit the <i>Capital Fund Program Five-Year Action Plan</i>, form HUD-50075.2, and subsequent annual updates (on a rolling basis, e.g., drop current year, and add latest year for a five year period). Large capital items must be included in the Five-Year Action Plan.</p> <p><i>See Attachment H. (updated to match the actual 2011 Capital Fund Grant amount.)</i></p>

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8.3	<p>Capital Fund Financing Program (CFFP). <input type="checkbox"/> Check if the PHA proposes to use any portion of its Capital Fund Program (CFP)/Replacement Housing Factor (RHF) to repay debt incurred to finance capital improvements. <i>No current plans.</i></p>
9.0	<p>Housing Needs. Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. <i>The PHA is a High Performer and therefore is required to complete this section only for the Annual Plan submitted with the 5-Year Plan. The PHA will submit its next 5-Year Plan for its Fiscal Year ending 3/31/2016 (Federal Fiscal Year 2015).</i></p>
9.1	<p>Strategy for Addressing Housing Needs. Provide a brief description of the PHA’s strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. Note: Small, Section 8 only, and High Performing PHAs complete only for Annual Plan submission with the 5-Year Plan. <i>The PHA is a High Performing Agency and therefore is not required to submit this information this year.</i></p>
10.0	<p>Additional Information. Describe the following, as well as any additional information HUD has requested.</p> <p>(a) Progress in Meeting Mission and Goals. Provide a brief statement of the PHA’s progress in meeting the mission and goals described in the 5-Year Plan. <i>See 5.2 above.</i></p> <p>(b) Significant Amendment and Substantial Deviation/Modification. Provide the PHA’s definition of “significant amendment” and “substantial deviation/modification” <i>Substantial deviations or significant amendments or modifications are defined as discretionary changes in the plans or policies of the PHA that fundamentally change the mission, goals, objectives, or plans of the Agency and which require formal approval of the Board of Commissioners. (approved by the PHA Board of Commissioners on December 15, 1999)</i></p>
11.0	<p>Required Submission for HUD Field Office Review. In addition to the PHA Plan template (HUD-50075), PHAs must submit the following documents. Items (a) through (g) may be submitted with signature by mail or electronically with scanned signatures, but electronic submission is encouraged. Items (h) through (i) must be attached electronically with the PHA Plan. Note: Faxed copies of these documents will not be accepted by the Field Office.</p> <p>(a) Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i> (which includes all certifications relating to Civil Rights) (b) Form HUD-50070, <i>Certification for a Drug-Free Workplace</i> (PHAs receiving CFP grants only) (c) Form HUD-50071, <i>Certification of Payments to Influence Federal Transactions</i> (PHAs receiving CFP grants only) (d) Form SF-LLL, <i>Disclosure of Lobbying Activities</i> (PHAs receiving CFP grants only) (e) Form SF-LLL-A, <i>Disclosure of Lobbying Activities Continuation Sheet</i> (PHAs receiving CFP grants only) (f) Resident Advisory Board (RAB) comments. Comments received from the RAB must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the recommendations and the decisions made on these recommendations. (g) Challenged Elements (h) Form HUD-50075.1, <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> (PHAs receiving CFP grants only) (i) Form HUD-50075.2, <i>Capital Fund Program Five-Year Action Plan</i> (PHAs receiving CFP grants only)</p>

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This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced 5-Year and Annual PHA Plans. The 5-Year and Annual PHA plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission and strategies for serving the needs of low-income and very low-income families. This form is to be used by all PHA types for submission of the 5-Year and Annual Plans to HUD. Public reporting burden for this information collection is estimated to average 12.68 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality

Instructions form HUD-50075

Applicability. This form is to be used by all Public Housing Agencies (PHAs) with Fiscal Year beginning April 1, 2008 for the submission of their 5-Year and Annual Plan in accordance with 24 CFR Part 903. The previous version may be used only through April 30, 2008.

1.0 PHA Information

Include the full PHA name, PHA code, PHA type, and PHA Fiscal Year Beginning (MM/YYYY).

2.0 Inventory

Under each program, enter the number of Annual Contributions Contract (ACC) Public Housing (PH) and Section 8 units (HCV).

3.0 Submission Type

Indicate whether this submission is for an Annual and Five Year Plan, Annual Plan only, or 5-Year Plan only.

4.0 PHA Consortia

Check box if submitting a Joint PHA Plan and complete the table.

5.0 Five-Year Plan

Identify the PHA's Mission, Goals and/or Objectives (24 CFR 903.6). Complete only at 5-Year update.

5.1 Mission. A statement of the mission of the public housing agency for serving the needs of low-income, very low-income, and extremely low-income families in the jurisdiction of the PHA during the years covered under the plan.

5.2 Goals and Objectives. Identify quantifiable goals and objectives that will enable the PHA to serve the needs of low income, very low-income, and extremely low-income families.

6.0 PHA Plan Update. In addition to the items captured in the Plan template, PHAs must have the elements listed below readily available to the public. Additionally, a PHA must:

- (a) Identify specifically which plan elements have been revised since the PHA's prior plan submission.
- (b) Identify where the 5-Year and Annual Plan may be obtained by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on its official website. PHAs are also encouraged to provide each resident council a copy of its 5-Year and Annual Plan.

PHA Plan Elements. (24 CFR 903.7)

1. **Eligibility, Selection and Admissions Policies, including Deconcentration and Wait List Procedures.** Describe the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV and unit assignment policies for public housing; and procedures for

maintaining waiting lists for admission to public housing and address any site-based waiting lists.

2. **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA Operating, Capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources.
3. **Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units.
4. **Operation and Management.** A statement of the rules, standards, and policies of the PHA governing maintenance management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA.
5. **Grievance Procedures.** A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants.
6. **Designated Housing for Elderly and Disabled Families.** With respect to public housing projects owned, assisted, or operated by the PHA, describe any projects (or portions thereof), in the upcoming fiscal year, that the PHA has designated or will apply for designation for occupancy by elderly and disabled families. The description shall include the following information: **1)** development name and number; **2)** designation type; **3)** application status; **4)** date the designation was approved, submitted, or planned for submission, and; **5)** the number of units affected.
7. **Community Service and Self-Sufficiency.** A description of: **(1)** Any programs relating to services and amenities provided or offered to assisted families; **(2)** Any policies or programs of the PHA for the enhancement of the economic and social self-sufficiency of assisted families, including programs under Section 3 and FSS; **(3)** How the PHA will comply with the requirements of community service and treatment of income changes resulting from welfare program requirements. **(Note: applies to only public housing).**
8. **Safety and Crime Prevention.** For public housing only, describe the PHA's plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must include: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities

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conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities.

9. **Pets.** A statement describing the PHAs policies and requirements pertaining to the ownership of pets in public housing.
10. **Civil Rights Certification.** A PHA will be considered in compliance with the Civil Rights and AFFH Certification if: it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction.
11. **Fiscal Year Audit.** The results of the most recent fiscal year audit for the PHA.
12. **Asset Management.** A statement of how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory.
13. **Violence Against Women Act (VAWA).** A description of: 1) Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; 2) Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and 3) Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families.

7.0 Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers

- (a) **Hope VI or Mixed Finance Modernization or Development.** 1) A description of any housing (including project number (if known) and unit count) for which the PHA will apply for HOPE VI or Mixed Finance Modernization or Development; and 2) A timetable for the submission of applications or proposals. The application and approval process for Hope VI, Mixed Finance Modernization or Development, is a separate process. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>
- (b) **Demolition and/or Disposition.** With respect to public housing projects owned by the PHA and subject to ACCs under the Act: (1) A description of any housing (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition; and (2) A timetable for the demolition or disposition. The application and approval process for demolition and/or disposition is a separate process. See guidance on HUD's website at: http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm
Note: This statement must be submitted to the extent that

approved and/or pending demolition and/or disposition has changed.

- (c) **Conversion of Public Housing.** With respect to public housing owned by a PHA: 1) A description of any building or buildings (including project number and unit count) that the PHA is required to convert to tenant-based assistance or that the public housing agency plans to voluntarily convert; 2) An analysis of the projects or buildings required to be converted; and 3) A statement of the amount of assistance received under this chapter to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>
- (d) **Homeownership.** A description of any homeownership (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval.
- (e) **Project-based Vouchers.** If the PHA wishes to use the project-based voucher program, a statement of the projected number of project-based units and general locations and how project basing would be consistent with its PHA Plan.

8.0 Capital Improvements. This section provides information on a PHA's Capital Fund Program. With respect to public housing projects owned, assisted, or operated by the public housing agency, a plan describing the capital improvements necessary to ensure long-term physical and social viability of the projects must be completed along with the required forms. Items identified in 8.1 through 8.3, must be signed where directed and transmitted electronically along with the PHA's Annual Plan submission.

8.1 Capital Fund Program Annual Statement/Performance and Evaluation Report. PHAs must complete the *Capital Fund Program Annual Statement/Performance and Evaluation Report* (form HUD-50075.1), for each Capital Fund Program (CFP) to be undertaken with the current year's CFP funds or with CFFP proceeds. Additionally, the form shall be used for the following purposes:

- (a) To submit the initial budget for a new grant or CFFP;
- (b) To report on the Performance and Evaluation Report progress on any open grants previously funded or CFFP; and
- (c) To record a budget revision on a previously approved open grant or CFFP, e.g., additions or deletions of work items, modification of budgeted amounts that have been undertaken since the submission of the last Annual Plan. The Capital Fund Program Annual Statement/Performance and Evaluation Report must be submitted annually.

Additionally, PHAs shall complete the Performance and Evaluation Report section (see footnote 2) of the *Capital Fund Program Annual Statement/Performance and Evaluation* (form HUD-50075.1), at the following times:

1. At the end of the program year; until the program is completed or all funds are expended;
2. When revisions to the Annual Statement are made, which do not require prior HUD approval, (e.g., expenditures for emergency work, revisions resulting from the PHAs application of fungibility); and
3. Upon completion or termination of the activities funded in a specific capital fund program year.

8.2 Capital Fund Program Five-Year Action Plan

PHAs must submit the *Capital Fund Program Five-Year Action Plan* (form HUD-50075.2) for the entire PHA portfolio for the first

ANNUAL PLAN FOR PHA FY 2012 [FFY 2011], BEGINNING April 1, 2011

year of participation in the CFP and annual update thereafter to eliminate the previous year and to add a new fifth year (rolling basis) so that the form always covers the present five-year period beginning with the current year.

- 8.3 Capital Fund Financing Program (CFFP).** Separate, written HUD approval is required if the PHA proposes to pledge any portion of its CFP/RHF funds to repay debt incurred to finance capital improvements. The PHA must identify in its Annual and 5-year capital plans the amount of the annual payments required to service the debt. The PHA must also submit an annual statement detailing the use of the CFFP proceeds. See guidance on HUD's website at:
<http://www.hud.gov/offices/pih/programs/ph/capfund/cffp.cfm>

- 9.0 Housing Needs.** Provide a statement of the housing needs of families residing in the jurisdiction served by the PHA and the means by which the PHA intends, to the maximum extent practicable, to address those needs. (Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).

- 9.1 Strategy for Addressing Housing Needs.** Provide a description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. (Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).

- 10.0 Additional Information.** Describe the following, as well as any additional information requested by HUD:

- (a) **Progress in Meeting Mission and Goals.** PHAs must include (i) a statement of the PHAs progress in meeting the mission and goals described in the 5-Year Plan; (ii) the basic criteria the PHA will use for determining a significant amendment from its 5-year Plan; and a significant amendment or modification to its 5-Year Plan and Annual Plan. (Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).
- (b) **Significant Amendment and Substantial Deviation/Modification.** PHA must provide the definition of "significant amendment" and "substantial

deviation/modification". (Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan.)

- (c) PHAs must include or reference any applicable memorandum of agreement with HUD or any plan to improve performance. (Note: Standard and Troubled PHAs complete annually).

- 11.0 Required Submission for HUD Field Office Review.** In order to be a complete package, PHAs must submit items (a) through (g), with signature by mail or electronically with scanned signatures. Items (h) and (i) shall be submitted electronically as an attachment to the PHA Plan.

- (a) Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulations*
- (b) Form HUD-50070, *Certification for a Drug-Free Workplace (PHAs receiving CFP grants only)*
- (c) Form HUD-50071, *Certification of Payments to Influence Federal Transactions (PHAs receiving CFP grants only)*
- (d) Form SF-LLL, *Disclosure of Lobbying Activities (PHAs receiving CFP grants only)*
- (e) Form SF-LLL-A, *Disclosure of Lobbying Activities Continuation Sheet (PHAs receiving CFP grants only)*
- (f) Resident Advisory Board (RAB) comments.
- (g) Challenged Elements. Include any element(s) of the PHA Plan that is challenged.
- (h) Form HUD-50075.1, *Capital Fund Program Annual Statement/Performance and Evaluation Report (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.1.
- (i) Form HUD-50075.2, *Capital Fund Program Five-Year Action Plan (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.2.

APPENDIX K
SECTION 8 PROJECT-BASED VOUCHER (PBV) PROGRAM

I. OVERVIEW

A. Purpose of Program: The program goals for the Section 8 Project-Based Voucher (PBV) Program are:

1. To contribute to the upgrading and long-term viability of the area’s housing stock.
2. To increase the supply of affordable housing and location choice for very low-income households.
3. To integrate housing and supportive services such as education, case management, job training, and day care to help families and individuals achieve stability and self-reliance.
4. To promote the coordination and leveraging of resources of public, semi-public, or non-profit agencies with compatible missions.
5. To assist the State of Minnesota’s “Business Plan to End Long-Term Homelessness” and similar Ramsey County and City of St. Paul plans, by providing rental subsidies to supportive housing and other projects that are designed to house homeless persons.

B. Program Elements:

1. A PHA may attach up to 20 percent of its voucher budget authority to PBV units.
2. The units may be new construction, rehabilitated or existing units.
3. Not more than 25 percent of the units in any building may be assisted with PBV. The exceptions to this limitation are for single-family properties (defined as 1-4 units in a building) and “excepted units” in a multi family building. Excepted units are those that are specifically made available for elderly or disabled families or families receiving supportive services.
4. The location of PBV units must be consistent with the goals of deconcentrating poverty and expanding housing and economic opportunities.

C. Requirements for Participation:

1. Competitive Selection Process: The PHA must follow a competitive selection process as described in the regulations at 24 CFR §983.51.
2. Developers/ Owners Proposal: Developers/owners must submit a proposal for PBV either in response to a Request for Proposals (RFP) issued directly by the PHA or through

another public agency’s competitive selection process, such as the “SuperRFP” administered by the Minnesota Housing Finance Agency (“Minnesota Housing”). For the PHA to utilize another agency’s competitive selection process, that process must not involve any consideration that a project would receive PBV assistance.

3. Selection Criteria: The PHA will review proposals requesting PBVs based on the following selection criteria (100 points possible):

- a. Ending Homelessness: Projects that meet the goals of the State of Minnesota’s “Business Plan to End Long-Term Homelessness” and similar Ramsey County and City of St. Paul plans, by providing rental subsidies to supportive housing and other projects that are designed to house homeless persons. 20 Points for (a) or (b) or both.
- b. Supportive Housing: Projects that identify and integrate tenant support and self-sufficiency services (i.e., education, job training, employment, day care); or special accessibility for physically handicapped; or amenities or services for elderly, handicapped, or special need tenants. 20 Points for (a) or (b) or both.

NOTE: A project that meets the criteria in both (a) and (b) above will receive 20 Points, not 40 Points, plus additional points based on the criteria stated below.

- c. Documented need for the proposed type of residential housing in the proposed geographic area. Projects that serve families with children (specifically 2+ bedroom units) will receive highest priority in this category. 15 Points.
- d. Prior extensive experience of the applicant in developing and managing similar residential housing and demonstrated ability and capacity of the applicant to proceed expeditiously with the proposal. 15 Points.
- e. Location: Extent to which the project contributes to the geographic distribution of affordable housing throughout the city of Saint Paul, promotes deconcentration of poverty, and furthers fair housing objectives. 10 Points.
- f. Accessibility: Relationship of the proposed development to public facilities, sources of employment and services, including public transportation, health, education, and recreational facilities. 5 Points.
- g. Support: Extent of community and constituency support for the proposed type of housing. 5 Points.
- h. Partnerships: Extent to which the proposed project has been developed as a result of a cooperative agreement or arrangement among public, semi-public or non-profit agencies or organizations. 5 Points.
- i. WBE/MBE/DBE: Extent to which women-owned, minority-owned and disabled-owned business enterprises (WBE/MBE/DBE) or Section 3-qualified businesses (as defined in 24 CFR Part 135 are represented in the development, ownership, administrative and/or management process. 5 Points.

- j. Additional PBVs for Current PBV Projects: Extent to which more PBV vouchers would help stabilize a current PBV project that is jeopardized by changing circumstances; for example, loss of another comparable rent subsidy. 5 Points.
4. Before the PHA will provide voucher rent assistance, all developments must have PHA Board approval, HUD approval, meet Housing Quality Standards and have an executed Housing Assistance Payments Contract.
5. Before committing to offer more HCVs for PBV use, the PHA will consider the need for vouchers to renew or extend HAP contracts with existing PBV projects.

II. ELIGIBLE UNITS

A. Eligible Units:

1. All PBV selected sites must be in compliance with PBV goals, Civil Rights requirements and Housing Quality Standards. The PHA will review the applications to determine if the location is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities and must take into consideration the site selection standards listed in 24 CFR §983.57 and the PBV program goals.
2. To define a PBV unit as a unit in a rehabilitated housing, each unit must require a minimum of \$3000 rehab costs.
3. For units requesting an exception to the 25 percent cap in a building, and that exception is based on providing supportive services, the services must be designed as services essential for maintaining or achieving independent living such as, but not limited to, counseling, education, job training, health care, mental health services, alcohol or other substance abuse services, child care services and or case management services. These services may be defined as being a participant in a PHA's FSS program.

B. Ineligible Units: The PHA may not attach PBV assistance for units if the following types of housing:

1. Shared housing
2. Units on the grounds of a penal, reformatory, medical, mental or similar public or private institution
3. Nursing homes or facilities providing continuous psychiatric medical, nursing service, board and care or intermediate care
4. Units that are owned or controlled by an educational institution and are designated for occupancy by students of the institution
5. Manufactured homes
6. Cooperative housing

7. Transitional housing
8. High rise elevator units for families with children
9. Owner occupied units
10. Units occupied by an ineligible family.
11. Units subsidized with any governmental rent subsidy or any governmental subsidy that covers all or any part of the operating costs of the housing. (24 CFR 983.54 (c)-(d))

III. APPLICANT ELIGIBILITY FOR PARTICIPATION

- A. They must meet the eligibility requirements for tenant-based Section 8 Voucher Program.
- B. Persons who will reside in PBV units may come from the PHA waiting list or be referred by the owner.
 1. For supportive housing PBV units, the PHA will accept applicant referrals from the supportive housing manager or administrator. The referred applicant will be processed to determine Section 8 eligibility.
 2. The PHA will survey its regular waiting list no less than once a year for each bedroom size for vacancies in non-supportive housing PBV developments. If the PHA is unable to provide enough eligible applicants from its waiting list to fill PBV units, the owner may refer applicants to the PHA.
- C. The PHA will not screen applicants for family behavior. This will remain the responsibility of the owner. The PHA will provide owners of PBV units the applicant's current and prior address (as shown on PHA records) and the name and address (if known) of the landlord at the family's current and any prior address. The PHA will inform the applicant that this information is being provided to the owner of the PBV unit.
- D. If the owner of a PBV unit denies a PBV applicant that has come from the PHA waiting list, that denial does not affect their place on the waiting list for tenant-based assistance.
- E. If the PHA's waiting list is closed and the owner refers an applicant (because the PHA was unable to provide interested, eligible applicants) that applicant will be placed on the waiting list as a special admission for the PBV program. The applicant must still meet all tenant-based Section 8 eligibility requirements.
- F. If an applicant from the PHA waiting list has been approved by the owner and is in verification status with the PHA and their name comes to the top of the waiting list to receive tenant-based assistance (TBA; that is, a Housing Choice Voucher/HCV), the applicant will be given the option to continue to be processed for the PBV unit or to be processed for a TBA voucher. The applicant will sign a statement declaring their choice.

IV. LEASES AND HOUSING ASSISTANCE PAYMENTS CONTRACTS

- A. If the owner uses a standard lease form for rental to unassisted tenants, the lease for a voucher-assisted tenant must be in such standard form but it must be for a one-year initial term and it must include the HUD tenancy addendum. The lease must specify the name(s) of the owner(s) and the tenant, the address of the unit rented, the term of the lease including any provision for renewal, the amount of the tenant rent to owner, a listing of what services, maintenance, equipment and utilities to be provided by the owner and the amount of any charges that are for food, furniture or supportive services.
- B. The initial term and any renewal terms of a PBV Housing Assistance Payments (HAP) contract between the owner and the PHA shall not exceed the limits established by federal law and regulations. The length of the initial term and any extensions will be negotiated with the owner and the form will be subject to any HUD-prescribed conditions at the time of the extension.
- C. An owner may request an increase to the rent at the annual anniversary of the HAP contract by a 60 day written notice to the PHA.
- D. The PHA will not include the vacancy loss clause in a new, renewing or extended PBV contract .
- E. If a PBV unit remains vacant for six months, the PHA will consider removing the unit from the Housing Assistance Payments Contract, thus permanently reducing the number of units under the contract in that project.

V. CONTINUED PARTICIPATION

- A. A family may choose to move out of a PBV unit with continued assistance any time after 12 months, except as stated in Section VII. Cost-Saving Measures, below.
- B. If a PBV tenant is determined no longer eligible for the Section 8 PBV program, they will be given a minimum of 30 days to vacate a unit. If the family does not vacate the unit, the PHA must remove that PBV unit from the HAP contract or substitute a similar unit in the building. A PBV tenant who is terminated from the PBV program will be given a minimum of a 30 days notice of the termination and must vacate the unit on or before the effective date of the termination.
- C. If the family receives no rent assistance because the family's income has reached a level where their TTP is equal to or exceeds the gross rent for the unit), the family will be required to vacate the unit. If the family does not vacate the unit , the PHA must remove the unit from the HAP contract or substitute a similar unit in the same complex.
- D. If the PHA determines, at annual recertification, that the family is occupying a wrong size unit or determines anytime that the family is occupying a unit with accessibility features that the family does not require but another family does require, the PHA will offer continued assistance in the following order:

SECTION 8 ADMISSION & OCCUPANCY POLICIES – PROPOSED REVISIONS 11/23/2011

1. An appropriate unit in another PBV unit either in the same building or another PBV assisted building.
2. Tenant-based assistance if the family has been a PBV participant for 12 months.
3. Other project based assistance (public housing unit).

If the tenant accepts tenant-based assistance, the PHA will terminate the housing assistance payments for the wrong-sized unit or accessible unit at the expiration of the term of the family's voucher.

If the PHA offers option 1, 2 or 3 above and the family does not accept the offer, and does not move out of the unit within 60 days or any PHA approved extension, the PHA will terminate housing assistance payments for the wrong sized unit or accessible unit.

- E. If a family resides in an excepted unit, that is a unit that provides FSS services or other supportive services and the family fails without good cause to complete its FSS contract or supportive services requirement, then the PHA will give the family a sixty day notice that the housing assistance payment will terminate and the family must vacate the unit in 60 days.

The PHA will monitor these required supportive services at least annually, by having the participant complete a supportive services survey form.

- F. If the tenant is absent from the unit for longer than 180 days, the PHA will terminate assistance to the unit. Provisions regarding substituting a similar unit in the same building apply or the PHA may amend the HAP contract to reduce the number of units assisted if the tenant has not vacated the unit.

[This same provision is above at IV.E.]

- G. If a family occupying a PBV unit in the first 12 months of tenancy chooses to move to another PBV unit, they will be required to live in the new unit for 12 months before being eligible for a tenant-based voucher. If the family is asked to move to another unit because they over- or under-occupy their current unit or because the unit is needed by a family needing handicapped accessibility features, that family will still need to sign a 12 month lease on the new unit, but should they request and be granted a mutual lease termination by the owner, and providing that their cumulative time in a PBV unit has been 12 months or more, they will be given a Housing Choice Voucher.

VI. RECORDS RETENTION

The “project file” for any new PBV project must contain the inspection reports demonstrating that every subsidized unit passed an HQS inspection before the PHA executed the Housing Assistance Payments contract with the property owner. The inspection reports must be retained in the project file throughout the duration of the contract and for at least three years thereafter.

The project file must also contain documentation that the required Subsidy Layering Review and Environmental Review were conducted and approved by HUD.

VII. COST SAVINGS MEASURES: See Part 6 Section XIII.

If voucher utilization or subsidy spending is anticipated to exceed authorized limits, the PHA may temporarily suspend issuing tenant-based vouchers to families moving out of PBV units. The PHA may also temporarily stop approving new families moving into vacant units in PBV projects.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Project-Based Vouchers;
Future Meeting to Consider
Moratorium and Other Actions

DATE July 27, 2011

Staff recommends that the Board reserve time at its September business meeting for in-depth consideration of options for the future of the project-based voucher (PBV) program. With the Board's approval, staff could make a brief presentation laying out the opportunities and challenges, and representatives of PBV providers and other stakeholders could be invited to comment on the issues and options and make recommendations.

Such a policy discussion would be timely because providers and other stakeholders are asking whether the current PBV contracts are likely to be renewed when the initial ten-year terms begin expiring next year and whether the PHA will offer more vouchers for PBV use now or in the future (that is, lift the current moratorium on new offers). Attached are a letter from Alan Arthur, Aeon's Executive Director, requesting more PBVs for two developments, and Mr. Gutzmann's response.

In May 2010 the Board approved staff's recommendation to continue the moratorium on offering more Housing Choice Vouchers (HCVs) for use as PBVs for another twelve months. A copy of that report is attached. The PHA did not offer PBVs in Minnesota Housing's annual Consolidated Request for Proposals ("Super RFP") that was published April 25, 2011.

In May 2010 the ongoing overutilization of vouchers was the primary reason for staff's recommendation to extend the moratorium, along with other possible legislative changes being discussed in Washington (PETRA, "Transforming Rental Assistance", SEVRA, etc.). However, Congress has not approved any of those legislative changes, and no action is likely in the foreseeable future. The number of vouchers under lease is now close to the authorized level, but managing utilization month to month and for different annual reporting periods continues to be challenging. Two important factors in controlling voucher utilization are occupancy levels in PBV projects and requests by current residents to move from their PBV unit to another rental unit with a tenant-based Housing Choice Voucher.

If the proposed open discussion of the PBV program takes place in September, staff would plan to bring recommendations to the Board for further discussion and approval at the November meeting. That would give Commissioners and staff time to analyze the discussion and recommendations from the open meeting, and obtain more information if needed.

FAH/DJM

Attachments: May 26, 2010 Board Report
Letters from and to Alan Arthur, Aeon
Summary of Approved Projects With Project-Based Vouchers
Voucher Utilization Report, June 30, 2011

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Project-Based Vouchers: Proposal to
Renew Contracts; Offer More PBVs;
Amend Admission & Occupancy Policies

DATE November 23, 2011

Staff recommends Board approval of Resolution No. 11-11/23-01 including the following actions, all relating to Project-Based Voucher (PBV) assistance:

1. Authorize staff to execute contract extensions of up to five years for expiring Housing Assistance Payments (HAP) contracts for PBV projects without further Board action. This would be an amendment to the Admission & Occupancy Policies (A & O Policies) for the Section 8 Housing Choice Voucher Program, Appendix K, Project-Based Vouchers, as shown on the attachment.
2. Lift the moratorium on offering additional Housing Choice Vouchers (HCVs) for use as project-based vouchers (PBVs) and offer up to 50 additional PBVs over the next five years.
3. Allow initial contract terms and renewal terms up to the maximum set by federal law, currently 15 years for initial contracts (previously limited to 10 years). This would also be an amendment to Appendix K of the Section 8 A & O Policies
4. Retroactively approve initial PBV contracts with the five supportive housing projects listed below, which staff executed with 15 year terms starting in 2009-2011. Federal law changes in 2007 and 2008 allowed 15-year initial contracts, corresponding to the length of developers' commitments for Low Income Housing Tax Credits. Staff then began approving 15-year PBV contracts as requested by the developers, but staff neglected to request Board approval to change the 10-year limit in the policy to match federal law.

Project Name	Address	Owner/ Manager	Number of PBV Units	PHA Board Approval	Initial 15-Year HAP Contract Signed
Delancey Apartments	700 Selby	PPL: Project for Pride in Living	13	11/28/2007	5/22/2009
Winnipeg Apartments	135 Winnipeg; 850 Rice	Legacy Management	6	11/28/2007	3/1/2009
Lexington Commons	375 Lexington	Common-Bond	48	11/28/2007 11/26/2008	11/1/2010
Cleveland-Saunders	930-942 Cleveland; 2052-2056 Saunders	YWCA	10	11/26/2008	1/20/2009
Renaissance Box	210 East 10 th Street	Aeon	10	11/26/2008	9/1/2011

5. Make other minor revisions to the Section 8 A & O Policies, Appendix K, as shown on the attachment, including removing any “vacancy loss” provisions from new, renewed and extended contracts.

When the PHA offers more PBVs in future SuperRFP cycles, staff would like to announce a preference for proposals requesting ten or more PBVs in one project. Staff has learned that the administrative workload for starting and administering new PBV projects is largely the same for smaller and larger projects, so a few small projects take more time than a single larger project with the same total number of vouchers. Staff would continue to bring all approvable proposals to the Board for final decisions.

On September 28, 2011 the Board invited representatives of PBV project owners, managers, service providers and other stakeholders to offer comments and recommendations on options for the future of the project-based voucher (PBV) program. All of the eight speakers strongly recommended that the PHA renew current PBV contracts as they expired, to sustain the current projects. A few speakers also recommended that the PHA offer more vouchers for PBV use, to expand the supply of supportive housing and to leverage other public and private investment in new affordable housing. One speaker also highlighted the value of allowing some turnover vouchers to continue to go to families on the waiting list, to maintain a diversity of available housing options.

Attached are the September 28, 2011 Board report that recited the history of the PHA’s PBV Program, summaries of the current approved projects and voucher utilization reports. Staff’s recommendation to offer up to 50 additional PBVs over the next five years is largely based on the PHA’s having received preservation vouchers. As staff explained at the September 28, 2011 Board meeting, HUD has awarded 59 preservation vouchers to the PHA since the Board last approved PBVs in 2008. (The PHA also received allocations of special purpose vouchers, 100 for

the Family Unification Program (FUP) and 85 for Veterans Administration Supportive Housing (VASH).) The PHA also received approval for another 146 preservation vouchers for Shamrock Court Apartments effective December 1, 2011, for a total of 205 preservation vouchers awarded since 2008. Preservation vouchers are initially committed to the residents of the housing developments that are pre-paying or “opting out” of their HUD contracts, but over time those preservation vouchers are added to the PHA’s supply of unrestricted Housing Choice Vouchers (HCVs). Staff’s recommendation to offer up to 50 more HCVs for PBV use represents about 25% of the preservation vouchers received by the PHA since 2008.

In 2000 the Board approved setting the PBV program maximum at 544, which was HUD’s limit of 15% of the PHA’s voucher supply at that time. HUD has since increased the PBV limit to 20% of a PHA’s HCV allocation, which would mean the PHA could assign up to 778 vouchers for project-based use (based on 3890 vouchers available for this purpose). However, staff is recommending keeping the limit at 544, which is about 14% of the vouchers available. Since families moving out of PBVs have priority to receive any available turnover vouchers, a big increase in the PBV program would further delay regular applicants’ progress through the voucher waiting list and divert additional staff time to developing and maintaining the PBV projects.

All offerings of HCVs for PBV use will be made through Minnesota Housing’s Consolidated Request for Proposals (SuperRFP) as in the past.

FAH/DJM

Attachments:

Resolution
September 28, 2011 Board Report
Summary of Approved Projects with Project-Based Vouchers
Voucher Utilization Reports as of October 31, 2011
Section 8 Admission & Occupancy Policies, Appendix K, Project-Based Vouchers, with proposed revisions marked by ~~interlining~~ and double-underlining.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

RESOLUTION NO. 11-11-23-01

**PROJECT-BASED VOUCHERS:
AMEND SECTION 8 ADMISSION & OCCUPANCY POLICIES;**

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, including a Project-Based Voucher (PBV) Program for which the Board has authorized a maximum of 544 units; and

WHEREAS, since last approving new PBV projects in November 2008, the PHA has maintained a moratorium on offering more PBVs; and

WHEREAS, PBV project owners and managers have asked the PHA to renew or extend their Housing Assistance Payments (HAP) contracts for PBV vouchers, which contracts will begin expiring in 2012; and

WHEREAS, other property developers, managers and service providers have asked the PHA to provide more PBVs to support existing and new projects; and

WHEREAS, the United States Department of Housing and Urban Development (HUD) has awarded the PHA a total of 205 preservation vouchers since the PHA last approved vouchers for project-based use; and

WHEREAS, staff has recommended and the Board finds that it is necessary and appropriate to renew or extend HAP contracts with PBV projects as they expire, to maintain the financial viability of the projects so they can continue to provide safe, decent, affordable housing and needed supportive services to very low income families; and

WHEREAS, staff also has recommended and the Board finds that it is necessary and appropriate to provide a limited number of additional HCVs for PBV use, to expand the supply of supportive housing and to leverage other public and private investment in such housing; and

WHEREAS, staff has recommended other revisions to the Admission & Occupancy Policies for the Section 8 Housing Choice Voucher Program, Appendix K, Project-Based Vouchers, as shown on the attachment, that are necessary to continue and improve the PBV 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. Staff is authorized to execute renewals or extensions of up to five years for expiring Housing Assistance Payments (HAP) contracts for PBV projects, as requested by the projects, without further Board action; and
2. The previous moratorium on offering additional Housing Choice Vouchers (HCVs) for use as project-based vouchers (PBVs) is lifted; and the PHA will offer up to 50 additional PBVs over the next five years; and
3. Staff may approve initial Housing Assistance Payments (HAP) contracts and renewals and extensions of those contracts for up to the maximum duration allowed by federal law, currently 15 years for initial contracts (previously limited to 10 years); and
4. The initial HAP contracts for the PBV projects listed below are hereby retroactively approved for terms of fifteen (15) years each:

Project Name	Address	Owner/ Manager	Number of PBA Units	Initial 15-Year HAP Contract Signed
Delancey Apartments	700 Selby	Project for Pride in Living/PPL	13	5/22/2009
Winnipeg Apartments	135 Winnipeg; 850 Rice	Legacy Management	6	3/1/2009
Lexington Commons	375 Lexington	CommonBond	48	11/1/2010
Cleveland- Saunders	930-942 Cleveland; 2052-2056 Saunders	YWCA	10	1/20/2009
Renaissance Box (Ren Box)	210 East 10th Street	Aeon	10	9/1/2011

5. The Admission & Occupancy Policies for the Section 8 Housing Choice Voucher Program, Appendix K, Project-Based Vouchers, is hereby revised as shown on the attachment, including removing any vacancy loss provisions from new, renewed and extended contracts.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Project-Based Vouchers Discussion:
Contract Renewals, Moratorium and
Other Options

DATE September 28, 2011

On July 27, 2011 the Board approved staff's recommendation to reserve time at this meeting to hear stakeholder comments on options for the future of the project-based voucher (PBV) program.

Representatives of PBV project owners, managers, service providers and other stakeholders have been invited to this meeting to comment on the issues and options and to make recommendations. Staff will begin with a brief presentation explaining the history of the PBV program, the current allocation of PBVs and related information.

This policy discussion is timely because providers and other stakeholders have asked whether the current PBV contracts are likely to be renewed when the initial ten-year terms begin expiring next year and whether the PHA will offer more vouchers for PBV use now or in the future (that is, lift the current moratorium on new offers).

Staff plans to bring recommendations to the Board for further discussion and approval at the November meeting. That will give Commissioners and staff time to analyze the discussion and recommendations from the open meeting, and obtain more information if needed.

History of the PHA's PBV Program:

- In 1999 the Board first approved a 100-unit PBV Program, when the vacancy rate in the private rental market was very low (1-2%) and the voucher “shopping success rate” was 63%.
- In 2000 the Board approved increasing the program maximum to 544, which was HUD's limit of 15% of the PHA's voucher supply.
- The Board approved the last 64 PBVs in November 2008. At that time staff recommended that the PHA not offer more vouchers for PBV use “for the next year or two”, to give the developers time to complete and lease up the pending projects and to give staff time to complete all of the administrative tasks required for the new projects. The Board extended that moratorium on offering new PBVs in May 2010.
- The Board has approved a total of 467 PBVs in 24 active projects. Of those, the PHA has signed Housing Assistance Payments (HAP) contracts with 23 projects including 459 PBV units. The final project, Project for Pride in Living's West 7th Street Housing with 8 units, is now in development. (See attached fact sheet for a detailed listing of the 24 projects, owners/managers, etc.)
- The current HUD limit for PBVs is 20% of an agency's voucher allocation, which would be about 778. The PHA now has authorization for a total of 4365 vouchers but many recent allocations are committed for special purposes (like “preservation vouchers” and Family Unification Program) and cannot be project-based.

Current PBV Projects:

As shown on the attached project summary, 272 (58%) of the PBV units are assisting 18 supportive housing projects. Another 95 PBVs (20%) assist units in Liberty Plaza, a 173-unit low-income housing development where the remaining units are subsidized by a separate HUD contract with the owner. The remaining 100 units (22%) are in 6 mixed income developments, most of which were new construction projects.

FAH/DJM

Attachments: July 27, 2011 Board Report
Fact Sheet
Summary of Approved Projects With Project-Based Vouchers
Voucher Utilization Reports as of August 31, 2011
Letter from YWCA and Model Cities, Inc