CITY OF SOUTH ST. PAUL
MEETING AGENDA

WORK SESSION

Training Room
125 3rd Avenue North
South St. Paul, MN 55075

Monday, March 10, 2025
7:00 PM

1. CALL TO ORDER

2. DISCUSSION ITEMS

A. Joint Worksession with Planning Commission: South Concord Corridor Study Visioning

B. Holiday Stationstore Concept Plan Discussion

C. Update on Project Development Agreement w/ Johnson Controls (Energy Conservation Measures @ High Rises)

D. Remote Program Assessment - Public Housing Program

3. COUNCIL COMMENTS & QUESTIONS

4. ADJOURNMENT

WORK SESSION AGENDA REPORT

DATE:	March 10, 2025
DEPARTMENT:	Planning & Zoning
PREPARED BY:	Michael Healy
AGENDA ITEM NUMBER:	2.A.

MEETING TYPE
Regular Meeting

AGENDA ITEM
Joint Worksession with Planning Commission: South Concord Corridor Study Visioning

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

- The Project Team will facilitate a visioning session with the Planning Commission and City Council to reach a preliminary consensus about a vision for the South Concord Corridor that aligns with market realities. This will build off the market study that was completed in November.

- The Project Team will discuss potential public engagement strategies and seek feedback from the Planning Commission and the City Council. The Project Team wants to hold at least one open house for the overall project to help property owners on the corridor understand how an improved zoning environment could benefit their properties.

OVERVIEW
Background

The "South Concord Corridor" refers to land that is in the southeastern corner of South St. Paul between Interstate 494 and the community's southern border with Inver Grove Heights. The corridor sits at the bottom of a 100-foot-tall river bluff. The bluff forms the corridor's western boundary, and the Mississippi River forms its eastern boundary. The backbone of the corridor is Concord Street, a north-south arterial road that is owned by Dakota County and was the main thoroughfare in the region until the construction of US-52 in the 1970's. There are two steeply graded local roads that provide connectivity between the South Concord Corridor and the residential neighborhoods at the top of the bluff. A large part of the South Concord Corridor consists of industrial properties located between Concord Street and the river which are served by a small network of low-amenity local roads. The local road network serving the industrial businesses is punctuated by multiple at-grade railroad crossings.

South St. Paul adopted its 2040 Comprehensive Plan in October of 2020. The adopted comprehensive plan identifies the South Concord Corridor as a future redevelopment area and calls for a study of the corridor to take place within 5-10 years. The City's official zoning map and the 2040 Comprehensive Plan's future land use map are not currently in alignment when it comes to many of the parcels on the South Concord Corridor. State Statute requires that the zoning map and future land use map be brought into alignment, but this task cannot be completed until the City completes its study and determines what the long-term vision is for this corridor.

Selection of Swanson Haskamp Consulting, LLC as Project Consultant

The City released a Request for Proposal (RFP) for the corridor study in June of 2024. The City received four proposals and selected a proposal from Swanson Haskamp Consulting, LLC with Michael Lamb Consulting, LLC as a subcontractor. This same team of consultants assisted the City with the successful North Concord Mixed Use District Update project in 2021.

Overview of Project Scope

The project consists of three main tasks:

1. Complete a market study of the corridor. *This task is complete and the market study was presented to the City Council and Planning Commission at a Joint Worksession on November 25, 2024.*

2. Develop a corridor vision. *This task is the focus of this Joint Worksession on March 10th. The project consultant has provided an outline of how they plan to structure the Worksession (see Attachment 2).*

3. Implement the corridor vision. *This task will begin after the corridor vision has been formally adopted. Implementation may include updates to the future land use map, updates to the zoning map, and updates to the zoning code.*

Next Steps with Corridor Vision

The Project Team will take direction at the Worksession and will put together a draft "corridor vision" document which will be shared with the public via the project webpage, social media accounts, and other outreach. The draft corridor vision will be brought to a regular televised Planning Commission meeting for a recommendation and a regular televised City Council meeting for review and approval.

Links

South Concord Corridor Market Study

Project Web Page with Maps and Historical Documents

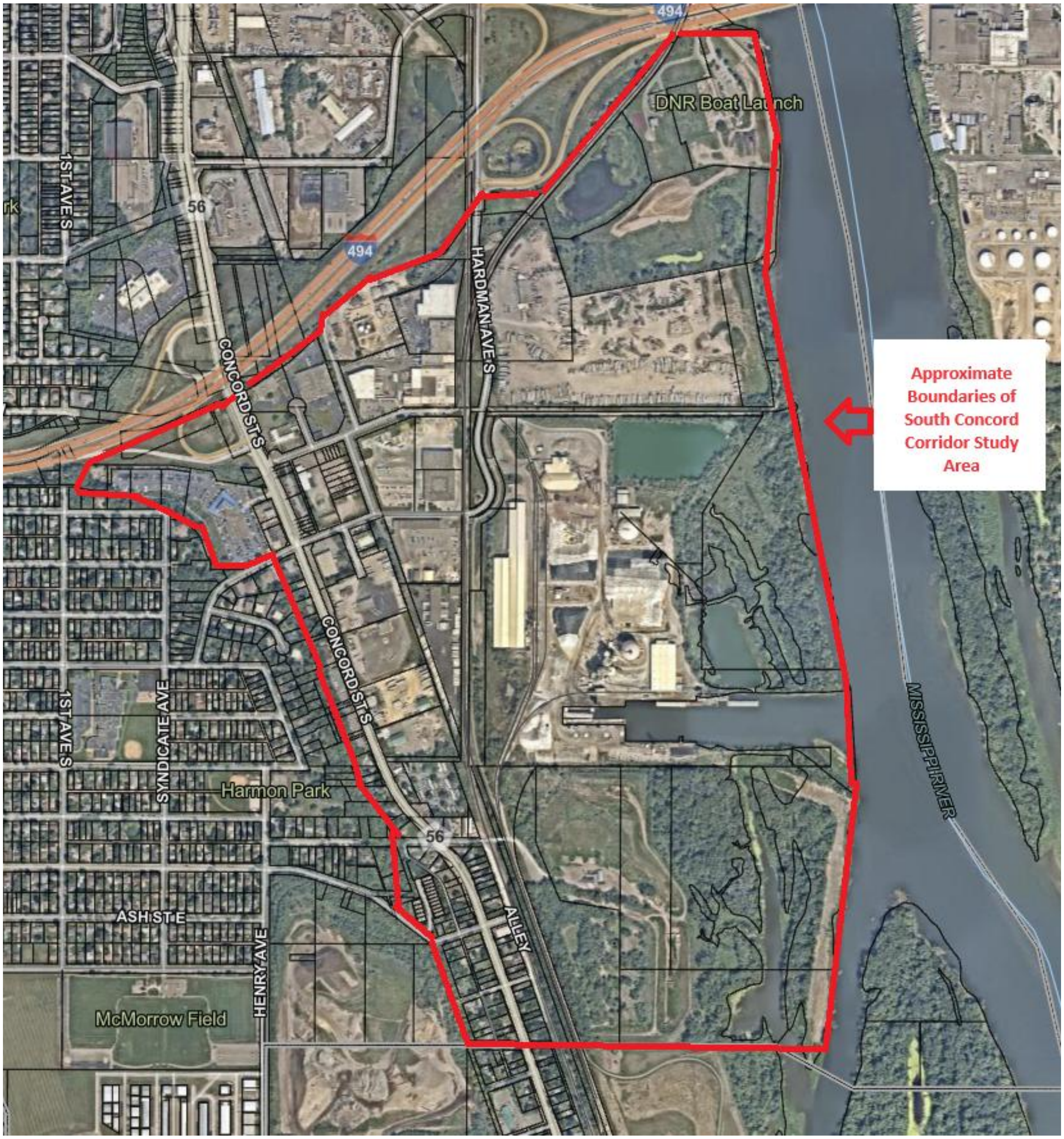
SOURCE OF FUNDS

This project has a $60,000 “not to exceed” budget. A Redevelopment Incentive Grant (RIG) from the Dakota County Community Development Agency (CDA) is covering $25,000 of that cost. The remaining $35,000 is being covered by the South St. Paul Economic Development Authority’s Redevelopment Fund.

ATTACHMENTS

1. Map of South Concord Corridor
2. Outline for March 10th Visioning Session

ATTACHMENT 1
MAP OF THE SOUTH CONCORD CORRIDOR



MEMO

Date: March 5, 2025
To: Michael Healy, South St Paul Planning Manager
From: Swanson Haskamp Consulting & Michael Lamb Consulting
Re: Outline for Joint Worksession on March 10, 2025

Introduction

1.Review scope & schedule

2. Review market study results

3. Study Area conditions & Issues
    - Key issues
    - Land use & zoning

4. Development assumptions & draft corridor vision ideas
    - Parcels in play
    - Ongoing efforts
    - Subareas & uses to remain
    - Vision components
    - Big ideas & scenarios
    - Development concept diagrams
    - Potential uses
    - Examples of potential development
    - Examples of potential residential development

WORK SESSION AGENDA REPORT

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DEPARTMENT:	Planning & Zoning
PREPARED BY:	Michael Healy
AGENDA ITEM NUMBER:	2.B.

MEETING TYPE
Regular Meeting

AGENDA ITEM
Holiday Stationstore Concept Plan Discussion

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

Circle K is inviting the City Council to provide feedback on their gas station concept plan so they can make final adjustments to their development design prior to submitting an application for a conditional use permit and site plan review. The Applicant is not seeking PUD flexibility so this concept plan review is not required under the City Code.

OVERVIEW

Background

In 2020, the City approved a plat and a Conditional Use Permit for a Planned Unit Development to allow Kriss Novak and True North Investments LLC to redevelop the 4.71-acre property that housed Bremer Bank's 4-story office building at 633 Concord Street South:

- The northernmost 1.32 acres would be split off into a new parcel that would host a new Bremer Bank building.
- In 2020, Mr. Novak was still exploring what to do with the 3.18-acre southern parcel. He was considering rehabilitating the existing 4-story office building and he was also considering demolition.

The new Bremer Bank building was completed in March of 2022 and Mr. Novak ultimately decided to demolish the old 4-story office building. Mr. Novak has entered into a purchase agreement with Circle K, the Applicant, to construct a new Holiday gas station on the southern parcel. The proposed Holiday gas station would be designed to accommodate both passenger vehicles and semi-trucks. It would have diesel fueling facilities for semi-trucks and a paved turnaround area for large trucks.

In October of 2024, the Applicant submitted a concept plan for a gas station development that featured 5,200-square-foot convenience store with a1,458-square-foot attached car wash. The 2024 concept plan did not meet zoning requirements and would have required substantial PUD flexibility that waived zoning standards. City Staff was not supportive of granting PUD flexibility to the project because there was no clear public benefit that would justify waiving zoning requirements. The City Council echoed that sentiment while discussing the concept plan at their October 28th Worksession. The Applicant chose not to pursue a PUD approval and elected to revise their project to meet zoning requirements.

Summary of Proposed Project

The Applicant has submitted a new concept plan for a gas station development that is intended to 100% comply with the City's zoning code. A conditional use permit will still be required, but the project should not need any PUD flexibility or variances. The Applicant has not submitted architectural renderings of the building and is just seeking feedback on site design and the overall programming of the proposed development. Project highlights include the following:

- The Applicant understands that many residents want a restaurant on this property instead of a gas station, and they want to provide the community with a project that will generate excitement. They have redesigned their project and are now proposing a 7,204-square-foot building that will include a quick-service restaurant and an outdoor seating patio area in addition to their convenience store.

- The Applicant has relocated and reoriented the building in response to City Staff concerns that the October 2024 concept plan had poor urban design and felt very industrial even though the Concord Street and Concord Exchange commercial corridor has been set up as a walkable high-amenity environment. The building that they are now proposing will be oriented towards the corner of Villaume Avenue and Concord Street with good urban design and multiple connections to the public sidewalk system. The semi-truck fueling area will be at the eastern end of the site, far away from Concord Street.

- The project will include two EV charging spots and bicycle parking.

- The project will preserve 2-way cross-access along the eastern property line so that Bremer Bank customers can utilize the Villaume Avenue stoplight to get to Interstate 494.

- The gas station will offer two high-speed diesel fuel dispensers for semi-trucks and six regular fuel dispensers for passenger vehicles. This will be a much smaller semi-truck fueling operation than Kwik Trip (6 diesel fuel dispensers for semi-trucks) and

Stockman's Truck Stop (5 diesel fuel dispensers for semi-trucks).

Zoning and Comprehensive Plan Guidance

The subject property is zoned GB-General Business and is guided “Commercial” in the 2040 Comprehensive Plan. The Comprehensive Plan identifies this area as being the community’s “front door” and the City has specific goals and policies for this commercial area:

Goal 4.3. *Plan for an area of high quality regional commercial development on Concord Street north of Interstate 494.*

Policy 4.13.1: *Plan for an area of regional commercial that can accommodate uses that meet regional needs (such as offices, new car dealerships, hotels, offices, restaurants, et.) and can support the primary employment uses of the Bridgepoint area.*

Policy 4.13.2: *Establish architectural and site design standards which encourage high quality, high amenity buildings that provide a good image for this “front door” area of the community and complement the quality of development in Bridgepoint.*

Policy 4.13.3: *Encourage redevelopment of uses with high amounts of exterior storage and low levels of architectural and site design.*

The GB zoning district allows “automobile and truck service uses” with a conditional use permit. A gas station that serves automobiles and trucks would be considered an automobile/truck service use. Generally, conditional use permits must be approved if all zoning requirements are met, the project is consistent with the comprehensive plan and the City Council determines that the proposal meets the criteria outlined in the City Code:

(1) That the conditional use, with such conditions as the commission shall determine and attach, conforms to the general purpose and intent of this chapter.
(2) If the application is based on the conditional use provision in this chapter that the issuance conforms to the general characteristics of the district of which it will become a part.
(3) That the conditional use will not impede the normal and orderly development and improvement of property in the neighborhood for uses permitted in the district or districts affected.
(4) That adequate utilities, access roads, streets, drainage, and other necessary facilities have been or will be provided.
(5) That adequate measures have been or will be taken to provide ingress and egress in such a manner as to minimize traffic congestion and hazards in the public streets.
(6) *Business districts*. Certain uses are considered, as a rule, unsuitable in commercial areas because of inherent characteristics (e.g., traffic hazards, noise, light glare), proximity to residential areas, the fact that they tend not to serve nearby residential areas, or may adversely affect nearby permitted business uses.

Discussion

The City Council typically does not review concept plans for new construction development projects that meet all code requirements and do not need PUD flexibility. The Applicant has requested an opportunity to meet with the City Council to share their new concept plan and get feedback on the changes that they have made to make their project align better with the community's goals for the Concord Street and Concord Exchange commercial corridor. The Applicant is willing to consider Council feedback and make additional adjustments as they prepare for a full site plan and conditional use permit submittal later this spring.

Staff has the following comments:

- The proposed site design meets zoning code requirements and is consistent with the City's vision for making the Concord Street and Concord Exchange commercial corridor a walkable area with good urban design. It is important that the Applicant takes steps to buffer the Concord Street public sidewalk from the impact of their truck turnaround facility and parking lot. Landscaping will be a big part of that buffering. Staff has also suggested that they consider building a low masonry wall along the public sidewalk, similar to what is seen at many of the commercial properties along Southview Boulevard. The Applicant has indicated that they will incorporate these suggestions into their conditional use permit submittal.

- The eastern part of the subject property is non-buildable because there is a large public sanitary sewer line buried there. The sewer line is protected by an easement that is 100-feet wide in some areas and up to 120-feet wide in other areas. Because of this enormous easement area, only about 2 acres of the 3.2-acre property is actually buildable. Pavement and minor site improvements can go in the easement area, but no buildings can be placed there unless the sewer line is relocated (a very large expense) and the easement is reduced in size. Any discussion about the "highest and best use" of the property needs to consider the presence of this large easement area. The Applicant reduced the size of their fueling operation from their original plans to avoid impacts to the sewer line and easement area. The easement area is shown in gray on the ALTA survey (see Attachment 3).

Action Needed

The Applicant is inviting the City Council to provide feedback on their concept plan so they can make final adjustments to their development design prior to submitting an application for a conditional use permit and site plan review.

SOURCE OF FUNDS

NA

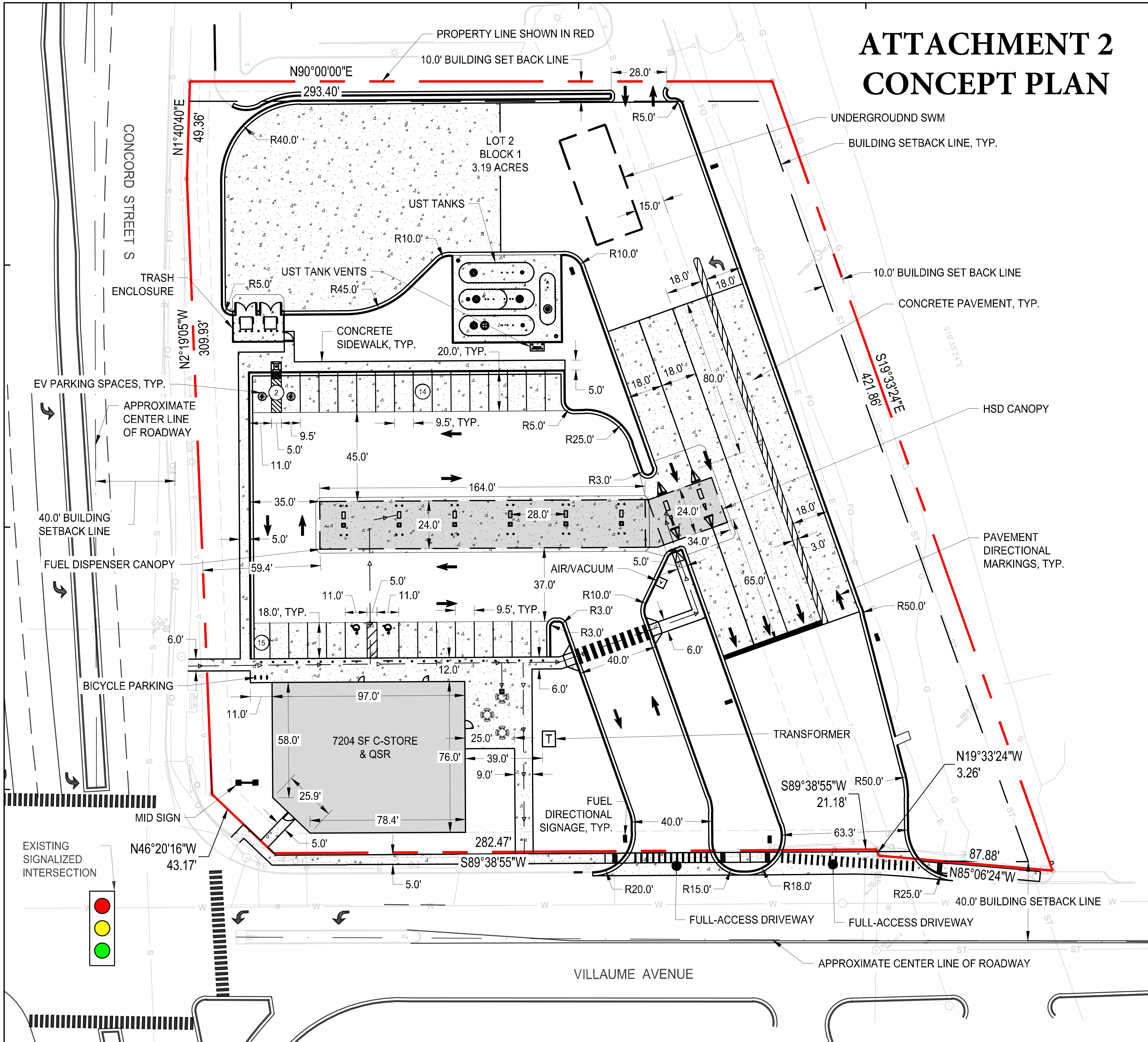
ATTACHMENTS

1. Site Location Map
2. Concept Plan
3. ALTA Survey

ATTACHMENT 1

SITE LOCATION MAP

ATTACHMENT 2
CONCEPT PLAN



SITE LEGEND:

- PROPERTY SETBACK LINE
- GREEN SPACE SETBACK
- PROPERTY LINE
- # NUMBER OF PARKING SPACES

SITE DATA:

ZONING: GB - GENERAL BUSINESS DISTRICT
PUD - PLANNED URBAN DEVELOPMENT

AUTOMOBILE AND TRUCK SERVICE USES REQUIRES A CONDITIONAL USE PERMIT

CURRENT LAND USE: VACANT BUILDING

TOTAL LOT AREA: 3.19 ACRES
138, 815 SQ. FT.

BUILDING SETBACKS:
40' FRONT (FROM STREET CENTERLINE)
10' SIDE
10' REAR

PARKING REQUIRED: (9'x18' PER CODE)
ONE (1) SPACE PER EMPLOYEE
ONE (1) SPACES PER 400 SQUARE FEET OF GROSS AREA
5 + 7,204/400 = 23 SPACES

PARKING PROVIDED:
27 SPACES + 2 ADA = 29 PARKING
+ 2 EV SPACES
PARKING SPACES DIMENSION = 9.5'x18' & 9.5'X20'

TRUCKS USED: WB - 50 - OVERALL LENGTH = 55 FT
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WB - 67 - OVERALL LENGTH = 76.5 FT
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PLAN REVIEW NOTES

1. LANDSCAPE ISLANDS AREN'T DEPICTED. FINAL CONSTRUCTION DRAWINGS MAY REQUIRE ISLANDS AND THIS WOULD IMPACT THE LAYOUT AND PARKING COUNT.
2. EXISTING CONDITIONS BASED ON DATA OBTAINED FROM GOOGLE EARTH ON 07/24/2023.
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PROFESSIONAL IN CHARGE: R. BLASEY, P.E.
PROJECT MANAGER: C. CABRERA, P.E.
QUALITY CONTROL: C. CABRERA, P.E.
DRAWN BY: J. NOVITSKI
DATE ISSUED: 02/27/2025

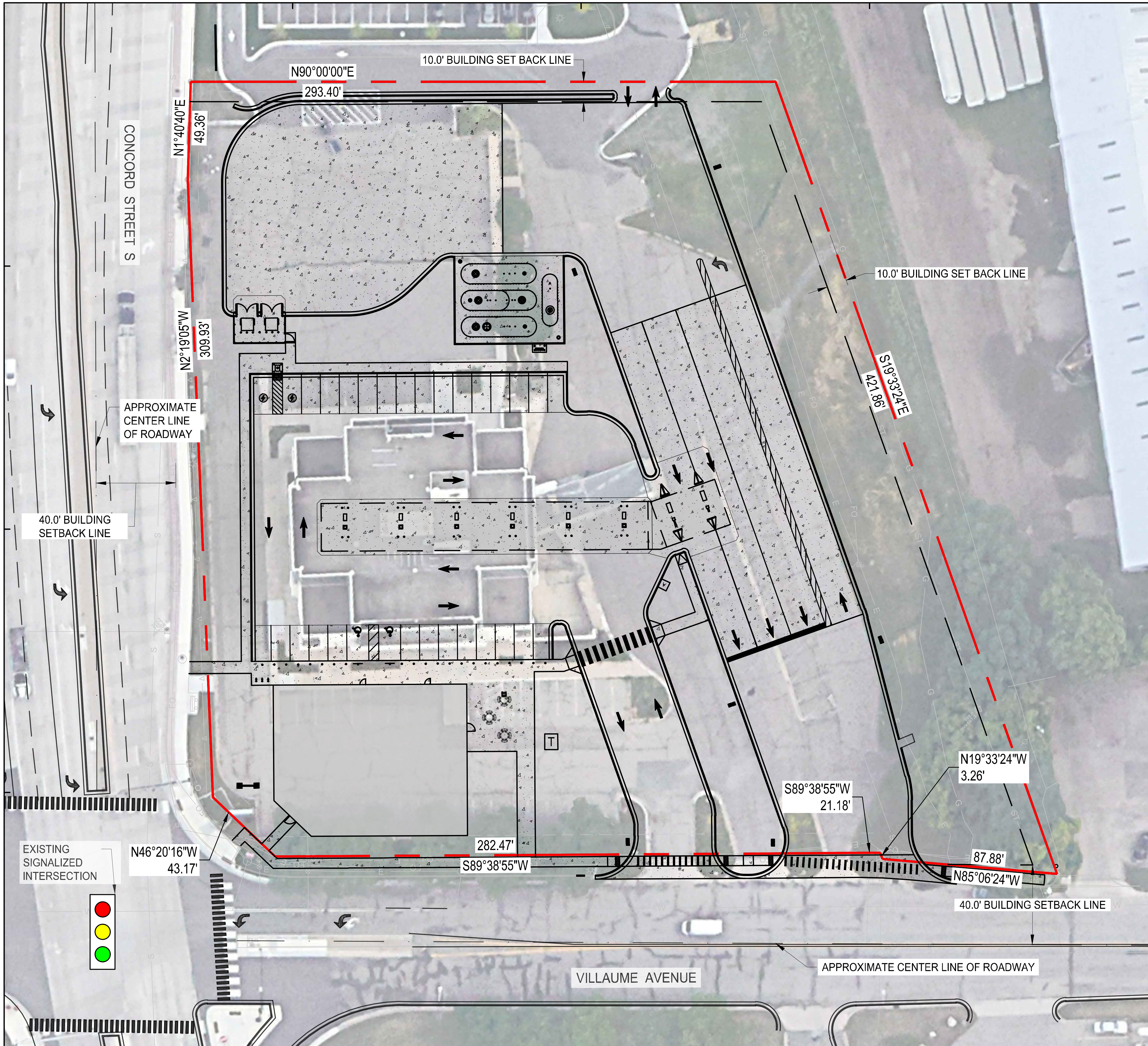
PROJECT NAME:
NTI
677 CONCORD STREET S.
SOUTH ST. PAUL,
MN 55075
NORTHERN TIER BUnit

Holiday
CIRCLE K STORES INC.

PROJECT NUMBER: 23010318A

SHEET TITLE: **CONCEPTUAL SITE PLAN**

SHEET NUMBER: **CSP 4.0W**



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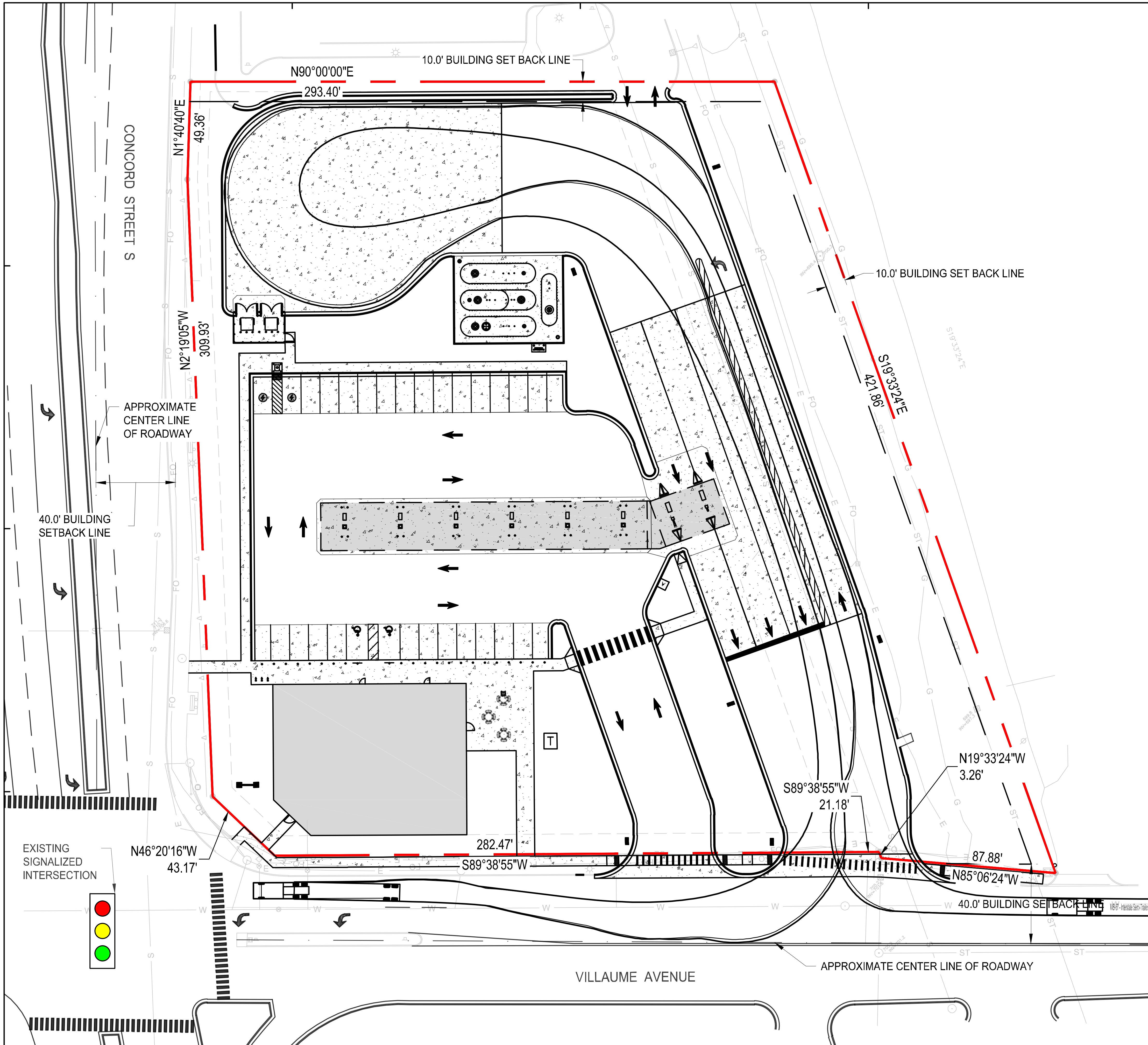

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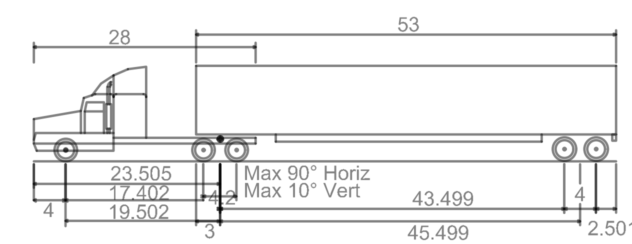

WB-67 - Interstate Semi-Trailer
Overall Length 73.505ft
Overall Width 8.500ft

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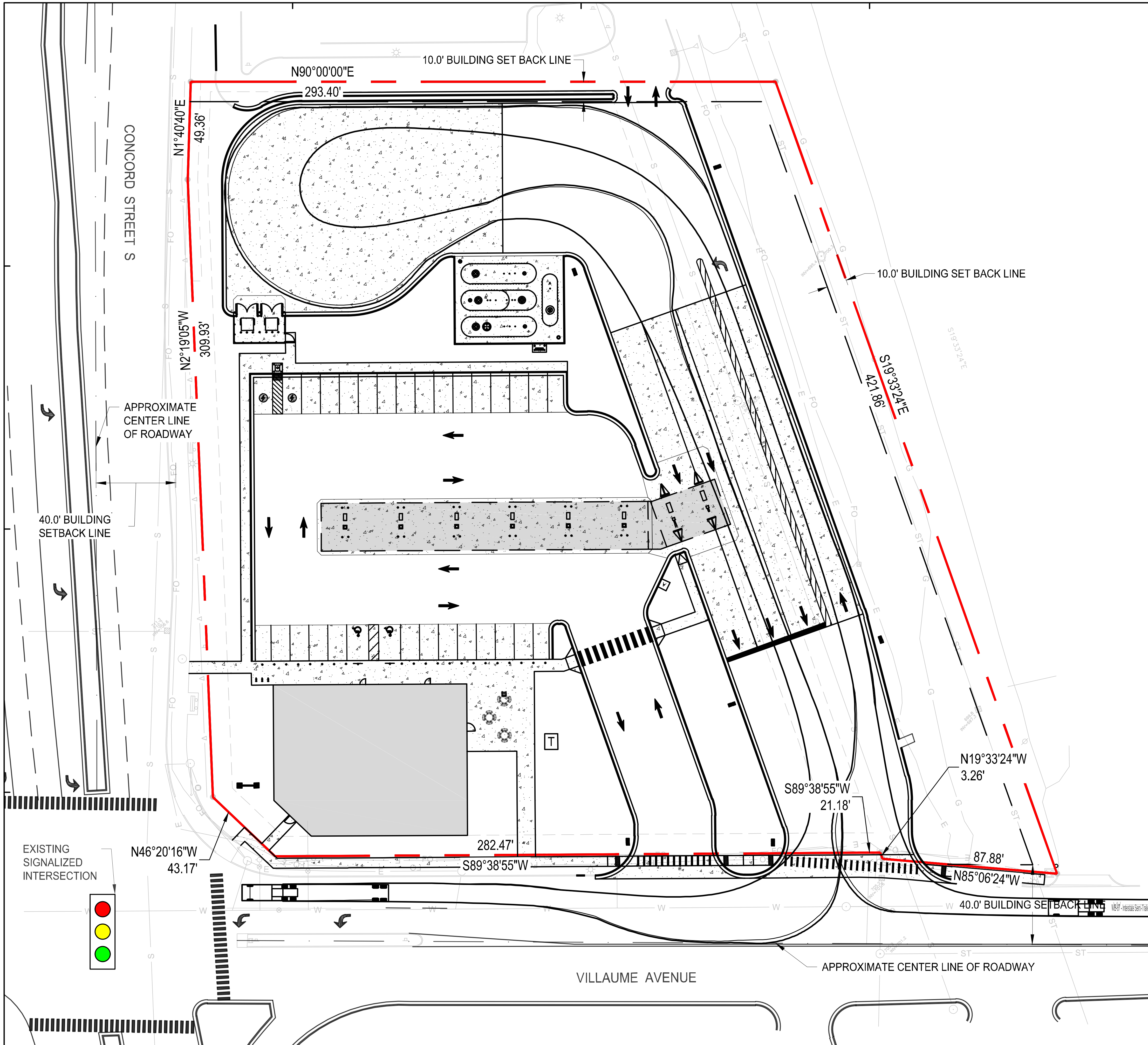

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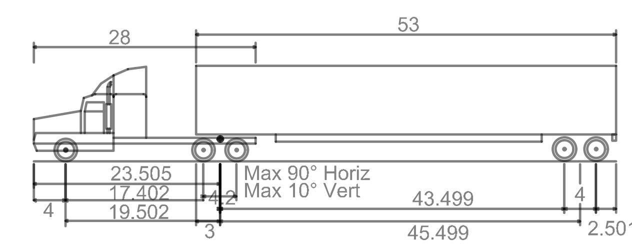

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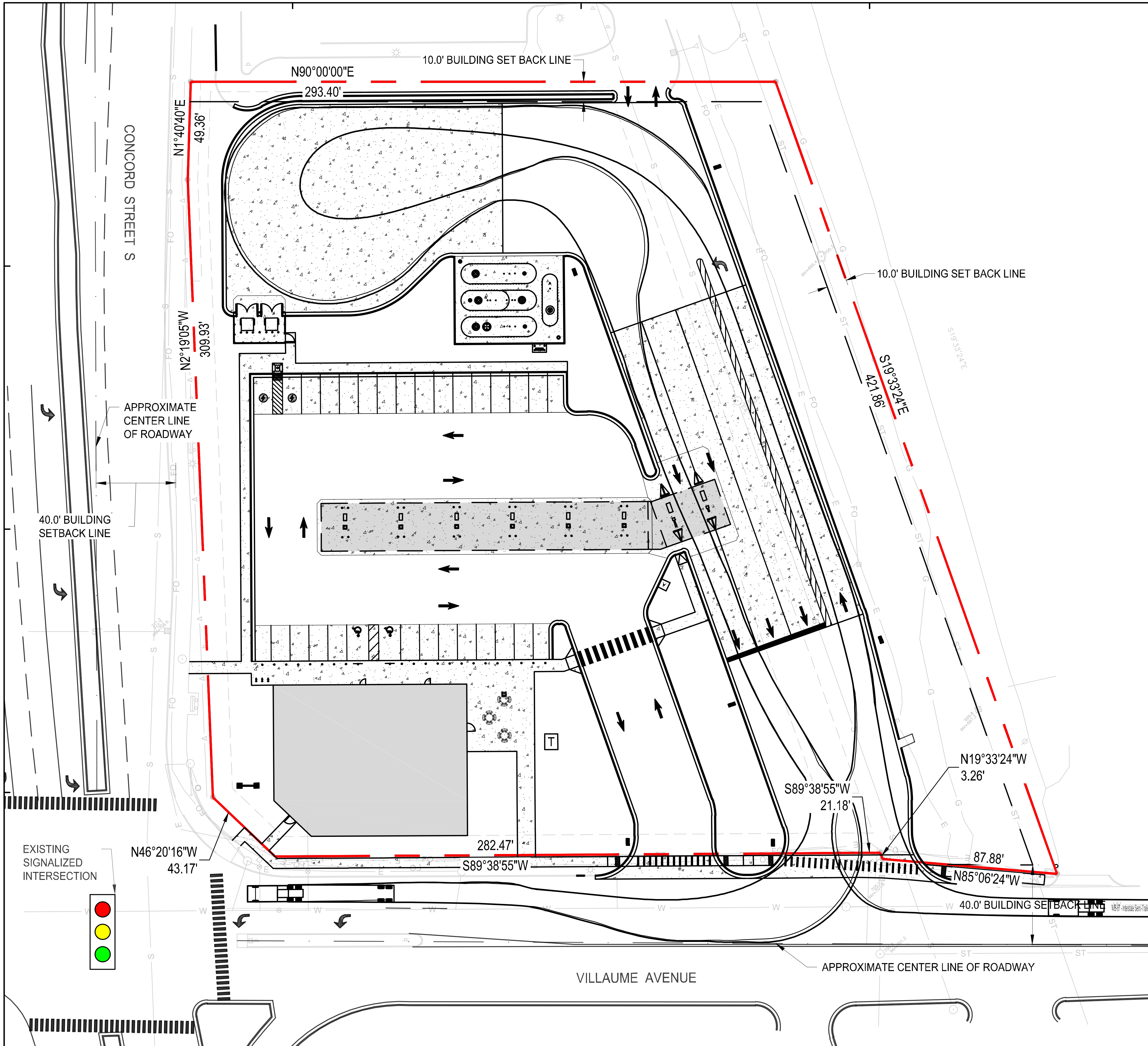

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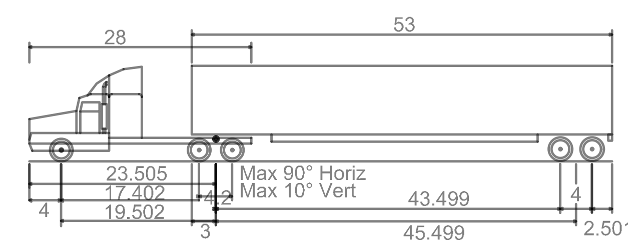
10' REAR

PARKING REQUIRED: (9'x18' PER CODE)
ONE (1) SPACE PER EMPLOYEE
ONE (1) SPACES PER 400 SQUARE FEET OF GROSS AREA
5 + 7,204/400 = 23 SPACES

PARKING PROVIDED:
27 SPACES + 2 ADA = 29 PARKING
+ 2 EV SPACES
PARKING SPACES DIMENSION = 9.5'x18' & 9.5'X20'

TRUCKS USED: WB - 50 - OVERALL LENGTH = 55 FT
TRAILER LENGTH 42.5 FT

WB - 67 - OVERALL LENGTH = 76.5 FT
TRAILER LENGTH 53 FT



WB-67 - Interstate Semi-Trailer
Overall Length 73.505ft
Overall Width 8.500ft

PLAN REVIEW NOTES

1. LANDSCAPE ISLANDS AREN'T DEPICTED. FINAL CONSTRUCTION DRAWINGS MAY REQUIRE ISLANDS AND THIS WOULD IMPACT THE LAYOUT AND PARKING COUNT.
2. EXISTING CONDITIONS BASED ON DATA OBTAINED FROM GOOGLE EARTH ON 07/24/2023.
3. THIS CONCEPT SITE PLAN DOES NOT GUARANTEE ALL REQUIREMENTS FROM ZONING ISSUES, NOR SIGNAGE, STORM DRAINAGE, GRADING, UTILITIES, EASEMENTS, AND THE LIKE ARE PROPERLY ADDRESSED AT THE TIME. THE ABOVE REQUIREMENTS CAN AFFECT THE SITE LAYOUT. ALL REQUIREMENTS ASSUMED WITH THIS LAYOUT ARE TENTATIVE AND SUBJECT TO CHANGE AS MAY BE DIRECTED BY THE CLIENT, ARCHITECT, JOINT DEVELOPER, OR ANY OF THE GOVERNMENTAL PERMITTING AGENCIES.

N

SCALE 1"=50'

0 50' 100'

Colliers Engineering & Design
www.colliersengineering.com
Doing Business as MASER CONSULTING
PHILADELPHIA
2 Penn Center, Suite 700
1500 JFK Boulevard
Philadelphia, PA, 19102
Phone: 215.861.9021
COLLIERS ENGINEERING & DESIGN, INC. DOING BUSINESS AS MASER CONSULTING

DATE:	DESCRIPTION:

PROFESSIONAL SEAL:

PROFESSIONAL IN CHARGE:
R. BLASEY, P.E.
PROJECT MANAGER:
C. CABRERA, P.E.
QUALITY CONTROL:
C. CABRERA, P.E.
DRAWN BY:
J. NOVITSKI
DATE ISSUED:
02/27/2025

PROJECT NAME:

NTI
677 CONCORD STREET S.
SOUTH ST. PAUL,
MN 55075
NORTHERN TIER BUnit

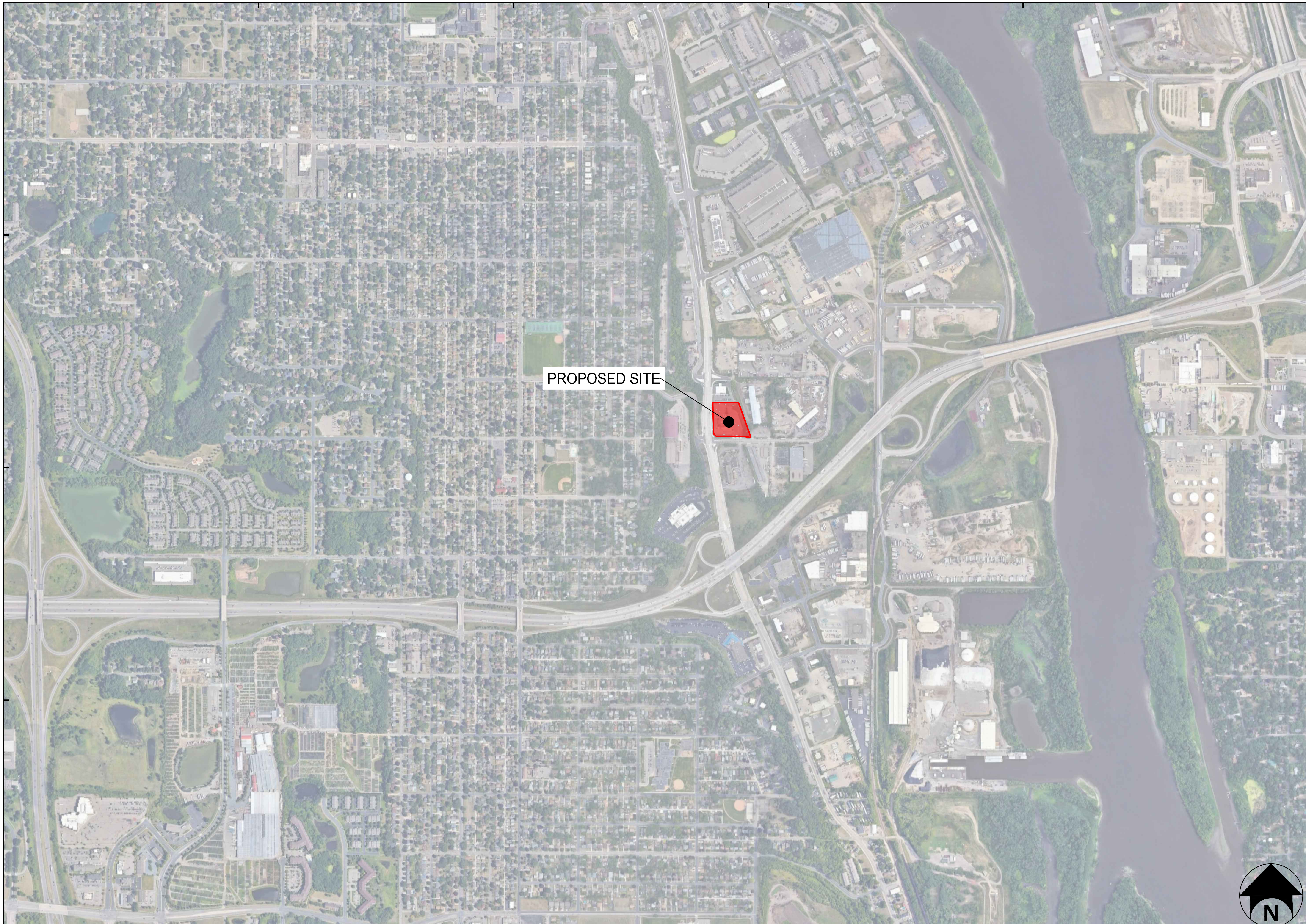
Holiday

CIRCLE K STORES INC.

PROJECT NUMBER:
23010318A

SHEET TITLE:
CONCEPTUAL SITE PLAN

SHEET NUMBER:
CSP 4.0T3



Drawing Name: \\baps\projects\Circle K\23010318A\4.0 Dwgs\4.1 Civil\Concept\CSP 4.0.dwg Last Modified: Feb 27, 2025 - 9:49am Plotted on: Feb 27, 2025 - 11:09am by jared.novitski

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PROJECT NUMBER:
23010318A

SHEET TITLE:

CONCEPTUAL SITE PLAN

SHEET NUMBER:

CSP 4.0

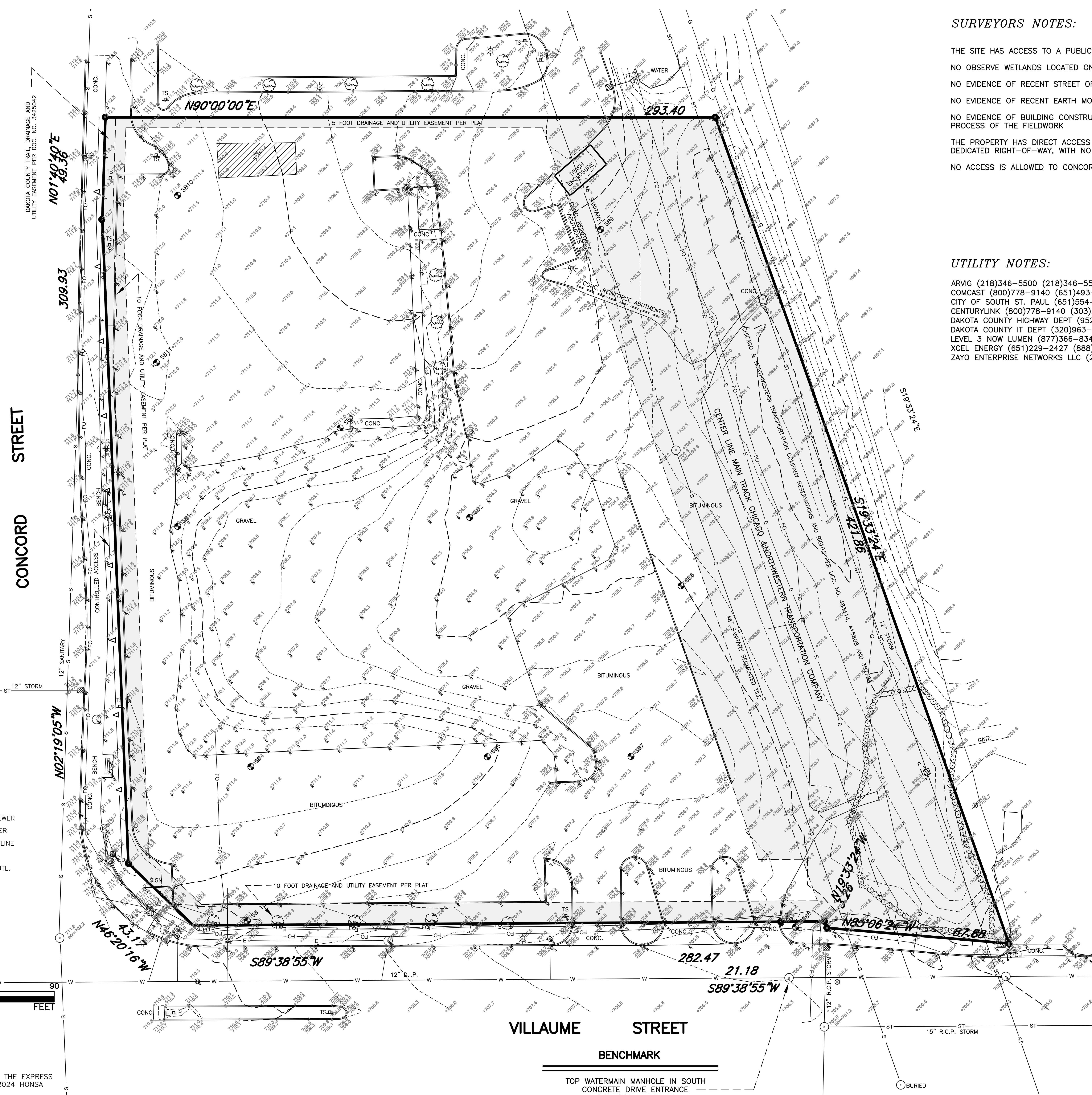
ATTTACHMENT 3
ALTA SURVEY

ALTA SURVEY FOR: HOLIDAY STATIONSTORES

677 CONCORD STREET SOUTH, CITY OF SOUTH ST. PAUL, DAKOTA COUNTY, MINNESOTA

LEGEND

- FIRE HYDRANT
- WATER VALVE
- MANHOLE
- CATCH BASIN
- POWERPOLE
- LIGHT POLE
- GUY
- TRANSFORMER
- ELECTRIC METER
- TV PEDESTAL
- TELEPHONE PEDESTAL
- AIR CONDITIONER
- HAND HOLE
- SEMAPHORE
- GAS METER
- S . . . . SANITARY SEWER
- ST . . . . STORM SEWER
- W . . . . WATERMAIN
- G . . . . UNDERGROUND GAS MAIN
- T . . . . UNDERGROUND TELEPHONE
- E . . . . UNDERGROUND ELECTRIC
- TV . . . . UNDERGROUND CABLE T.V.
- OU . . . . OVERHEAD UTILITY LINES
- IRON MONUMENT FOUND
- IRON PIPE MONUMENT SET
- EXISTING SPOT ELEVATION
- SOIL BORING
- SIGN
- DECIDUOUS TREE
- CONIFEROUS TREE
- DENOTES TREE AND BRUSH LIMITS
- DENOTES FLARED END SECTION
- FD. . . . DENOTES FRENCH DRAIN
- CS. . . . CURB STOP
- CO . . . . CLEAN OUT
- MW . . . . MONITORING WELL
- BG . . . . BARBECUE GRILL
- AUTO SPRINKLER
- BASKETBALL HOOP
- BENCH
- WATER SPIGOT
- TRENCH DRAIN
- TCP . . . . TRAFFIC CONTROL PANEL
- STORM DISIPATER
- SATELITE DISH
- TELEPHONE
- ELECTRIC PEDESTAL
- FP . . . . FLAG POLE
- GROUND LITE
- MB . . . . MAILBOX
- ROOF DRAIN
- TRANSMISSION TOWER
- VENT PIPE
- WELL
- E . . . . DENOTES ELEC. LINE
- X . . . . DENOTES FENCE LINE
- FO . . . . DENOTES FIBER OPTIC
- G . . . . DENOTES GAS LINE
- S . . . . DENOTES SANITARY SEWER
- ST . . . . DENOTES STORM SEWER
- T . . . . DENOTES TELEPHONE LINE
- TV . . . . DENOTES TV LINE
- OU . . . . DENOTES OVERHEAD UTL.
- W . . . . DENOTES WATERMAIN
- WETLAND . . . . DENOTES WETLAND
- DENOTES TREELINE
- DENOTES RAIL ROAD



30 0 30 60 90
SCALE IN FEET

SURVEYORS NOTES:

THE SITE HAS ACCESS TO A PUBLIC ROADWAY

NO OBSERVE WETLANDS LOCATED ON SITE.

NO EVIDENCE OF RECENT STREET OR SIDEWALK CONSTRUCTION.

NO EVIDENCE OF RECENT EARTH MOVING WORK.

NO EVIDENCE OF BUILDING CONSTRUCTION, OR BUILDING ADDITIONS OBSERVED IN THE PROCESS OF THE FIELDWORK

THE PROPERTY HAS DIRECT ACCESS TO VILLAUME STREET NE, BEING A PUBLICLY DEDICATED RIGHT–OF–WAY, WITH NO GAPS OR GORES.

NO ACCESS IS ALLOWED TO CONCORD STREET.

UTILITY NOTES:

ARVIG (218)346–5500 (218)346–5500 (218)346–8248
COMCAST (800)778–9140 (651)493–5143
CITY OF SOUTH ST. PAUL (651)554–3225 (651)554–3225 (651)554–3225
CENTURYLINK (800)778–9140 (303)260–4929 (877)366–8344
DAKOTA COUNTY HIGHWAY DEPT (952)891–7900 (651)755–3119 (952)891–7900
DAKOTA COUNTY IT DEPT (320)963–2400 (651)438–4346 (320)963–2400
LEVEL 3 NOW LUMEN (877)366–8344 (877)366–8344 (877)366–8344
XCEL ENERGY (651)229–2427 (888)968–9235 (800)895–4999
ZAYO ENTERPRISE NETWORKS LLC (218)346–5500 (218)346–5500 (218)346–8248

LEGAL DESCRIPTION:

PARCEL 1:

LOT 2, BLOCK 1, HARLOW ADDITION ACCORDING TO THE PLAT ON FILE AND OF RECORD IN THE OFFICE OF THE COUNTY RECORDER, DAKOTA COUNTY, MINNESOTA

ABSTRACT PROPERTY

AREA:

THE PROPERTY CONTAINS 138,815 SQUARE FEET OR 3.19 ACRES.

ZONING:

THE PROPERTY IS ZONED PLANNED UNIT DEVELOPMENT DISTRICT (PUD)

FLOOD ZONE:

BY GRAPHIC INTERPRETATION ONLY, THIS PROPERTY LIES IN A FLOOD ZONE X (WITH A 0.2% ANNUAL CHANCE FLOOD HAZARD, AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTH LESS THAN ONE FOOT OR WITH DRAINAGE AREAS OF LESS THAN ONE SQUARE MILE) PER NATIONAL FLOOD INSURANCE RATE MAP, COMMUNITY PANEL NO. 27037C0044E SAID RATE MAP HAS AN EFFECTIVE DATE OF DECEMBER 2ND, 2011. AREA OF REDUCED FLOOD RISK DUE TO LEVEE. NO FIELD SURVEYING WAS PERFORMED TO DETERMINE THIS ZONE.

SCHEDULE "B" NOTES:

10.) DRAINAGE AND UTILITY EASEMENTS, CONTROLLED ACCESS AND OTHER MATTERS DISCLOSED ON THE RECORDED PLAT OF HARLOW ADDITION. AS AFFECTED BY LAND SURVEYOR'S CERTIFICATE OF PLAT CORRECTION DATED MAY 17, 2021, FILED JUNE 8, 2021, AS DOCUMENT NO. 3467995. (MAPPED)

11.) TERMS AND CONDITIONS OF RESOLUTION NO. 2020–103 ADOPTED AUGUST 17, 2020, FILED DECEMBER 23, 2020, AS DOCUMENT NO. 3425037; AND RESOLUTION NO. 2020–160 ADOPTED NOVEMBER 16, 2020, FILED DECEMBER 23, 2020, AS DOCUMENT NO. 3425038; AND RESOLUTION NO. 2020–185 ADOPTED DECEMBER 21, 2020, FILED DECEMBER 23, 2020, AS DOCUMENT NO. 3425039. (NOT MAPPED)

12.) EASEMENT FOR PUBLIC STREET AND UTILITY IN FAVOR OF SOUTH SAINT PAUL, A MINNESOTA MUNICIPAL CORPORATION, CONTAINED IN QUIT CLAIM DEED DATED JULY 9, 1980, FILED JULY 22, 1980, AS DOCUMENT NO. 563480. (NOT MAPPED) DOES NOT AFFECT SUBJECT PARCEL.

13.) RESERVATION BY CHICAGO AND NORTHWESTERN TRANSPORTATION COMPANY, A DELAWARE CORPORATION, SET FORTH IN QUIT–CLAIM DEED, DEED NO. 80121 DATED DECEMBER 8, 1976, FILED JANUARY 31, 1977, AS DOCUMENT NO. 483114. (MAPPED)

14.) RESERVATIONS AND RIGHTS RETAINED BY CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY, A DELAWARE CORPORATION, SET FORTH IN QUIT–CLAIM DEED, DEED NO. 77736 DATED NOVEMBER 10, 1972, FILED MAY 4, 1973, AS DOCUMENT NO. 415808. (MAPPED)

15.) RIGHTS OF THE PUBLIC FOR ROADWAY PURPOSES, TOGETHER WITH RESERVATIONS TO THE RIGHT TO MAINTAIN, OPERATE, USE RECONSTRUCT AND REPLACE ANY AND ALL EXISTING CONDUITS, SEWERS, WATER MAINS, GAS LINES, ELECTRIC POWER LINES, COMMUNICATION LINES, WIRES AND OTHER UTILITIES AND THE RESERVATION OF ALL COAL, OIL, GAS, CASINGHEAD GAS, AND ALL MINERALS OF EVERY KIND AND NATURE RESERVED BY CHICAGO AND NORTH WESTERN RAILWAY COMPANY, A WISCONSIN CORPORATION, SET FORTH IN QUIT–CLAIM DEED, DEED NO. 76395 DATED JANUARY 8, 1971, FILED APRIL 16, 1971, AS DOCUMENT NO. 382725. (MAPPED)

16.) TERMS AND CONDITIONS OF URBAN RENEWAL PLAN ADOPTED JUNE 17, 1969, AS AMENDED FROM TIME TO TIME AND COVENANTS AND PROVISIONS NUMBERED SECOND AND FIFTH, AS SET FORTH IN QUIT CLAIM DEED DATED SEPTEMBER 26, 1978, FILED OCTOBER 25, 1978, AS DOCUMENT NO. 524800. (NOT MAPPED)

17.) RESERVATION OF MINERAL RIGHTS, BY THE CHICAGO AND NORTH WESTERN RAILWAY COMPANY, EVIDENCED IN WARRANTY DEED DATED FEBRUARY 8, 1977, FILED FEBRUARY 15, 1977, AS DOCUMENT NO. 483976. (NOT MAPPED)

18.) TERMS AND CONDITIONS OF AND EASEMENT FOR PEDESTRIAN TRAIL AND DRAINAGE AND UTILITY FACILITIES IN FAVOR OF THE COUNTY OF DAKOTA, A POLITICAL SUBDIVISION OF THE STATE OF MINNESOTA, CONTAINED IN TRAIL, DRAINAGE, & UTILITY EASEMENT DATED DECEMBER 22, 2020, FILED DECEMBER 23, 2020, AS DOCUMENT NO. 3425042. (MAPPED)

19.) TERMS, CONDITIONS AND RESTRICTIONS OF AND EASEMENT FOR VEHICULAR AND PEDESTRIAN INGRESS, EGRESS AND COMMON DRIVEWAY PURPOSES CONTAINED IN DECLARATION OF EASEMENTS AND RESTRICTIONS DATED DECEMBER 22, 2020, FILED DECEMBER 23, 2020, AS DOCUMENT NO. 3425043 CREATES BOTH A BENEFIT AND BURDEN. (NOT MAPPED) BLANKET EASEMENT

20.) TERMS, CONDITIONS AND OBLIGATIONS CONTAINED IN DEVELOPMENT AGREEMENT DATED DECEMBER 21, 2020, FILED DECEMBER 23, 2020, AS DOCUMENT NO. 3425044. (INCLUDES ADDITIONAL LAND) (NOT MAPPED)

21.) TERMS AND CONDITIONS OF STORM WATER FACILITIES OWNERSHIP AND MAINTENANCE AGREEMENT DATED DECEMBER 21, 2020, FILED DECEMBER 23, 2020, AS DOCUMENT NO. 3425045. (INCLUDES ADDITIONAL LAND) (NOT MAPPED) BLANKET EASEMENT

22.) TERMS AND CONDITIONS OF PERMANENT EASEMENT FOR ROADWAY AND RELATED PURPOSES IN FAVOR OF THE CITY OF SOUTH ST. PAUL, A MINNESOTA MUNICIPAL CORPORATION, CONTAINED IN PERMANENT ROADWAY EASEMENT AND TEMPORARY CONSTRUCTION EASEMENT DATED AUGUST 6, 2020, FILED OCTOBER 30, 2020, AS DOCUMENT NO. 3410701. (NOT MAPPED) CONTAINED IN DEDICATED RIGHT OF WAY PER THE PLAT,

23.) RIGHTS OF ACCESS TO CSAH 56 (CONCORD BLVD.) ACQUIRED BY DAKOTA COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF MINNESOTA, CONTAINED IN QUIT CLAIM DEED DATED DECEMBER 22, 2020, FILED DECEMBER 23, 2020, AS DOCUMENT NO. 3425041. (MAPPED)

CERTIFICATION:

I HEREBY CERTIFY TO HOLIDAY STATIONSTORES LLC, CHICAGO TITLE INSURANCE COMPANY AND CIRCLE "K" THAT THIS A TRUE AND CORRECT REPRESENTATION OF A SURVEY OF THE ABOVE REAL PROPERTY CONTAINED IN FIRST AMERICAN TITLE INSURANCE COMPANY COMMITMENT NO. CP73559 DATED APRIL 24TH, 2024 AND THAT THIS SURVEY WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA AND THE SURVEY ON WHICH IT IS BASED IT IS MADE IN ACCORDANCE WITH THE " MINIMUM STANDARD DETAIL FOR ALTA/ACM LAND TITLE SURVEYS, "JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS IN 2021 AND INCLUDES ITEMS 1, 2, 3, 4, 8, 9, 11 AND 16 OF TABLE A THEREOF. PURSUANT TO THE ACCURACY STANDARDS AS ADOPTED BY ALTA AND NSPS AND IN EFFECT ON THE DATE OF THIS CERTIFICATION

SIGNED THE 8TH DAY OF JUNE, 2024.

Dennis M. Honsa

DENNIS M. HONSA
MINNESOTA LICENSE NO. 22440
FOR: HONSA SURVEYING

DENNIS M. HONSA REGISTERED 22440 LAND SURVEYOR STATE OF MINNESOTA

THIS SURVEY REFLECTS ABOVE GROUND INDICATIONS OF UTILITIES AND INFORMATION AVAILABLE FROM ASBUILT DRAWINGS. THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANTY THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED, ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED UNDERGROUND UTILITIES.

JOB NO. 127182 SOUTH ST. PAUL

HONSA SURVEYING
1592 PACIFIC AVENUE, EAGAN, MN 55122 (651) 492–6725

WORK SESSION AGENDA REPORT

DATE: March 10, 2025
DEPARTMENT: Housing
PREPARED BY: Tiffany Green
AGENDA ITEM NUMBER: 2.C.

MEETING TYPE
Regular Meeting

AGENDA ITEM
Update on Project Development Agreement w/ Johnson Controls (Energy Conservation Measures @ High Rises)

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

- Update Council on current standing and next steps relating to our Project Development Agreement (PDA) Contract with Johnson Controls, Inc. for the John Carroll and Nan McKay Highrises
- Review forgivable loans, other grant options, and application deadlines for projects previously approved in the PDA Contract with Johnson Controls, and if supported, receive Council Direction to place on a future EDA agenda for approval to apply

OVERVIEW
The Nan McKay and John Carroll Highrise Buildings have several large and expensive projects that need to be completed at both buildings. The purpose of entering into the Project Development Agreement (PDA) was to confirm the intent of Johnson Controls and the South Saint Paul Housing and Redevelopment Authority to develop a proposed solution and infrastructure plan utilizing the most efficient resources possible, at the lowest cost to us, in order to complete these projects.

In addition to this, the South St. Paul HRA has had a twenty (20) year-long Energy Performance Contract (EPC) with HUD that has been successfully managed by JCI for its entirety. This contract expired in 2024 along with the Rate Reduction Incentives (RRI) that we have been receiving annually through this contract. JCI will ensure that a new EPC is in place for the upcoming years, so that we can continue receiving these incentives from HUD.

This PDA was previously approved by Council and executed October 24, 2024.

Some of the projects that are being considered in this PDA are as follows:

- Federal Pacific Electric Panel Replacement
- Highrise Roof Replacement Project
- HVAC Upgrades to more efficient Heat Pump units

- New HVAC MUA for Common Areas
- Lighting Upgrades to LED
- Camera System Upgrades
- Card Access Upgrades
- Fire Sprinkler Repairs
- Water Line Repairs

The attached "FIM List – POHP Loan Scope of Work" document on Page 8 of the PDF contains the different loan and grant options that are being reviewed for each project that is being considered. It is Staff's opinion that these outside funding sources are necessary in the successful planning of these projects, and without additional funding (outside of our annual capital grant), many of the projects could not be fully funded.

Outside Loan and Grant options being considered are as follows:

- MN Housing's Publicly Owned Housing Program (POHP): Application Deadline April 10, 2025
- HAI Group Loss Prevention Fund: Application Deadline May 31, 2025
- HUD's Emergency Safety and Security Grant: Application Deadline March 27, 2025

Each of these projects can also be found in the South St. Paul HRA's 2025 Annual Plan along with the 2025 Capital Funding Activities Plan, which were both discussed first with our Resident Advisory Board, and then reviewed and approved by Council at the HRA's Annual Meeting in 2024. Staff's opinion is that these projects are necessary in the very near future to ensure that the longevity of the building is not negatively impacted.

Informational documents describing the different sources of funding possible are attached for your consideration and review.

SOURCE OF FUNDS
Public Housing Capital and Operating Grants (from HUD)
MN POHP Forgivable Loan
HUDs Emergency and Safety Grant
HAI Group 2025 Loss and Prevention Fund

ATTACHMENTS
1. Supplemental Information - Highrise Projects

PROJECT DEVELOPMENT AGREEMENT
BETWEEN

City of South St. Paul HRA **125 Third Ave. No.** **South St. Paul, MN 55075**	**AND**	**Johnson Controls, Inc.** **3850 N. Main Street** **East Peoria, IL 61611**

The purpose of this Project Development Agreement (PDA) is to confirm the intent of Johnson Controls (JC) and the South Saint Paul Housing and Redevelopment Authority (Customer) named above to develop a proposed solution and infrastructure plan utilizing the Equalis Contract This agreement will provide the basis of the scope of the PDA, the obligations of both parties, the financial metrics to be met, the intended outcomes and timeline.

1. Scope of Services

It is the Parties' mutual understanding this Project Development Agreement will:

a. Provide for the development of Energy Conservation Measures (ECMs) at the Customer's facilities; where possible, assist the Customer by providing additional improvements to reduce a Customer's utility spend, deferred maintenance backlog or desired Energy Conservation Measures not affordable otherwise;
b. Assist the Customer in capitalizing on the Inflation Reduction Act, Energy Performance Contracting Program and any other funding sources identified and arranging for project financing;
c. Utilize the Customer's most recent 36 months of utility consumption data, generally covering the time period of 09/01/2020 to 09/30/2023. Consumption data will be utilized as part of this agreement and includes the following utilities that are applicable: electricity, natural gas, water, and sewer;

Housing Authority Locations:

1) Nan McKay Building
200 Marie Ave, South Saint Paul, MN 55075

2) John Carroll 300 Grand Ave
South Saint Paul, MN 55075

2. Development Schedule

It is the intent and commitment of all parties identified in this Agreement to work diligently, and cause others to work diligently under their direction to achieve the Milestone Schedule identified herein:

*These milestones may be modified by subsequent work plans mutually agreed upon by both parties.

Notify Minneapolis HUD Field Office of Intent to Enter into EPC Program	7/08/2024
Johnson Controls Notified Selected by South Saint Paul HRA	8/15/2024
Execution of Project Development Agreement (PDA)	8/22/2024
Customer Kick-off Meeting	9/6/2024
Start Field Audits at Selected Sites	9/6-10/30/2024
Weekly Coordination Meetings (as required)	TBD
Board Meeting Presentation and Update (if required)	9/2024
Final Scope Workshop	9/2024
Measurement and Verification Workshop	9/2024
Financial Workshop	9/2024
Final Scope and Contract Review Workshop	10/2024
JCHA Board Meeting Approval of Financing & JCI Energy Services	10/7/2024
HUD Submission For Approval	10/9/2024
HUD Approval Received	12/1/2024
Energy Services Agreement Approved	12/15/2024
3rd Party Financing & JCI Construction Contract Signed and Executed	12/20/2024
Notice to Proceed Issued	12/27/2024
Project Construction	12 months
Measurement & Verification Workshop and Reporting	Up to 20 years

3. Deliverables

Upon completion of the project development, JCI shall deliver to the Customer:

a. A written description of each ECM proposed to be implemented;
b. A financial pro forma cash flow documenting the proposed project. The pro forma will include applicable annual costs and savings that affect the project outcome such as financing, energy, water, sewer, labor and maintenance, incentives and rebates, and Redirected M&O Budget Savings Contribution values
c. A preliminary schedule for implementation of the project;
d. Comprehensive Energy Audit;
e. HUD submission documentation and package meeting 24 CFR 990.170 and 24 CFR 990.185
f. A summary of the Measurement & Verification for Annual OpSub Submission plan;
g. A firm offer by JCI to implement a project that meets the Energy Performance Contracting Program requirements including a positive cash flow at term.

4. Customer Priority ECMs

JCI will provide some Energy Conservation Measures (ECMs) that are essential to creating a project that meets the Customer's financial buying criteria. Examples of such ECMs may include but not be limited to ECMs such as lighting modifications, water saving fixture modifications, HVAC upgrades, Solar PV and control system modifications. Normally, in addition to those ECMs which are essential creating a project that provides a positive cash flow, JCI can include other

ECMs that help the Customer to achieve certain other desired results, such as building improvements (Windows) or implementing improvements from the Customer's deferred maintenance budget.

Listed herein is a list of Customer Priority ECMs. The Customer Priority ECMs are listed in priority order in terms of importance to the Customer achieving their objectives. JCI and the Customer acknowledge that JCI will provide as many of the Customer Priority ECMs listed as possible while still meeting achieving the criteria listed in the Deliverables paragraph.

The Customer acknowledges that the project may or may not include all the Customer Priority ECMs listed:

1. HVAC Upgrades to more efficient Heat Pump units
2. New HVAC MUA for Common Areas
3. Lighting Upgrades to LED
4. Efficient Water Fixtures
5. Solar Photovoltaic
6. Building Envelope Efficiency
7. Others to be considered

5. Records and Data

During the project development, the Customer will furnish to JCI upon its request, accurate and complete data concerning current; equipment performance data if available, costs, budgets, facilities requirements, future projected loads, facility operating requirements, collective bargaining agreements, etc.

JCI will provide a separate document with a formal request for the required data shortly after touring the Customer facilities. The Customer shall make every effort to provide that information within 10 days of request.

6. Preparation of Implementation Contract

JCI will develop the framework of the subsequent Implementation Agreement and the Financing Agreement. JCI and Customer shall work diligently during the project development to complete and populate contract documents. The form of the documents will vary depending on Customer requirements, state statute where applicable and JCI requirements, but where prudent shall utilize JCI standard documents.

7. Project Development Cost and Payment Terms

Customer agrees to the cost for JCI to provide project development services identified here in is $19,500.00 and is payable within 60 days after JCI provides the Deliverables identified herein.

a. Obligation to pay if JCI satisfies requirements - Customer shall pay the amount indicated if JCI satisfies the requirements set forth in Paragraph 3 "Deliverables" and the Customer elects not to implement a project with JCI.

However, Customer will have no obligation to pay this amount if:

a. JCI and the Customer enter into the Implementation Agreement, (outlined in Paragraph 6) within 60 days after JCI provides the Deliverables. Costs for project development will be transferred to the total cost of the Implementation Agreement and be subject to the payment terms outlined in the Agreement.

b. The project fails to provide a set of ECMs with a positive cash flow, (outlined in Paragraph 3) in which case the Customer is not obligated to pay JCI for the development services.

8. Indemnity

JCI and the Customer agree that JCI shall be responsible only for such injury, loss, or damage caused by the intentional misconduct or the negligent act or omission of JCI. To the extent permitted by law, JCI and the Customer agree to indemnify and to hold each other, including their officers, agents, directors, and employees, harmless from all claims, demands, or suits of any kind, including all legal costs and attorney's fees, resulting from the intentional misconduct of their employees or any negligent act or omission by their employees or agents. Neither JCI nor the Customer will be responsible to the other for any special, indirect, or consequential damages.

9. Disputes

If a dispute arises under this Agreement, the parties shall promptly attempt in good faith to resolve the dispute by negotiation. All disputes not resolved by negotiation shall be resolved in accordance with the Commercial Rules of the American Arbitration Association in effect at the time, except as modified herein. All disputes shall be decided by a single arbitrator. A decision shall be rendered by the arbitrator no later than nine months after the demand for arbitration is filed, and the arbitrator shall state in writing the factual and legal basis for the award. No discovery shall be permitted. The arbitrator shall issue a scheduling order that shall not be modified except by the mutual agreement of the parties. Judgment may be entered upon the award in the highest State or Federal court having jurisdiction over the matter. The prevailing party shall recover all costs, including attorney's fees, incurred as a result of this dispute.

10. Confidentiality

This agreement creates a confidential relationship between JCI and Customer. Both parties acknowledge that while performing this Agreement, each will have access to confidential information, including but not limited to systems, services or planned services, suppliers, data, financial information, computer software, processes, methods, knowledge, ideas, marketing promotions, current or planned activities, research, development, and other information relating to the other party ("Proprietary Information"). Except as authorized in writing both parties agree to keep all Proprietary Information confidential. JCI may only make copies of Proprietary Information necessary for performing its services. Upon cessation of services, termination, or expiration of this Agreement, or upon either party's request, whichever is earlier, both parties will return all such information and all documents, data and other materials in their control that contain or relate to such Proprietary Information.

JCI and Customer understand that this is a confidential project and agree to keep and maintain confidentiality regarding its undertaking of this project. JCI shall coordinate its services only through the designated Customer representative and shall provide information regarding this project to only those persons approved by Customer. JCI will be notified in writing of any changes in the designated Customer representative.

11. Miscellaneous Provisions

Any evaluation or implementation of disinfection or related technology is intended to be used as a tool for helping Customer manage its response to the unknown and challenging environment in which Customer is working to address the unprecedented COVID-19 pandemic, or to be prepared for future outbreaks of COVID-19 or other pandemics. JCI cannot guarantee that the products provided will prevent the spread of COVID-19 or any other disease or keep any person safe. JCI EXPRESSLY DISCLAIMS ANY WARRANTY THAT THE PRODUCTS WILL ELIMINATE, PREVENT, TREAT OR MITIGATE THE SPREAD, TRANSMISSION, OR OUTBREAK OF COVID-19 OR ANY OTHER PATHODEN, DISEASE, VIRUS, OR OTHER CONTAGION.

This Agreement cannot be assigned by either party without the prior written consent of the other party. This Agreement is the entire Agreement between JCI and the Customer and supersedes any prior oral understandings, written agreements, proposals, or other communications between JCI and the Customer. Any change or modification to this Agreement will not be effective unless made in writing. This written instrument must specifically indicate that it is an amendment, change, or modification to this Agreement.

This document represents the business intent of both parties and should be executed by the parties who would ultimately be signatory to a final agreement.

JOHNSON CONTROLS, INC.	CUSTOMER
By Bradford G. Estadt	**By** Ryan Garcia
Signature [signature]	**Signature** [signature]
Title Area General Manager	**Title** Executive Director ~~Director of Economic and Community Development~~
Date 10/24/2024	**Date** October 23, 2024

South Saint Paul Housing Authority

FIM List-POHP Loan Scope of Work

John Carroll Tower

Project Scope	Potential Funding Source
○ Building Envelope	Utility Savings/ Capital Contribution
○ Lighting	Utility Savings/ Capital Contribution
○ Water Improvements	Utility Savings/ Capital Contribution
○ Fire Sprinkler Repairs	HAI Group Loss Prevention Fund
○ HVAC – Water Source Heat Pump System	POHP
▪ Engineering	POHP
▪ Construction	POHP
▪ MetaSys Integration	POHP
○ MetaSys Upgrades (Existing HVAC Systems)	POHP
○ Card Access (Bldg & Unit)	Emergency Safety and Security Grant
○ Geo-Thermal (To be explored)	Geo-Thermal Planning Grant
○ Video System Upgrades	Emergency Safety and Security Grant
○ Electrical Upgrades	POHP (If no Grants can be identified)
▪ Panel Replacement (165 Units)	POHP (If no Grants can be identified)
▪ Main Service (PM or Full Replacement)	POHP (If no Grants can be identified)

Nan McKay

Project Scope	Potential Funding Source
○ Building Envelope	Utility Savings/ Capital Contribution
○ Lighting	Utility Savings/ Capital Contribution
○ Water Improvements	Utility Savings/ Capital Contribution
○ Solar PV	Solar For Public Buildings – 60% of cost (Remaining 40% from savings)
○ Roof Replacement	POHP
○ Fire Sprinkler Repairs	HAI Group Loss Prevention Fund
○ HVAC – Water Source Heat Pump System	POHP
▪ Engineering	POHP
▪ Construction	POHP
▪ MetaSys Integration	POHP
○ MetaSys Upgrades (Existing HVAC Systems)	Capital Contribution
○ Geo-Thermal (To be explored)	Geo-Thermal Planning Grant
○ Card Access (Bldg & Unit)	Emergency Safety and Security Grant
○ Video System Upgrades	Emergency Safety and Security Grant
○ Water Line Repair	Capital Contribution

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

Special Attention of:
Public Housing Agency Directors;
Public Housing Field Office Directors

Notice PIH 2023-10

Issued: April 21, 2023

Expires: This Notice supersedes Notice PIH 2022-05. This Notice remains in effect until amended, superseded, or rescinded.
Cross References: Public Law No: 117-103, 116-260, Public Law 116-94, Public Law 113-76, Public Law 113-6, Public Law 112-55, Public Law 111-117, 24 CFR 905.200(b), 24 CFR 905.204, and Section 9(d) of the United States Housing Act of 1937

Subject: Emergency Safety and Security Grants Annual Funding Notification and Application Process

1. PURPOSE

This Notice provides guidance to public housing agencies (PHAs) on how to apply for Capital Fund Emergency Safety and Security Grants (ESSG) to fund safety and security emergencies. A "safety and security emergency" is defined as an emergency that may arise from: 1) an immediate need for funding by the PHA to implement safety and security measures necessary to address crime and drug-related activity; or 2) a safety emergency which requires the purchase, repair, replacement, or installation of carbon monoxide alarms/detectors, and or smoke/heat alarms/detectors.

2. BACKGROUND

Each year, funds within the Public Housing Fund appropriation are set aside to fund emergencies and natural disasters, specifically to address needs resulting from unforeseen or unpreventable emergencies and natural disasters, excluding Presidentially Declared disasters, occurring in the current fiscal year. Within the set-aside, Congress may appropriate specific funding to provide assistance to PHAs for emergency capital needs for safety and security, including measures necessary to address crime and drug-related activity.

Effective with PIH Notice 2019-22, the Department included the threat of carbon monoxide poisoning as a potential emergency safety need for public housing residents; and the Department may elect to include costs for the purchase, repair, replacement, or installation of carbon monoxide detectors as eligible activities for ESSG funding. The Department is also including purchase, repair, replacement, or installation of heat/smoke alarms/detectors as eligible activities for ESSG funding. PHAs are also reminded that emergency safety and security needs are eligible Capital Fund costs within annual formula Capital Fund grants.

The Department has the discretion to set aside a portion of the Emergency and Disaster Reserve specifically for emergency safety and security funding. The Department has the discretion to award funds beyond the initial set-aside amount if additional current year, or prior year, funding becomes available after initial grant awards are made. To the extent allowed by appropriations, HUD will use the same list of qualified applicants to make the additional awards.

3. GRANT AWARD LIMIT

PHAs may submit separate applications for funding to address crime and drug-related activity and for funding for the purchase, repair, replacement, or installation of carbon monoxide alarms/detectors, and/or smoke/heat alarms/detectors.

ESSG funding **will be limited to an overall total of $250,000 per PHA per Federal Fiscal Year** (whether for security measures to address crime and drug-related activity and/or for the purchase, repair, replacement, or installation of carbon monoxide alarms/detectors, and or smoke/heat alarms/detectors). A PHA's funding award will be based on a number of factors including the proposal's cost estimate, the number of units identified within the application, as well as the description of the identified emergency safety and security need.

A PHA may submit an application for funding for one or more of its projects as long as its request does not exceed an overall total of $250,000 per application cycle. A PHA is **ineligible** to receive emergency safety and security funding if it has previously received emergency safety and security funding for the same project(s) and for the same broad purpose (that is, crime and drug-related activity or the purchase, repair, replacement, or installation of carbon monoxide alarms/detectors, and/or smoke/heat alarms/detectors) for which the funds are currently being requested.

4. SUBMISSION REQUIREMENTSAND DEADLINE

PHAs will be notified of ESSG funding availability each fiscal year via electronic mail and a notice will be posted on the OCI website with the due date for applications.

PHAs will be given at least 6 weeks of notice prior to the due date from the time the electronic mail notifications are sent. PHAs seeking emergency safety and security funding must submit a completed application package (see Section 5 below for all of the documents and forms) by electronic mail delivery to the HUD Office of Capital Improvements (OCI) mailbox.

The due date for applications will be posted on the OCI website. All applications including any amendments to applications received by close of business on the due date will be reviewed for funding eligibility.

5. HOW TO APPLY

A. Submit Form HUD-50075.1, Annual Statement (only Parts I and II): Include data specific to the proposed Emergency Safety and Security grant. Do not submit information on the current PHA Annual Statement. The proposed work does not need to be included in the PHA's 5-year plan. Moving to Work (MTW) agencies may submit a grant budget in lieu of the HUD-50075.1.

B. Provide a thorough yet concise description and/or explanation of how the PHA has experienced an increased threat to the health and safety of the public housing residents within the narratives requested below.

1. PHAs MUST provide a thorough explanation of how the identified crime or drug-related activity at the PHA or in the close vicinity of the PHA has increased the threat to the health and safety of the public housing residents at the projects for which emergency safety and security improvements are proposed in the PHA application, or how the PHA has determined a safety emergency which requires the purchase, repair, replacement, or installation of carbon monoxide detectors or fire related detectors (described below).

2. **All safety and security emergencies must have occurred or have been determined within the Federal Fiscal Year (October 1 —September 30) in which the funds were appropriated.**

3. PHAs that apply for emergency safety and security funding are expected to have taken adequate safety and security measures to minimize and avoid costly emergency situations prior to requesting emergency safety and security funds. Whether a PHA's safety and security needs merit emergency safety and security funding, made available through this Notice, will be determined by the Department based on requirements described in this notice.

C. Describe the activities that will be undertaken to correct the emergency and the estimated cost. Include a statement that the PHA has not previously received emergency safety and security funding for the project or projects for which the PHA is currently requesting emergency safety and security funding.

D. If the cost estimate exceeds the $250,000 maximum grant size, the PHA must include documents indicating other funds, including Capital Funds, that are available to cover the proposal's additional costs. Funds must be from a source that is currently available to the PHA as of the date of application submission.

E. **For Crime and Drug Emergency Funding, PHAs should submit** a narrative describing the increased threat to health and safety of residents. This description must focus on crime on the PHA property, not just crime in the city. The PHA must provide specific examples of crime occurring at the PHA or in close vicinity. The narrative must be from one of the following sources:

1. PHA officials, Resident Advisory Boards, or PHA security personnel;

2. Local Community Policing Organizations;

3. Local officials (e.g., business council executives, or city council executives); and

4. Local Crime Data for the current fiscal year that indicates an increased threat to the health and safety of residents. This must be from a recognized source including but not limited to:
   a. Local law enforcement reports;
   b. Uniform Crime Reports;
   c. PHA police data;
   d. PHA incident reports;
   e. Newspaper articles (about crime on PHA property);
   f. Internet crime data such as Neighborhood List Serves that lists types and numbers of offenses; and
   PHAs must indicate the source of the crime data in the narrative and must include a summary of the crime data by general crime category, (e.g., murders, assaults, property damage, and property break-ins).

F. **For safety and security emergencies related to the threat to health posed by carbon monoxide and/or fire, PHAs should submit**:

1. For Carbon Monoxide alarms/detectors: description of the presence and location of fuel-burning devices and/or attached garages; including a description of the proximity of the devices to the number of impacted dwelling units;

2. For Smoke/heat alarms/detectors: description of the threat to health and safety of residents posed by fire; and

3. The status of carbon monoxide alarms/detectors, and or smoke/heat alarms/detector in the potentially impacted units, including whether carbon monoxide alarms/detectors, and or smoke/heat alarms/detectors currently exist and, if so, the need for repair or replacement.

6. ELIGIBLE USES OF EMERGENCY SAFETY AND SECURITY FUNDING

Emergency Safety and Security grants can only be used to cover eligible expenses as defined below to address threats to resident safety caused by a safety and security emergency. Grants must be used for Capital Fund eligible items that address an emergency capital need (see 24

C.F.R. § 905.200(b), Eligible Activities of the Capital Fund). The capital need request must address the identified threat posed to the health and safety of a PHA's public housing residents by crime and drug-related activity, fire, or by the potential for carbon monoxide poisoning.

The intent of these grants is to provide one-time project-specific assistance for emergency safety and security items that could not be absorbed within the PHA's Capital Fund budget. Emergency Safety and Security eligible items must meet Uniform Physical Condition Standards (UPCS) and local code requirements for egress where necessary. Any physical modifications must comply with all applicable Federal accessibility requirements, including under Section 504 of the Rehabilitation Act, Title II of the Americans with Disabilities Act, and the Fair Housing Act.

A. Emergency Safety and Security grant funds may be used to purchase, install, repair, or replace capital needs items including, but not limited to:

1. **Items that address the threat to safety posed by crime and drug-related activity**:
    a. Security systems/cameras including digital video recorders, license plate readers, and secure Wi-Fi transmission of video signal. (Note: Per 2 C.F.R. § 200.216 and Public Law 115-232, section 889, Safety and Security grantees are prohibited from using grant funds to purchase, lease, or renew or extend contracts for security equipment produced by the Huawei Technologies Company or the ZTE Corporation (or any subsidiary or affiliate of such entities);
    b. Fencing;
    c. Lighting systems;
    d. Emergency alarm systems;
    e. Window bars;
    f. Deadbolt locks;
    g. Doors;
    h. Salaries for maintenance staff that is being utilized for Emergency Safety and Security grant eligible activities (e.g., to install, replace or repair carbon monoxide detectors, security camera systems, fencing, lighting systems, emergency alarm systems, doors, locks window bars pursuant to Force Account requirements (see 24 C.F.R §.905.314(j))

2. **Items that address the threat to health and safety posed by the presence of carbon monoxide and/or fire that are installed in accordance with the International Fire Code 2018 standards.** Devices can include:
    a. Carbon Monoxide Alarm: A single or multiple station alarm intended to detect carbon monoxide gas and alert occupants by a distinct audible signal (for common areas and accessible units should also have a visual alarm). It incorporates a sensor, control components and an alarm notification appliance in a single unit.
    b. Carbon Monoxide Detector: A device with an integral sensor to detect carbon monoxide gas and transmit an alarm signal to a connected alarm control unit. Detectors can be hard wired or with sealed batteries.

c. Smoke/Heat Alarm: A single or multiple station alarm intended to detect smoke and/or heat and alert occupants by a distinct audible signal (for common areas and accessible units should also have a visual alarm). It incorporates a sensor, control components and an alarm notification appliance in a single unit.

d. Smoke/Heat Detector: A device with an integral sensor to detect smoke and/or heat and transmit an alarm signal to a connected alarm control unit. Detectors can be hard wired or with sealed batteries.

Note: Smoke alarms must be sealed or hard-wired devices that meet the requirements of section 601 of Title VI, "Smoke Alarms in Federally Assisted Housing" in the Consolidated Appropriations Act, (Public Law 117-328 enacted December 29, 2022) which added section 3(a)(9) to of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)) https://www.congress.gov/117/bills/hr2617/BILLS-117hr2617enr.pdf

B. Non-Eligible Uses

1. Any equipment that is purchased, leased, or contracted for security that is produced by the Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities)

2. Patrol cars

3. Salaries for PHA security staff

4. Automated surveillance and facial recognition technology

5. Security Patrol Contracts or payment to local law enforcement for additional security or purchase of equipment for local police

6. Budget Line Item (BLI 1410) Administrative expenses

7. Transferring emergency safety and security funding to Operations (BLI 1406) budget line item.

8. Ongoing monitoring fees for security equipment/systems (i.e., gunshot detection system monitoring, security alarm system monitoring) and ongoing service or maintenance contracts for emergency safety and security related equipment or systems

7. FUNDING

Applications received by the due date will be reviewed to assess whether they meet the eligibility criteria of this notice. In particular, the Department will assess the safety and security needs of each PHA through a review of the application submissions as described in Section 5. All applicants will be notified of the Department's funding decisions. Should set-aside funding available exceed the amount of funding requested by the due date for eligible applications, all on-time eligible applications may be funded. Eligible applications will be funded until the set-aside is exhausted.

Should funding requested as a result of eligible applications exceed available funds, the Department will select eligible applications for funding through a lottery process designed to achieve a broad national distribution of funds, based on the Departmental Regions (Regions 1 through 10). At a minimum, set-aside funding would fund at least one application in each Region, assuming eligible applications from each Region and sufficient available funds.

8. REQUIREMENTS FOR FUNDING

A. **A PHA faced with a safety and security emergency may be eligible for funding provided that the PHA is in compliance with Fair Housing and Civil Rights Laws, which encompass the Fair Housing Act and related authorities**. Recipients and their subrecipients must comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105(a), including, but not limited to, the Fair Housing Act; Title VI of the Civil Rights Act of 1964; Sections 504 and 508 of the Rehabilitation Act of 1973; Title II and Title III of the Americans with Disabilities Act of 1990. Section 109 of the Housing and Community Development Act of 1974, Age Discrimination Act, Architectural Barriers Act, Title IX of the Civil Rights Act of 1964, Executive Orders 11063, 12892, 12898, and 13166 may also apply.

B. **A PHA is ineligible to receive funding under this Notice if it has received any of the following charges, cause determinations, lawsuits, or letters of findings, and the outstanding civil rights matter is not resolved to HUD's satisfaction before the application deadline:**

1. The PHA has been charged with a systemic violation of the Fair Housing Act or received a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of a substantially equivalent state or local fair housing law proscribing discrimination because of race, color, religion, sex, national origin, disability, or familial status;

2. The PHA is a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging a pattern or practice of discrimination or denial of rights to a group of persons raising an issue of general public importance pursuant to 42 U.S.C. 3614(a);

3. The PHA is a defendant in any other lawsuit filed or joined by the Department of Justice, or in which the Department of Justice has intervened, or filed an amicus brief or statement of interest, alleging a pattern or practice or systemic violation of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Americans with Disabilities Act, or a claim under the False Claims Act related to fair

housing, nondiscrimination, or civil rights generally including an alleged failure to affirmatively further fair housing;

4. The PHA has received a letter of findings identifying systemic noncompliance under Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, or the Americans with Disabilities Act;

5. The PHA has received a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of provisions of a state or local law proscribing discrimination in housing based on sexual orientation or gender identity; or

6. The PHA has received a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of a state or local law proscribing discrimination in housing based on lawful source of income.

   HUD will determine if actions to resolve the charge, cause determination, lawsuit, or letter of findings taken before the application deadline date will resolve the matter. Examples of actions that may be sufficient to resolve the matter include, but are not limited to:
   a. Current compliance with a voluntary compliance agreement signed by all the parties;
   b. Current compliance with a HUD-approved conciliation agreement signed by all the parties;
   c. Current compliance with a conciliation agreement signed by all the parties and approved by the state governmental or local administrative agency with jurisdiction over the matter;
   d. Current compliance with a consent order or consent decree;
   e. Current compliance with a final judicial ruling or administrative ruling or decision; or
   f. Dismissal of charges.

C. Economic Opportunities for Low-and Very Low-income Persons (Section 3).
Recipients of emergency safety and security assistance under the Capital Fund must comply with Section 3 of the Housing and Urban Development Act of 1968 (Section 3), 12 U.S.C. 1701u (Economic Opportunities for Low- and Very Low-Income Persons in Connection with Assisted Projects), and the HUD regulations at 24 CFR part 75. The regulations at 24 CFR part 75 implementing Section 3 ensure, to the greatest extent feasible, that training, employment, contracting and other economic opportunities be directed to low- and very low-income persons, especially recipients of government assistance for housing, and to businesses that provide economic opportunities to low-and very low-income persons where a proposed project is located. HUD encourages recipients to search the national Section 3 Business Registry to find local businesses that prioritize hiring Section 3 residents.

D. Personally Identifiable Information (PII). HUD is required to safeguard PII, in accordance with the E-Government Act of 2002 and the Privacy Act of 1974, as amended. PII is any data that could potentially be used to identify a particular person. Examples include a full name, Social Security number, driver's license number, bank account number, passport number, and email address.

9. EPIC DOCUMENT PACKAGE FOR PHAS AWARDED SAFETY AND SECURITY GRANTS UNDER THIS NOTICE

A. PHAs that are awarded Safety and Security Grants must submit the following forms in the EPIC Document Package:

1. **Form HUD-50071, Certification of Payments to Influence Federal Transactions**
2. **Standard Form (SF)-LLL, Disclosure of Lobbying Activities**. Note: This form is available at Forms.gov. Depending on the amount of appropriated funds received, PHAs must submit the certification in Appendix A to 24 CFR Part 87 even if they have not participated in any lobbying activities, per 24 CFR Part 87. PHAs must submit Appendix B to Part 87 (SF-LLL) if the PHA has agreed to make any payment using non-appropriated funds which would be prohibited and if paid for with appropriated funds.
3. **Certification of Compliance with PHA Plans and Related Regulations**. PHAs are required to submit one of the following:
   a. **For PHAs with 250 units or more**: Form HUD-50077-ST-HCV-HP, PHA Certifications of Compliance with PHA Plans and Related Regulations (Standard, Troubled, HCV-Only, and High Performer PHAs).
   b. **For PHAs with less than 250 units**: HUD-50077-CRT-SM, Certification of Compliance with PHA Plans and Related Regulations (Small PHAs).

In lieu of submitting a new form, PHAs may provide a copy of the HUD-50077-ST-HCV-HP or HUD-50077-CRT-SM, from the most recent PHA Plan submission (do not submit entire PHA Plan).

4. MTW agencies may submit a copy of the MTW certifications of compliance submitted with the most recent MTW Agency Plan.
5. **A statement certifying that the PHA is in compliance with the civil rights threshold requirements set forth at Section 8.B. of this Notice.**

10. MANAGING EMERGENCY SAFETY AND SECURITY GRANTS

Emergency Safety and Security grants should be managed in the same manner as grants provided by the Department for unforeseeable or unpreventable emergencies (see 24 C.F.R § 905.204). Therefore, PHAs have **1 year to obligate** and **2 years to expend** Emergency Safety and Security grant funds. If the PHA receives funding in excess of the costs incurred to address the safety and security emergency, the PHA must notify the Department and return the excess funds.

11. PROJECTS WITH A RENTAL ASSISTANCE DEMONSTRATION (RAD) CONTRACT FOR HOUSING ASSISTANCE PAYMENTS (CHAP) NOT ELIGIBLE

Projects that have a CHAP for the project are not eligible for Emergency Safety and Security funding. If a PHA receives a CHAP for conversion of a project after receiving emergency safety and security funding and prior to fully expending the grant, the PHA will be required to return all unexpended funds. If a PHA receives a CHAP for partial conversion of a project after receiving emergency safety and security funding and prior to fully expending the grant, the PHA will not be allowed to expend any additional funds on the units to be converted and will be subject to a partial recapture of funds.

12. PAPERWORK REDUCTION ACT

The information collection requirements contained in this document are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 2510-3520). In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. The OMB control number for the Capital Fund is: 2577-0157.

13. CONTACT INFORMATION

For general questions, please call the Office of Capital Improvements at 202-402-4799 (TTY 800877-8339) or send an email to safetyandsecurityquestions@hud.gov. Please email a copy of the application in **Portable Document Format (.pdf)** with all applicable documents listed in **Section 5** above to the PIH OCI at PIHOCI@hud.gov.

Dominique Blom
General Deputy Assistant Secretary
Public and Indian Housing

Publicly Owned Housing Program Appropriations Round

Program Guide

January 2025

EQUAL HOUSING OPPORTUNITY

The Minnesota Housing Finance Agency does not discriminate on the basis of race, color, creed, national origin, sex, religion, marital status, status with regard to public assistance, disability, familial status, gender identity, or sexual orientation in the provision of services.

An equal opportunity employer.

This information will be made available in alternative format upon request.

January 2025

Contents

Values Statement 1

Chapter 1 – Program Background and Purpose 2

1.01 Funding Availability 2

1.02 Terms and Definitions 3

1.03 Legal Addendum 3

Chapter 2 – Eligibility Criteria 4

2.01 Eligible Properties 4

2.02 Eligible Applicants 4

2.03 Income Limits 5

2.04 Eligible Uses 5

2.05 Ineligible Use(s) of Funds 5

Chapter 3 – Application Requirements 7

3.01 Applicant Responsibilities 7

3.02 Application Deadline/Application Submission 7

3.03 Application Content 7

3.04 Rehabilitation Scope of Work 8

3.05 Leverage 9

3.06 Relocation Plan 10

Chapter 4 – Selection Process 11

4.01 Application Review 11

4.02 Selection Notification 11

Chapter 5 – Post-Selection Processing and Loan Terms and Conditions 12

5.01 Intake and Technical Assistance Kickoff Meeting 12

5.02 Due Diligence Checklists 12

5.03 Issuance of Loan Commitment/Loan Closing 12
5.04 Loan Types 12
5.05 Loan Terms 13
5.06 Transfers of Ownership 13
5.07 Prepayment 14
Chapter 6 – Design Review and Construction Management 15
6.01 Plan Review and Plan Approval 15
6.02 Environmental Standards 15
6.03 Architectural Services 16
6.04 Design-Build Design and Construction Delivery 16
6.05 Energy Rebate Analysis 16
6.06 Construction Management 16
6.07 Construction Loan – Request for Funds Process 16
Chapter 7 – Compliance Monitoring and Reporting 18
7.01 Compliance Monitoring Requirement 18
7.02 Compliance Reporting Requirement 18
7.03 Compliance Term 18
Appendix A – Terms and Definitions 19
Appendix B – Legal Addendum 21
1.01 Conflict and Control 21
1.02 Fraud 21
1.03 Misuse of Funds 21
1.04 Conflict of Interest 21
1.05 Assistance to Employees and Affiliated Parties 23
1.06 Suspension 23

1.07 Disclosure and Reporting....24
1.08 Electronic Signatures....24
1.09 Fair Housing Policy....24
1.10 Minnesota Government Data Practices....26
1.11 Prevailing Wage....26

Values Statement

All Minnesotans live and thrive in a stable, safe and accessible home they can afford in a community of their choice. To achieve the concept of One Minnesota where everyone thrives, we will reorient how we work and expand who has a voice at the table and who participates in and benefits from the housing economy.

We will:

- Center the people and places most impacted by housing instability at the heart of our decision making,
- Listen and share the power we have,
- Honor, respect and strengthen communities, and
- Be inclusive, equitable, just and antiracist in our action.

Chapter 1 – Program Background and Purpose

The Publicly Owned Housing Program (POHP) was first established by the Minnesota Legislature in 2005 to offer assistance to Housing and Redevelopment Authorities (HRAs), Public Housing Authorities (PHAs), and Community Development Agencies (CDAs) that provide Public Housing to individuals and families (households with children) and is implemented through Minnesota Statute 462A.202. Historically, POHP has been funded by the sale of General Obligation (GO) Bonds.

In 2023, the Minnesota Legislature issued one-time state appropriations totaling $45,132,000 in Minnesota Laws 2023, chapter 37, article 1, section 2, subdivision 34 together with Minnesota Laws 2023, chapter 71, article 1, section 16, subdivision 2 for the purposes of rehabilitating and preserving Public Housing.

$5,000,000 of the one-time appropriations was awarded to Minneapolis Public Housing Authority. The remaining $40,132,000 will be distributed through a competitive Request for Proposals (RFP) process, to selected POHP applicants, in the form of zero interest, deferred, forgivable loans with a 20-year term.

Priority uses of POHP funds include:

- Rehabilitation of Public Housing, particularly to address:
  - Health and life safety
  - Accessibility
  - Energy and water efficiency/climate resiliency and sustainability
  - Critical needs that have an expected useful life of more than 10 years
- Improvements of a capital nature

1.01 Funding Availability

- Minnesota Housing may fund all or part of a project identified within the application.
- There is no minimum or maximum loan request limit.
  - Minnesota Housing requires leveraged resources, though there is no minimum percentage required
  - Minnesota Housing prioritizes project proposals that maximize federal resources such as capital funds, or local (non-state) resources such as philanthropic, community foundation, and/or utility rebates
- All HRAs, PHAs, CDAs, Tribal Entities and owners of Public Housing that have been repositioned, as described in this Appropriations Round Program Guide, are encouraged to apply, even if they have limited leveraged resources.

1.02 Terms and Definitions

Appendix A (Terms and Definitions) of this document includes definitions of capitalized terms used in this Appropriations Round Program Guide.

1.03 Legal Addendum

Any recipient of an award pursuant to POHP agrees to comply with the additional requirements and obligations as described in Appendix B (Legal Addendum) of this Appropriations Round Program Guide.

Chapter 2 – Eligibility Criteria

2.01 Eligible Properties

In order to be eligible, properties must be:

- Public Housing, defined as housing for low-income persons and households that is:
  - Financed by the federal government and publicly owned;
  - Financed by the federal government and owned by a Tribal Entity, or
  - Housing that has been repositioned under the federal Rental Assistance Demonstration (RAD) or similar program
- An existing building(s)

All types of Public Housing (e.g., single family scattered site, duplexes, townhomes and high rises) are eligible to apply.

Applicants may apply for more than one development; however, the development must contain a minimum of four units. Because of the limited amount of POHP funding available, it is advisable to prioritize which development has the most imminent needs.

2.02 Eligible Applicants

In order to be eligible, applicants are required to:

- Have the authority to own and operate the project
- Enter into the loan agreements required by Minnesota Housing
- Comply with the requirements of Minn. Stat. 462A.202
  - The priority in Minn. Stat. 462A.202, subdivision 3a, for projects to increase the supply of affordable housing, and the restrictions of Minn. Stat. 462A.202, subd. 7 do not apply to this appropriation
- Be a(n)
  - Tribal Entity or
  - Local unit of government such as a city, county, HRA, PHA, or CDA, as described in Minn. Stat. 462C.02, subd. 6, or
  - Owner of a Public Housing building that had been repositioned under the federal Rental Assistance Demonstration (RAD) or similar program
- Directly operate and manage the project

2.03 Income Limits

All units in a project financed with POHP funds must be occupied by households whose income at the time of initial occupancy does not exceed the maximum household income as determined by HUD's Office of Public and Indian Housing.

Under specific circumstances, Minnesota Housing may allow unrestricted unit(s); for example unit(s) for caretaker and/or security personnel. This is an important consideration when applying for funds, as the number of income-restricted units will need to comply for the entire 20-year compliance period.

2.04 Eligible Uses

Eligible uses of funds include but are not limited to:

- Expenditures of a capital nature such as design, rehabilitation, or major remodeling
- Major roof reconstruction or replacement
- Major window replacement
- Heating and cooling system replacement
- Elevator upgrades
- Installation or modernization of fire alarm(s) and/or fire suppression systems
- Other improvements that add value or life to a building and that are not of a recurring nature; these improvements must have an expected useful life of at least 10 years

An application may contain multiple work items. Minnesota Housing will review these items individually and determine how they pertain to the stated priorities of the program (health and life safety, accessibility, energy and water efficiency/climate resiliency and sustainability, and critical needs).

Applicants may request a project management fee not to exceed 5% of the net total development cost. The fee may be used to pay for soft costs directly related to costs associated with applying for POHP funds. Such costs may include administrative expenses, processing agent fees, or construction management fees.

All expenditures must be project specific and considered reasonable expenses associated directly to the proposed POHP renovation project.

2.05 Ineligible Use(s) of Funds

Ineligible uses of funds include but are not limited to:

- Expenditures that are not of a capital nature, do not add value or life to a building, or are of a recurring nature

- Operating expenses and costs, reserves, market studies, up-front marketing expenses, hazard and liability insurance, legal fees not attributable to the betterment of the property, relocation expenses, and ongoing maintenance expenses such as regularly scheduled preventive maintenance of building systems that help to ensure proper functioning of affected systems (ex. boilers, furnaces, heat pumps, etc.)
- Expenses that are incurred prior to formal Minnesota Housing board approval, with the exception of project specific pre-renovation fees associated with scope of work development, design, or engineering specifications
- New construction of Public Housing

Chapter 3 – Application Requirements

3.01 Applicant Responsibilities

The applicant is responsible for understanding the submission requirements necessary for a complete application.

All applicants are required to schedule at least one technical assistance meeting either in person, virtually, or via phone with POHP staff prior to submitting an application. To schedule a technical assistance meeting, contact Cheryl Rivinius at 651.296.3705 or cheryl.rivinius@state.mn.us.

Application materials are available on Minnesota Housing's Publicly Owned Housing Program (POHP) webpage.

3.02 Application Deadline/Application Submission

A complete application must be submitted no later than the application due date in order to be considered for selection. Applications must be submitted using Minnesota Housing's Multifamily Customer Portal, which is a web-based system that facilitates the application and post-selection process for developers seeking funding from Minnesota Housing for affordable rental housing.

Information about setting up an account, "how to" guides providing details on navigating the Multifamily Customer Portal, and log in access can be found on the Multifamily Customer Portal Resources webpage.

The RFP process is highly competitive in nature. A typical funding round will result in requests that far exceed the amount of funding that is available. Minnesota Housing, in its sole discretion, reserves the right to request additional information or to deem an error related to an application to be immaterial.

For each funding round, applicants must use the most current version of application forms found on Minnesota Housing's Publicly Owned Housing Program (POHP) webpage.

3.03 Application Content

A separate, *complete application* must be submitted for each project.

The application package must include all of the following:

- Application and Certification
- Self-Scoring Worksheet
- Documentation of renter incomes (names removed) for eligible property; this is for scoring purposes only
- POHP Workbook

- Most current Five-Year Capital Fund Program (CFP) Action Plan
- Most recent capital needs assessment and any updates
- One- or two-year current audited financial statements
- Annual operating budget for applicant entity
- Most recent Real Estate Assessment Center (REAC) inspection report or NSPIRE report
- Applicant Certification of Known Environmental Conditions
- Photographs of overall property, existing conditions, and proposed improvement areas
- If available, provide any other information deemed appropriate to support the application, including currently available architectural or engineering plans such as site plans, floor plans, exterior building elevations, product specifications, elevator modernization proposals, 3D renderings, most recent energy audit, etc.

3.04 Rehabilitation Scope of Work

In general, rehabilitation scope of work items eligible for consideration under POHP must include durability and have an expected useful life of at least ten years. Rehabilitation scope of work items eligible for consideration under POHP may include but are not limited to:

Health and Life Safety

Eligible health and life safety rehabilitation items include but are not limited to:

- Building or fire code violations such as fire alarms, smoke alarms, GFCI/AFCI protection, carbon monoxide (CO) alarms, nitrogen dioxide (NO_2) alarms, fire egress, and elevator upgrades
- Environmental remediation for mold, radon, friable asbestos, lead-based paint hazards, soil vapor, and sound/noise
- Site improvements to correct tripping/fall hazards or other unsafe site conditions
- Replacement, repair, or removal of any conditions of imminent structural collapse or failure
- Building envelope work to adequately prevent water or air penetration and prevent mold or other unsafe interior health and life safety conditions
- Repair or replacement of systemic leaky or failed water and sewer piping
- Repairs or replacement of mechanical equipment, controls, ductwork, etc.
- Remedies to provide proper clothes dryer venting and natural gas combustion equipment venting
- Installation or modernization of fire suppression systems

Accessibility

Eligible accessibility rehabilitation items include but are not limited to:

- Compliance with section 504 of the Rehabilitation Act of 1973, the Architectural Barriers Act, the Fair Housing Act, the Americans with Disabilities Act (ADA), and state accessibility requirements
- Improvements such as Universal Design features, reasonable accommodations requests, and aging-in-place features

Energy and Water Efficiency/Climate Resiliency and Sustainability

Eligible energy and water efficiency/climate resiliency and sustainability rehabilitation items include but are not limited to:

- Replacement of inefficient plumbing fixtures with water conserving fixtures
- Replacement of inefficient/antiquated Heating Ventilating and Air Conditioning (HVAC), lighting, controls, etc.
- Weatherization improvements such as additional insulation, air-bypass sealing, exterior window/door upgrades, or other energy efficiency strategies
- Installation of renewable energy systems may be considered if supported by a third-party analysis with a simple 10-year payback
- Upgrades in materials/building modifications to withstand extreme weather impacts; for example, fortified roofing, floodproofing (such as elevating mechanicals), increasing envelope efficiency, and flood resilient elevators
- Improvements to prepare the building for climate resilient/sustainable systems that will be installed in the near future

Critical Needs

Eligible critical needs rehabilitation items include but are not limited to:

- Replacement or repair of items that outlived their expected useful life of at least ten years, are antiquated, worn-out, or simply inoperable
- Conditions determined to be critical via a certified HUD Universal Physical Condition Standard (UPCS), or Real Estate Assessment Center (REAC) Deficiencies inspection report or NSPIRE
- Any work described in Minnesota Housing's Multifamily Rental Housing Design/Construction Standards (RHD/CS), Chapter 8 – Critical Physical Needs and Preservation Funded Projects

3.05 Leverage

For leverage, an applicant may submit an application showing the commitment of a portion of their capital fund; however, if the applicant is selected for funding, the loan can not close until these capital funds are available.

An applicant may commit unissued bond proceeds as leverage; however, the POHP loan cannot close until funds have been received. Applicants should be cautious in offering bond proceeds as leverage in the event the bonds are not issued.

3.06 Relocation Plan

Minnesota Housing prohibits involuntary displacement of residents from developments receiving Minnesota Housing funding. All existing developments must submit a relocation plan that addresses both temporary relocation and permanent voluntary displacement. The applicant must thoroughly assess the potential for displacement.

The plan must include:

- A description of the project
- Whether another funding source will require compliance with the Uniform Relocation Act (URA)
- A description of any temporary relocation, if any, that will occur based on the scope of work
- A description of how tenants' needs will be accommodated while they are temporarily displaced
- A description of how tenants with special needs will be accommodated
- A description of what the development team will do to help displaced tenants who have additional challenges when facing temporary or permanent voluntary relocation; for example, households with a large family size
- A description of any social, disability, or other services to be used
- The assistance and compensation that will be offered to tenants who will either be temporarily relocated or permanently and voluntarily displaced
- An estimated budget identifying relocation/displacement expenses and an identified funding source
- A relocation plan timeline

Chapter 4 – Selection Process

4.01 Application Review

Minnesota Housing staff will review all POHP submissions after the application process has closed.

Minnesota Housing will review RFP applications for:

- Program eligibility
- Owner capacity
- The applicant's ability to leverage POHP funds with non-state resources

Applications will be reviewed based on the following criteria:

- Scope of work and immediacy of need
- Anticipated operational or utility cost savings
- Geographic distribution of applicants
- First time or repeat applications
- Leverage
- Applicant capacity, including financial capacity

Repositioned projects that cannot use the proceeds of GO Bonds may be given priority this funding round, but geographic balance will also be an important consideration.

A site visit may be conducted by Minnesota Housing staff based on the proposed scope of work and construction costs.

Minnesota Housing's POHP selection committee will review all proposals and provide recommendations for funding. Recommendations are presented to various staff internally and, if approved, recommendations will then be presented to Minnesota Housing's board for final approval.

4.02 Selection Notification

Applications recommended for further consideration and additional technical assistance will be presented to Minnesota Housing's board. All applicants will be notified of their status after Minnesota Housing's board has taken action.

Once selected, applicants have 20 months to secure a Loan Commitment for an End Loan or hold a Construction Loan closing.

Chapter 5 – Post-Selection Processing and Loan Terms and Conditions

5.01 Intake and Technical Assistance Kickoff Meeting

Projects that are selected for further consideration will be required to participate in an initial intake and technical assistance meeting. The purpose of the meeting is to review the details of the proposal and the specific requirements of the funding source.

The initial intake and technical assistance meeting will include the discussion of:

- The proposed scope of work
- The need for a third-party capital needs assessment
- The need for architectural and/or engineering services
- Required environmental studies
- The potential for a project processing agent
- Whether a general contractor will be required

Minnesota Housing staff will explain POHP due diligence requirements necessary to obtain a Loan Commitment for an End Loan and a Construction Loan closing.

5.02 Due Diligence Checklists

Following selection, POHP recipients are required to submit due diligence items to proceed to a Construction Loan closing or a Loan Commitment for an End Loan. Separate checklists exist for Construction Loans and End Loans, and can be found on Minnesota Housing's Publicly Owned Housing Program (POHP) webpage.

Due diligence items will be submitted via the Multifamily Customer Portal.

5.03 Issuance of Loan Commitment/Loan Closing

Once due diligence and design reviews are complete, Minnesota Housing will issue a Loan Commitment for End Loans or conduct a loan closing for Construction Loans. POHP recipients can begin rehabilitation activities once the commitment is issued or the closing has taken place. Construction work should not begin prior to issuance of a Loan Commitment or a Construction Loan closing.

5.04 Loan Types

The Loan Commitment term and closing date are determined by the type of loan the applicant requests:

- **Construction Loan** – A construction/permanent, long-term loan to finance construction/rehabilitation and eligible soft costs. The loan funds are advanced incrementally during construction/rehabilitation. The Construction Loan must close within 20 months from the initial Minnesota Housing board approval date.
- **End Loan** – A permanent, long-term loan that is used to pay off a short-term construction/rehabilitation loan or other form of interim financing. The project must enter into a Loan Commitment for an End Loan within 20 months of board approval. The project must be completed, and the loan closed within 18 months once the Loan Commitment for an End Loan is issued.

Either loan type may be available with Minnesota Housing approval.

If an applicant does not enter into a Loan Commitment for an End Loan or Construction Loan closing within the 20-month term, Minnesota Housing reserves the right to recapture funds or require a commitment extension.

5.05 Loan Terms

Selected proposals will be awarded funding in the form of a zero interest, deferred, forgivable loan with a 20-year term. At the end of the 20-year term, the debt will be forgiven if no event of default has occurred.

Minnesota Housing reserves the right to review the applicant's POHP eligibility and potential ability to repay POHP funds if the applicant should no longer participate in HUD's Public Housing Program, Rental Assistance Demonstration (RAD), or similar program.

At the time of the project loan closing, a Declaration of Covenants, Conditions, and Restrictions (Affordability Declaration) is recorded against the property. A Subsidy Declaration may also be recorded against the property if it has been repositioned. The Affordability and/or Subsidy Declaration(s) must have priority over all liens filed against the property.

5.06 Transfers of Ownership

Sale of the property to another eligible borrower and assumption of the loan must be pre-approved in writing by Minnesota Housing. Approval must be requested through the Request for Action (RFA) process. Approval is at Minnesota Housing's sole discretion and will only be considered (but not guaranteed to be approved) if:

- The borrower is not in default of any of its agreements with Minnesota Housing
- The new entity is creditworthy, in Minnesota Housing's sole opinion
- The new entity assumes all contractual obligations with Minnesota Housing

- There is payment of an assumption fee, if required, equal to the approximate administrative costs incurred by Minnesota Housing in processing the sale and assumption
- The project remains Public Housing

5.07 Prepayment

The loan may be prepaid in full at any time; however, covenants and conditions in the declaration(s) will remain for the full 20-year term. Minnesota Housing may charge a prepayment fee in the amount equal to the approximate administrative costs incurred by Minnesota Housing in processing the prepayment.

Chapter 6 – Design Review and Construction Management

Every applicant is required to comply with all of the following:

- Applicable requirements of the Multifamily Rental Design/Construction Standards
- The most recently adopted edition of the Minnesota Building Code, International Building Code (IBC)
- Any other local, state, and national codes and standards in effect; the most restrictive codes and regulations will apply
- Minnesota Housing's Limited Scope Project Sustainability Requirements

POHP applicants selected for further processing will confer with their assigned Minnesota Housing staff architect early in the design process to ensure rehabilitation plans and designs meet Minnesota Housing's standards and requirements.

6.01 Plan Review and Plan Approval

After the initial intake meeting and approval of scope of work, the applicant must submit construction documents to the assigned Minnesota Housing staff architect at the 75-90% completion phase and the 100% completion phase. Loan Commitment for End Loans and loan closing for Construction Loans are contingent upon an approved set of plans. Issuance of Loan Commitment for an End Loan or a Construction Loan closing will not occur without plan approval. Construction documents may be submitted in hard copy or electronic PDF. Consult with a Minnesota Housing staff architect for submission requirements.

6.02 Environmental Standards

Based on the proposed scope of work, the HUD environmental review (if completed), and discussions with Minnesota Housing staff, the following environmental studies may be required:

- Phase I Environmental Site Assessment (ESA)
    - A HUD Categorical Exclusion Determination may substitute for a Phase I ESA, if approved by Minnesota Housing
    - Projects with a total construction cost less than $300,000 are not required to conduct a Phase I ESA
- Phase II ESAs
- Lead-Based Paint (LBP) Inspection/Assessments
- Asbestos-Containing Material (ACM) Assessments and Asbestos Containing Material (ACM) Operating and Maintenance (O&M) Plans
- Radon Assessments
- Response Action Plans (RAP)

- Ongoing testing during construction

6.03 Architectural Services

If an architect is required, applicants must use the services of a licensed architect and/or licensed professional engineer unless waived per section 2.02 of Minnesota Housing's Architect's Guide. This may be waived by Minnesota Housing based on limited scope of work status.

6.04 Design-Build Design and Construction Delivery

Design-build delivery is not allowed unless approved by Minnesota Housing. Design-build is typically only allowed for single subcontractor-type scope of work such as elevator upgrades, re-roofing, etc.

6.05 Energy Rebate Analysis

Minnesota Housing requires POHP funding applicants to apply for energy efficiency incentives from utilities and other sources. The purpose of this requirement is to leverage utility funds to increase the energy efficiency in affordable housing properties throughout Minnesota. To comply, each application must include information that outlines the type and amount of the available incentives.

For additional information on working with utilities to access energy incentives, contact Katherine Teiken at 651.296.7610 or katherine.teiken@state.mn.us.

6.06 Construction Management

To help ensure compliance with approved construction documents, regardless of an End Loan or a Construction Loan, Minnesota Housing must:

- Be granted access to the site during construction
- Receive regular construction meeting minutes and observation reports (electronic PDF only) from the project architect
- Receive copies of requests for proposals, change orders, Architectural Supplemental Instructions (ASIs), or any other change directive (electronic PDF only); change orders must be submitted to and approved by Minnesota Housing prior to acceptance or prior to being executed

6.07 Construction Loan – Request for Funds Process

For Construction Loans, contractor pay applications will be reviewed on site once a month at a regularly scheduled pay draw meeting with the owner, general contractor, and owner's architect in attendance. Upon approval of the pay application by the project's architect, the pay application and other soft cost expenses (with receipts) must be submitted to Minnesota Housing using the request for funds process.

A Minnesota Housing staff architect may or may not attend on-site pay draw meetings. Photos of the construction progress must be included with the pay application. The pay application process may be streamlined based on a limited scope of work status if approved by Minnesota Housing.

Submittals required for end of construction and project closeout are included in the POHP Due Diligence Checklist.

Chapter 7 – Compliance Monitoring and Reporting

7.01 Compliance Monitoring Requirement

Minnesota Housing performs periodic inspections of the projects we finance. The frequency of physical inspections is determined by several factors such as loan type, term, loan amount, etc. Owners will be notified in advance of any inspection.

7.02 Compliance Reporting Requirement

Recipients of POHP loans are required to provide annual reporting using Minnesota Housing's Property Online Reporting Tool (PORT). Owners must submit an annual Certification of Compliance and occupancy data on all restricted units in the property. The PORT User Guide can be found on the Minnesota Housing's Partner Login webpage.

7.03 Compliance Term

All projects funded with POHP appropriations are required to comply with the affordability restrictions and are subject to monitoring and reporting for a minimum of 20 years beginning on the date of closing.

Appendix A – Terms and Definitions

Table 1: Terms and Definitions

Term	Definition
Community Development Agency (CDA)	A local government agency, as described in Minnesota Statute 462C.02, subdivision 6, responsible for the management and operation of its local Public Housing program and/or other types of housing, community, or economic development programs.
Construction Loan	A construction/permanent long-term loan to finance construction/rehabilitation and eligible soft costs. The loan funds are advanced incrementally during construction/rehabilitation.
End Loan	A permanent long-term loan that is used to pay off a short-term construction/rehabilitation loan or other form of interim financing.
General Obligation (GO) Bonds	Debt instruments issued by states and local governments to raise funds for public works that are backed by the full faith and credit of the issuing municipality.
Housing and Redevelopment Authority (HRA)	A local government agency, as described in Minnesota Statute 462C.02, subdivision 6, responsible for the management and operation of its local Public Housing program and/or other types of housing, community, or economic development programs.
Loan Commitment	A contractual agreement between Minnesota Housing and the borrower that sets forth the terms under which Minnesota Housing will lend funds to the borrower for a project.
Publicly Owned Housing Program (POHP)	A competitive funding program in Minnesota that helps to preserve and rehabilitate Public Housing.
Public Housing	Housing for low-income persons and households that is: • Financed by the federal government and publicly owned; • Financed by the federal government and owned by a Tribal Entity, or • Housing that has been repositioned under the federal Rental Assistance Demonstration (RAD) or similar program

Term	Definition
Public Housing Agency (PHA)	A state, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities, that is authorized to engage or assist in the development or operation of low-income housing under the United States Housing Act of 1937 (U.S. Code, title 42, section 1437 *et seq.*).
Rental Assistance Demonstration (RAD)	A federal program that allows PHAs to convert Public Housing to Section 8 Project-Based Vouchers or Project-Based Rental Assistance at contract rent levels based on the property's Public Housing funding. As a preservation program, RAD requires one-for-one replacement of the Public Housing units, with certain limited ("de minimis") exceptions. All residents have an absolute right to return (no re-screening). To convert, a PHA must submit a financing plan that demonstrates long-term feasibility.
Request for Proposal (RFP)	The competitive process of applying for POHP funds.
Tribal Entity	A federally recognized Indian Tribe in Minnesota or their associated Tribally Designated Housing Entity.
Tribally Designated Housing Entity	An entity as defined by United States Code, title 25, section 4103(22).
Uniform Relocation Act (URA)	The Uniform Relocation Act applies to federally funded projects involving rehabilitation or acquisition. The URA provides displaced persons with fair, equitable treatment and protection from disproportionate injury by projects designed to benefit the public. The URA requirements must be adhered to by the owner. If the borrowing entity will be displacing or temporarily relocating tenants, a tenant relocation plan that conforms to all URA requirements is mandatory and must include an outline of how tenants will be accommodated during construction, an overview of construction activities, a project timeline, an estimated budget, and whether or not the scope of work will require temporary or permanent relocation.

Appendix B – Legal Addendum

1.01 Conflict and Control

In the event of any conflict between the terms of this Addendum and the document to which it is attached, the terms of this Addendum will govern and control.

1.02 Fraud

Fraud is any intentionally deceptive action, statement or omission made for personal gain or to damage another.

Any person or entity (including its employees and affiliates) that enters into a contract with Minnesota Housing and witnesses, discovers evidence of, receives a report from another source or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report through one of the communication channels described in section 1.07.

1.03 Misuse of Funds

A contracting party that receives funding from Minnesota Housing promises to use the funds to engage in certain activities or procure certain goods or services while Minnesota Housing agrees to provide funds to the recipient to pay for those activities, goods or services. Regardless of the Minnesota Housing program or funding source, the recipient must use Minnesota Housing funds as agreed, and the recipient must maintain appropriate documentation to prove that funds were used for the intended purpose(s).

A misuse of funds shall be deemed to have occurred when: (1) Minnesota Housing funds are not used as agreed by a recipient; or (2) a recipient cannot provide adequate documentation to establish that Minnesota Housing funds were used in accordance with the terms and conditions of the contract.

Any recipient (including its employees and affiliates) of Minnesota Housing funds that discovers evidence, receives a report from another source or has other reasonable basis to suspect that a misuse of funds has occurred must immediately make a report through one of the communication channels described in section 1.07.

1.04 Conflict of Interest

A conflict of interest – Actual, Potential, or Appearance of a Conflict of Interest – occurs when a person has an actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A Potential Conflict of Interest or Appearance of a Conflict of Interest exists even if no unethical, improper or illegal act results from it.

- **Actual Conflict of Interest:** An Actual Conflict of Interest occurs when a person's decision or action would compromise a duty to a party without taking immediate appropriate action to eliminate the conflict.
- **Potential Conflict of Interest:** A Potential Conflict of Interest may exist if a person has a relationship, affiliation or other interest that could create an inappropriate influence if the person is called on to make a decision or recommendation that would affect one or more of those relationships, affiliations or interests.
- **Appearance of a Conflict of Interest:** The Appearance of a Conflict of Interest means any situation that would cause a reasonable person, with knowledge of the relevant facts, to question whether another person's personal interest, affiliation or relationship inappropriately influenced that person's action, even though there may be no Actual Conflict of Interest.

A conflict of interest includes any situation in which one's judgment, actions or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to a Partner, Family Member, Relative, Friend, Business or other Outside Interest with which they are involved. Such terms are defined below.

- **Business:** Any company, corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual or any other legal entity which engages either in nonprofit or profit-making activities.
- **Family Member:** A person's current and former spouse; children, parents, and siblings; current and former children-in-law, parents-in-law, and siblings-in-law; current and former stepchildren and stepparents; grandchildren and grandparents; and members of the person's household.
- **Friend:** A person with whom the individual has an ongoing personal social relationship. "Friend" does not generally include a person with whom the relationship is primarily professional or primarily based on the person being a current or former colleague. "Friend" does not include mere acquaintances (i.e., interactions are coincidental or relatively superficial). Social media friendships, connections, or links, by themselves, do not constitute friendship.
- **Outside Interest:** An Outside Interest may occur when an individual, their Family Member or their Partner has a connection to an organization via employment (current or prospective), has a financial interest or is an active participant.
- **Partner:** A person's romantic and domestic partners and outside Business partners.
- **Relative:** Uncle or aunt; first or second cousin; godparent; godchild; other person related by blood, marriage or legal action with whom the individual has a close personal relationship.

Once made aware of a conflict of interest, Minnesota Housing will make a determination before disbursing any further funds or processing an award. Determinations could include:

- Revising the contracting party's responsibilities to mitigate the conflict
- Allowing the contracting party to create firewalls that mitigate the conflict
- Asking the contracting party to submit an organizational conflict of interest mitigation plan

- Terminating the contracting party's participation

Any person or entity (including its employees and affiliates) that enters into a contract with Minnesota Housing must avoid and immediately disclose to Minnesota Housing any and all conflicts of interest through one of the communication channels described in section 1.07.

A contracting party should review its contract and request for proposals (RFP) material, if applicable, for further requirements.

1.05 Assistance to Employees and Affiliated Parties

Any party entering into a contract with Minnesota Housing for the purpose of receiving an award or benefit in the form of a loan, grant, combination of loan and grant or other funding is restricted in issuing a loan, grant, combination of loan and grant or other funding to a recipient ("Affiliated Assistance") who is also: (1) a director, officer, agent, consultant, employee or Family Member of an employee of the contracting party; (2) an elected or appointed official of the State of Minnesota; or (3) an employee of Minnesota Housing, unless each of the following provisions are met:

- The recipient meets all eligibility criteria for the program;
- The assistance does not result in a violation of the contracting party's internal conflict of interest policy, if applicable;
- The assistance does not result in a conflict of interest as outlined in section 1.04;
- The assistance is awarded utilizing the same costs, terms and conditions as compared to a similarly situated unaffiliated recipient and the recipient receives no special consideration or access as compared to a similarly situated unaffiliated recipient; and
- The assistance is processed, underwritten and/or approved by staff/managers who are independent of the recipient and independent of any Family Member of the recipient. Family Member is defined in section 1.04.

A contracting party need not disclose Affiliated Assistance to Minnesota Housing. However, the contracting party must document and certify, prior to the award, that the Affiliated Assistance meets each of the provisions outlined above. This documentation must be included in the Affiliated Assistance file and must be made available to Minnesota Housing upon request. Affiliated Assistance that does not meet each of the provisions outlined above will be considered a violation of Minnesota Housing conflict of interest standards and must be reported by the contracting party through one of the communication channels outlined in section 1.07.

1.06 Suspension

By entering into any contract with Minnesota Housing, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the contract) has not been suspended from doing business with Minnesota Housing. Please refer to

Minnesota Housing's website for a list of suspended individuals and organizations (Go to mnhousing.gov, scroll to the bottom of the screen and select Report Wrongdoing, then select Suspensions from the menu).

1.07 Disclosure and Reporting

Minnesota Housing promotes a "speak-up, see something, say something" culture whereby internal staff must immediately report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation through one of the communication channels listed below. External business partners (e.g., administrators, grantees or borrowers) and the general public are strongly encouraged to report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation using these same communication channels.

- Minnesota Housing's Chief Risk Officer at 651.296.7608 or 800.657.3769 or by email at MHFA.ReportWrongdoing@state.mn.us;
- Any member Minnesota Housing's Servant Leadership Team, as denoted on Minnesota Housing's current organizational chart (Go to mnhousing.gov, scroll to the bottom of the screen and select About Us, select Servant Leadership Team); or
- Report Wrongdoing or Concerns (mnhousing.gov) (Go to mnhousing.gov, scroll to the bottom of the screen and select Report Wrongdoing).

1.08 Electronic Signatures

Minnesota Housing will use and accept e-signatures on eligible program documents subject to all requirements set forth by state and federal law and consistent with Minnesota Housing policies and procedures. The use of e-signatures for eligible program documents is voluntary. Questions regarding which documents Minnesota Housing permits to be e-signed should be directed to Minnesota Housing staff.

1.09 Fair Housing Policy

It is the policy of Minnesota Housing to affirmatively further fair housing in all its programs so that individuals of similar income levels have equal access to Minnesota Housing programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, gender identity or sexual orientation.

Minnesota Housing's fair housing policy incorporates the requirements of Title VI of the Civil Rights Act of 1968; the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988; and the Minnesota Human Rights Act. Housing providers and other entities involved in real-estate related transactions are expected to comply with the applicable statutes, regulations and related policy guidance. Housing providers should ensure that admissions, occupancy, marketing and operating procedures comply with non-discrimination requirements. Housing providers and other entities involved in real-estate related transactions must comply with all non-discrimination requirements related to the provision of credit, as well as access to services.

In part, the Fair Housing Act and the Minnesota Human Rights Act make it unlawful, because of protected class status, to:

- Discriminate in the selection/acceptance of applicants in the rental of housing units;
- Discriminate in the making or purchasing of loans for purchasing, constructing or improving a dwelling, or in the terms and conditions of real-estate related transactions;
- Discriminate in the brokering or appraisal of residential property;
- Discriminate in terms, conditions or privileges of the rental of a dwelling unit or services or facilities;
- Discriminate in the extension of personal or commercial credit or in the requirements for obtaining credit;
- Engage in any conduct relating to the provision of housing that otherwise make unavailable or denies the rental of a dwelling unit;
- Make, print or publish (or cause to make, print or publish) notices, statements or advertisements that indicate preferences or limitations based on protected class status;
- Represent a dwelling is not available when it is in fact available;
- Refuse to grant a reasonable accommodation or a reasonable modification to a person with a disability;
- Deny access to, or membership or participation in, associations or other services organizations or facilities relating to the business of renting a dwelling or discriminate in the terms or conditions of membership or participation; or
- Engage in harassment or quid pro quo negotiations related to the rental of a dwelling unit.

Minnesota Housing has a commitment to affirmatively further fair housing for individuals with disabilities by promoting the accessibility requirements set out in the Fair Housing Act, which establish design and construction mandates for covered multifamily dwellings and requires those in the business of buying and selling dwellings to make reasonable accommodations and to allow persons with disabilities to make reasonable modifications.

Under certain circumstances, applicants will be required to submit an Affirmative Fair Housing Marketing Plan at the time of application, to update the plan regularly and to use affirmative fair housing marketing practices in soliciting renters, determining eligibility and concluding all transactions.

As a condition of funding through Minnesota Housing, housing providers are not permitted to refuse to lease a unit to, or discriminate against, a prospective resident solely because the prospective resident has a Housing Choice Voucher or other form of tenant-based rental assistance.

1.10 Minnesota Government Data Practices

Minnesota Housing, and any party entering into a contract with Minnesota Housing, must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by Minnesota Housing under the contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the contracting party under the contract. The civil remedies of Minnesota Statutes Section 13.08 apply to the release of the data referred to in this section by either the contracting party or Minnesota Housing. If the contracting party receives a request to release the data referred to in this section, the contracting party must notify Minnesota Housing. Minnesota Housing will give the contracting party instructions concerning the release of the data to the requesting party before the data is released. The contracting party's response to the request shall comply with applicable law.

1.11 Prevailing Wage

Under certain circumstances, awards of Minnesota Housing funds may trigger state prevailing wage requirements under Minnesota Statutes Chapter 177 or Minnesota Statutes Section 116J.871. In broad terms, Minn. Stat. Chapter 177 applies to an award of $25,000 or greater for housing that is publicly owned. Minn. Stat. 116J.871 applies to awards for non-publicly owned housing that meet the following conditions: (1) new housing construction (not rehabilitation); (2) a single entity receives from Minnesota Housing $200,000 or more of grant proceeds or $500,000 of loan proceeds.

Minnesota Statutes Section 116J.871 sets out several exceptions to the applicability of prevailing wage including (1) rehabilitation of existing housing; (2) new housing construction in which total financial assistance at a single project site is less than $100,000; and (3) financial assistance for the new construction of fully detached single-family affordable homeownership units for which the financial assistance covers no more than ten fully detached single-family affordable homeownership units.

All determinations regarding prevailing wage are made by the Minnesota Department of Labor and Industry. All questions regarding state prevailing wages and compliance requirements should be directed to that agency as follows:

Division of Labor Standards and Apprenticeship
State Program Administrator
443 Lafayette Road N, St. Paul, MN 55155
651.284.5091 or dli.prevwage@state.mn.us

If, after a determination by the Minnesota Department of Labor that prevailing wage does apply, a contractor or subcontractor fails to adhere to prevailing wage laws, then that contractor or subcontractor could face civil and/or criminal liability.

HAI Group.

2025 Loss Prevention Fund

Frequently Asked Questions

Who is eligible for the program?

Applying organizations must be individual members of HAI Inc., as defined in Article II of HAI Inc.'s Bylaws, and must comply with all program requirements.

What is the total amount of funding available for this year's Loss Prevention Fund?

This year, the Loss Prevention Fund is backed by a $3.5 million pool of funds. These funds provide financial support for purchasing risk management and loss prevention products or services. Some examples of covered projects are listed below.

What types of projects will the program fund?

The funds can be used for projects that: 1) help prevent losses in housing operations, 2) improve the life safety of public housing residents, 3) enhance risk management programs in housing or 4) improve the organization's cybersecurity. Examples include:

- Purchase of Fire Stop or Auto-Out Canisters
- Purchase of automatic sprinkler head shut-off devices
- Purchase or upgrade of security surveillance systems
- Subscription to a risk management association
- Motor Vehicle Reports (MVRs) for employees operating vehicles on behalf of the organization
- Purchase or upgrade of a building system or fire protection equipment
- Installation or upgrading of security lighting
- Sidewalk or parking lot improvements
- Multi-factor authentication (MFA) implementation
- Password management services
- Firewall implementation

When will the application period open?

The application period will be open from **March 1, 2025, to May 31, 2025.**

How many applications can I submit?

Members may submit one application per year. The application may include updates or improvements at multiple properties, but it can only be for one type of project. For example, an application may include the installation of carbon monoxide detectors at five sites, but can't include the installation of carbon monoxide detectors and sidewalk improvements.

Can I submit a project that has already been completed?

Yes. Previously completed projects that fall within the parameters of this program are eligible for submission, however they must have been completed no earlier than March 1, 2024.

How are applications selected?

Submissions are evaluated by the HAI Group insurance management team using a preestablished evaluation matrix. Your contact information is unavailable to reviewers to ensure an unbiased selection.

If my application is approved, will I be reimbursed for the total amount requested in my application?

Not necessarily. HAI Inc. reserves the right to determine the final reimbursable amount. We may choose to award the full requested amount or a percentage of the requested amount.

Will HAI Inc. make payments directly to vendors?

No. The program provides funds through reimbursement. Applicants selected for an award must fund their projects and submit receipts or other proof of payment to HAI Inc. for reimbursement.

Do funds awarded through this program expire?

Yes. Projects described in approved applications must be completed no later than two years from the award date.

How will my participation in the Preventable Loss Management (PLM) Program impact my application?

Participation in the PLM Program is not a requirement of this program. However, active participation in the PLM Program will increase your score so long as the participation occurred in the year leading up to your application submission. For example, an applicant receiving PLM Program credit for the 2025 Loss Prevention Fund must have actively participated in their PLM plan throughout 2024.

WORK SESSION AGENDA REPORT

DATE:	March 10, 2025
DEPARTMENT:	Housing
PREPARED BY:	Ryan Garcia
AGENDA ITEM NUMBER:	2.D.

MEETING TYPE
Regular Meeting

AGENDA ITEM
Remote Program Assessment - Public Housing Program

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

- Staff presentation of an overview of the Remote Public Housing Assessment (RPHA) for Council Review and Discussion.
- Staff identification of potential strategies to address RPHA recommendations.

OVERVIEW
Beginning in 1968, Affordable Senior Public Housing has been available in South St. Paul, with the 132-unit Nan McKay Highrise (200 Marie Avenue) and the 166-unit John Carroll Highrise (300 W. Grand Avenue) providing one-bedroom apartments for rent to income-qualified adults over the age of 50. From 1968 - 2015, this program and the buildings were overseen and managed by the South St. Paul Housing and Redevelopment Authority (HRA), an independent agency with its own board of commissioners and staff. In 2015, the HRA was effectively "brought in" as a department of the City, with only the Public Housing Program retained from its book of business. At this time, Staff consisted of a Housing Manager, Property Manager, Administrative Assistant, (1/2 time) Office Specialist, two maintenance technicians, and a caretaker. Financial management of the program was generally shifted to the City's Finance Department at this time, and overall program administration and HUD compliance was retained by the Housing Manager and Administrative Assistant (until the retirements of those two long-tenured employees in 2018 and 2019, respectively). Given the loss of this specialized expertise and a lack of internal knowledge and capacity to oversee the Public Housing Program, in 2019 the City Administrator issued a request for proposal for Public Housing Management Services. From 2019 – 2022, the Public Housing Program in South St. Paul involved day-to-day owners representation, lease administration, property management and maintenance by a third-party contractor, with most “high-level” ownership and financial functions shifted to the City’s Community & Economic Development and Finance Staff. When this approach proved to be both more costly and less effective in maintaining a high-quality public housing program, the City Council authorized the creation of several new positions and approved job descriptions to “fully staff” the Public Housing program internally, and terminated the Property Management Agreement with Nath Management, Inc.

It has been nearly three years since the City internalized the public housing program, hiring all new (and generally, minimally trained at the time) employees to staff the program. While significant strides have been made to improve waitlist management, tenant recertifications, lease administration, capital improvements, and other aspects of the program, the Administration recognized that our relative lack of in-house industry expertise likely left us with blind spots with regard to certain areas of the operation, leaving us potentially vulnerable to administering an operation that lacked in efficiency, effectiveness, compliance, and accountability. In August 2024, the EDA authorized staff to engage Nan McKay & Associates (NMA), the foremost public housing consultancy in the country, in an objective, informed analysis of our current public housing program, including an assessment of the existing organizational structure. Given NMA's workload, they began the assignment in November 2024, and in late-February delivered a final draft of their assessment report to City Staff. The full report is attached, and Staff will be prepared to walk through key findings and recommendations at Monday's worksession. Recognizing that there is demonstrated room for improvement in our execution and administration of the Public Housing Program, Staff has begun the work of implementing and planning for further implementation of many of the recommended actions and strategies found in the RPHA. Ultimately, the RPHA serves as a helpful benchmark identifying areas of vulnerability and improvement so that the Public Housing Program provides the greatest benefit to the City as is possible.

SOURCE OF FUNDS
N/A

ATTACHMENTS
1. Remote Public Housing Assessment Report (Nan McKay Associates)

REMOTE PUBLIC HOUSING ASSESSMENT

2/24/2025	South St. Paul Housing & Redevelopment Authority

NAN MCKAY & ASSOCIATES, INC.
1810 GILLESPIE WAY, SUITE 202
EL CAJON, CA 92020
www.nanmckay.com
800.783.3100

Nan McKay AND ASSOCIATES, INC.

TABLE OF CONTENTS

1. Introduction 4
1.1 Background 4
1.2 History 4
1.3 Areas of Focus 5
1.4 Document Discovery 5
1.5 Interviews Conducted 6
2. Executive Summary 7
2.1 Introduction 7
2.2 Summary of Observations & Concerns 7
2.3 Summary of Recommendations 8
3. Operational Review 10
3.1 Admissions & Continued Occupancy Policy (ACOP) 10
3.1.1 Concern or Observation 10
3.1.2 Recommendation 10
3.2 Eligibility & Waiting List Management 10
3.2.1 Concern or Observation 11
3.2.2 Recommendation 11
3.3 Denials & Informal Hearings 11
3.3.1 Concern or Observation 11
3.3.2 Recommendation 12
3.4 Unit Offers & Lease-up 13
3.4.1 Concern or Observation 13
3.4.2 Recommendation 15
3.5 Occupancy 16
3.5.1 Concern or Observation 17
3.5.2 Recommendation 18
3.6 Rent Collection 19
3.6.1 Concern or Observation 19
3.6.2 Recommendation 19
3.7 Maintenance Repairs & Make-Readies 19
3.7.1 Concern or Observation 20
3.7.2 Recommendation 21

3.8 Annual & Interim Reexaminations 22
3.8.1 Concern or Observation 22
3.8.2 Recommendation 23
3.9 Transfers 24
3.9.1 Concern or Observation 24
3.9.2 Recommendation 24
3.10 Violence Against Women Act (VAWA) 25
3.10.1 Concern or Observation 25
3.10.2 Recommendation 25
3.11 Limited English Proficiency (LEP) 25
3.11.1 Concern or Observation 25
3.11.2 Recommendation 26
3.12 Reasonable Accommodation & Physical Modification Requests 26
3.12.1 Observation or Concern 26
3.12.2 Recommendation 27
3.13 Lease Enforcement & Terminations 27
3.13.1 Concern or Observation 27
3.13.2 Recommendation 27
3.14 Hearings 27
3.14.1 Concern or Observation 27
3.14.2 Recommendation 28
4. Public Housing Assessment System (PHAS) 30
4.1 Background 30
4.2 Concern or Observation 30
4.3 Recommendation 31
5. Job Descriptions & Essential Functions 33
5.1 SSPHRA Organization 33
5.1.1 Concern or Observation 33
5.1.2 Recommendation 34
5.2 Job Descriptions 34
5.2.1 Housing Programs Administrator 34
5.2.2 Property Manager Job Description 35
5.2.3 Office Specialist 36
6. Quality Control – Tracking Performance 37
6.1 Definition & Purpose of Quality Control 37

6.1.1 Three Types of Quality Control 37
6.2 Leadership & Supervision 38
6.2.1 Concern or Observation 39
6.2.2 Recommendation 39
6.3 Expectations & Performance Standards 39
6.3.1 Concern or Observation 39
6.3.2 Recommendation 40
6.4 Key Reports to Track Program Performance 40
6.4.1 Concern or Observation 40
6.4.2 Recommendation 40
7. Key Recommendations 41
7.1 Staffing 41
7.2 Essential Reports 43
7.3 Admissions & Continued Occupancy Policy (ACOP) 44
7.4 Training 44
8. Appendices 45
8.1 Sample Notice of Intent to Deny Based on Criminal / Sex Offender Records 46
8.2 Sample Unit Offer Tracking Log 47
8.3 Sample Vacant Unit Turnaround Time report 48
8.4 Average Number of Days to Complete Non-Emergency Work Orders 49
8.5 Sample Annual Reexamination Quality Control Monthly Report – By Employee 50
8.6 Sample Annual Reexamination Quality Control – Aggregate Reports 51
8.7 Sample Reasonable Accommodation/Modification Request Form 52
8.8 Sample Verification of Need for Reasonable Accommodation/Modification 56
8.9 Sample Notice of Intent to Terminate Lease Based on Criminal Record 60
8.10 Sample Schedule of PHA Reporting – Trend Analysis 61

1. INTRODUCTION

1.1 BACKGROUND

The South St. Paul Housing & Redevelopment Authority ("SSPHRA" or "the HRA") entered into a contract with Nan McKay & Associates ("NMA") for a remote assessment of its public housing program and operations.

SSPHRA owns and manages two properties in South St. Paul; John Carroll and Nan McKay, for a total of 298 units. There is only one two-bedroom unit; the rest are all one-bedroom units. Both properties have been approved by HUD for designation as elderly properties. There is one waiting list for both properties.

The PHA adopted NMA's model Admissions and Continued Occupancy Policy (ACOP) in January 2024. The policy is updated for the Housing Opportunities Through Modernization Act (HOTMA).

SSPHRA, because it has less than 400 units, is not required to transition to HUD's asset management model of project-based budgeting, fee-for-service accounting, and property management.

1.2 HISTORY

Before 2015, the housing authority was independent of City government. The South St. Paul City Council then made the decision to dissolve the existing housing authority and transferred its programs to the Dakota County Housing & Redevelopment Authority. For legal reasons, the City was obligated to retain ownership of the two public housing developments, John Carrol and Nan McKay. SSPHRA became a direct City department, with the City Administrator acting as Executive Director.

A management company was hired to manage the public housing developments, with a property manager and maintenance staff at each development. Under the management company, Yardi software was purchased and implemented.

Ultimately, the management company failed to demonstrate competency, especially with waiting list management and lease-up, under HUD audits. Upon transferring management of John Carrol and Nan McKay to the City, many Yardi software tracking and reporting modules were not retained.

1.3 AREAS OF FOCUS

Under the terms of the contract, NMA's operational review included:

1. Eligibility and waiting list management
2. Denials and informal hearings
3. Unit offers and lease-up
4. Occupancy rate
5. Rent collection
6. Maintenance repairs and make-readies
7. Annual and interim reexaminations
8. Transfers
9. Reasonable accommodation and physical modification requests
10. Lease enforcement and terminations; and
11. Hearings

In addition, contractual obligations also included:

1. A review of HRA job descriptions to assess whether the essential functions (above) are reflected in job duties.
2. Interviewing HRA management and staff to assess whether staff is performing essential functions and tracking performance of functions through logs, software and/or reports; and
3. Reviewing quality control (QC) systems used for supervision of staff and to ensure compliance with HUD regulations and PHA policies.

1.4 DOCUMENT DISCOVERY

The following documents were requested, received and analyzed:

1. HRA's Admissions & Continued Occupancy Policy (ACOP)
2. Any HUD program findings
3. PHAS scores
4. Occupancy reports
5. Waiting list in preference order
6. Denial of admission notice
7. Timeliness of annual reexaminations
8. Lease termination notice for nonpayment of rent
9. Lease termination notice for criminal activity
10. Grievance procedures

11. Rent collection rate report

The following documents were requested but SSPHRA does not utilize these documents:

1. Unit offer tracking report
2. Make-ready times (part of the vacant unit turnaround time report)
3. Reasonable accommodation tracking report
4. Hearing log
5. Transfer log

1.5 INTERVIEWS CONDUCTED

Interviews were conducted with the following staff at the South St. Paul HRA:

1. Ryan Garcia, City Administrator
2. Tiffany Greene, Housing Programs Administrator
3. Alma Pena, Property Manager
4. Jennifer Xiong, Property Manager
5. Debra Breitenfeldt, Office Specialist
6. Sophie Moua, Housing Support Specialist

2. EXECUTIVE SUMMARY

2.1 INTRODUCTION

NMA wishes to thank the South St. Paul Housing & Redevelopment Authority for the opportunity to work with directors and staff to assess SSPHRA's public housing program. NMA found directors and staff to be committed and cooperative. A spirit of willingness and teamwork was evident from everyone at the HRA.

Typically, agencies contract for these types of assessments because there's a sense that things could be better, but the agency isn't clear on what the problem is. Credit is due to these agencies who choose a fact-based analysis. We can't solve a problem we don't know we have, and we don't want to waste time "solving" something that isn't the core problem.

NMA hopes the concerns and recommendations detailed in this report will help the HRA establish a clear baseline to identify how the HRA is performing now and ongoingly, in order to effectively oversee program and staff performance and make sound, fact-based decisions.

2.2 SUMMARY OF OBSERVATIONS & CONCERNS

South St. Paul Housing & Redevelopment Authority's staff is committed and busy.

However, supervision is inadequate. The City Administrator is not adequately supervising the Housing Programs Administrator. The Housing Programs Administrator is not adequately supervising the performance of the public housing program or the Property Managers. It is not clear whether the maintenance function is being adequately supervised because the work order system is not electronic and is not being tracked manually.

While site staff are to be commended for their teamwork and helping each other, there is a lack of accountability and responsibility when "everyone pitches in".

The HRA's overall occupancy rate as of December 2024 was 96.59 percent. Thus, the PHA is losing operating subsidy and of course is losing rent that would be paid for an occupied unit. The occupancy rate improved from 93.9 percent in January 2024, but everyone at the HRA needs to understand that more urgency is required to fill units in a timely manner. See *3.5.1* for fuller description of occupancy rate and consequences of an occupancy rate below 97 percent.

SSPHRA's ACOP is inadequate; the SSP HRA revised its ACOP for HOTMA in January 2024; however, HOTMA is delayed by HUD, and the HOTMA chapters are not yet effective. SSP HRA's previous ACOP is not comprehensive and updated enough for staff to effectively administer its public housing program until full HOTMA implementation. With the lack of clear policies, much of staff's practice is not based on policy or does not match policy. These concerns are elaborated in *3.1.1*.

Further, SSPHRA is not utilizing the reports essential to monitor and track program and staff performance. Without accurate, on-time data, supervisors are not supervising by fact-based information. Staff evaluation should be more tied to program performance. Clear reporting, with performance expectations, are needed for effective oversight of staff performance.

These serious vulnerabilities leave the SSPHRA staff under-supervised and the performance of the public housing program not monitored sufficiently.

2.3 SUMMARY OF RECOMMENDATIONS

1. The South St. Paul HRA needs to set performance expectations at every level, with clear measures establishing what constitutes "meeting" and "not meeting" performance expectations. Directors need to supervise supervisors, and supervisors need to supervise line staff.

   Clearer responsibility and accountability need to be established for each task. For example, one staff person should be responsible and accountable for each reexamination conducted. Timeliness and accuracy for each staff person should be documented when file audits are performed.

   Staffing recommendations are described in detail in *7.1*.

2. SSPHRA needs to obtain the necessary Yardi modules to generate on-time, accurate program data. Where Yardi modules do not exist (for example, hearing log, reasonable accommodation request log, etc.) the HRA needs to create those logs in Excel or Word and maintain electronic archives. Accurate, on-time reports are supervisory tools essential to evaluate performance of staff and performance of the public housing program. A list of recommended essential reports is found in *7.2*.

3. The Admissions & Continued Occupancy Policy (ACOP) is the key policy document for the public housing program and serves as the "GPS" for day-to-day operations." The SSP HRA's current ACOP is inadequate and not compliant with pre-HOTMA regulations. Concerns about the ACOP are explained in *3.1.1*. The SSP HRA should enter into an ACOP update facilitation that includes all relevant staff. A current, compliant ACOP will enable staff to administer the program in a manner that is clear to all staff and compliant with HUD regulations. This recommendation is more fully described in *7.3*.

4. Lastly, NMA noted a lack of comprehensive training to staff. Training seminars, with certification examinations, enable staff to demonstrate core competencies and ensure directors that staff has the necessary knowledge, skills and abilities to perform the tasks assigned. A list of recommended training is listed in *7.4*.

3. OPERATIONAL REVIEW

3.1 ADMISSIONS & CONTINUED OCCUPANCY POLICY (ACOP)

A PHA's Admissions & Continued Occupancy Policy (ACOP) is the definitive day-to-day guide for directors, managers and staff. This policy document informs the Board, PHA staff, applicants, residents and the public about HUD requirements and PHA discretionary policies. As such, the ACOP is the "GPS" for PHA staff.

3.1.1 Concern or Observation

The HRA's ACOP dated January 1, 2024 is revised for HOTMA, which has been delayed by HUD. Until full HOTMA implementation, the PHA must rely on its most current ACOP.

While it is beyond the scope of this contract to thoroughly review SSPHRA's current (pre-January 2024) ACOP, it appears that many policies are missing or inadequate. See an example pertaining to interim reexaminations at *3.8.1*. The old ACOP appears to be insufficient for current day-to-day work.

Having an ACOP compliant for HOTMA, which is delayed, requires the staff to "mix and match" the old ACOP with the new ACOP, much of which is not yet effective. This conundrum leaves managers and staff with inadequate policies and guidance.

3.1.2 Recommendation

With the delay of HOTMA until an indefinite time, the HRA needs a comprehensive, up-to-date ACOP that will allow the HRA to operate more effectively until full HOTMA implementation.

3.2 ELIGIBILITY & WAITING LIST MANAGEMENT

The PHA's waiting list has enough applicants to fill units. The waiting list for John Carroll and Nan McKay is continually open and accepts applications online. There were over 300 applicants on the PHA's waiting list at the time of the NMA consultant's interviews.

On a monthly basis the PHA selects applicants, does intake, screens for eligibility and suitability, and approves for final eligibility.

The PHA's Yardi system maintains the electronic waiting list.

3.2.1 Concern or Observation

There are enough families on the waiting list, but it appears that applicants are not being processed in sufficient numbers to achieve an optimum occupancy rate. Concerns about unit offers are addressed in *3.4.1*.

3.2.2 Recommendation

Without a valid vacant unit turnaround report, it is impossible to accurately diagnose why units are not being filled more quickly. See *3.4.2*, a sample unit offer tracking log in *Appendix 8.2*, and a sample vacant unit turnaround report in *Appendix 8.3*.

3.3 DENIALS & INFORMAL HEARINGS

The PHA processes applications and, before a unit offer is made, must determine final eligibility, including screening for criminal or violent activity. The HRA provided a notice of denial of admission.

Notices of denial are sent by the Housing Programs Administrator, who also conducts informal hearings for applicants who appeal SSPHRA denial.

3.3.1 Concern or Observation

1. The notice of denial did not inform the applicant of their right to request an informal hearing, or how to request an informal hearing. Thus, the denial notice is not in compliance with the following HUD regulation:

    > 24 CFR 960.208 Notification to applicants.
    >
    > (a) The PHA must promptly notify any applicant determined to be ineligible for admission to a project of the basis for such determination, and must provide the applicant upon request, within a reasonable time after the determination is made, with an opportunity for an informal hearing on such determination.

2. The notice of denial did not indicate that the notice was accompanied by, and did not appear to be accompanied by form HUD-5380 (notice of occupancy rights under the Violence Against Women Act) and form HUD-5382 (VAWA certification form). This is required by HUD regulation:

    > § 5.2005 VAWA protections.
    >
    > (a) ***Notification of occupancy rights under VAWA, and certification form.***

(1) A covered housing provider must provide to each of its applicants and to each of its tenants the notice of occupancy rights and the certification form as described in this section:

(i) A "Notice of Occupancy Rights under the Violence Against Women Act," as prescribed and in accordance with directions provided by HUD, that explains the VAWA protections under this subpart, including the right to confidentiality, and any limitations on those protections; and

(ii) A certification form, in a form approved by HUD, to be completed by the victim to document an incident of domestic violence, dating violence, sexual assault or stalking…

(2) The notice required by paragraph (a)(1)(i) of this section and certification form required by paragraph (a)(1)(ii) of this section must be provided to an applicant or tenant no later than at each of the following times:

(i) At the time the applicant is denied assistance or admission under a covered housing program.

3. If a PHA uses a criminal record or sex offender registration information (that is not public record) as the basis of a denial, a copy of the record must precede the notice of denial, with an opportunity for the applicant to dispute the accuracy and relevance of the information, before the PHA can move to deny the application. A copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)]. It appears that SSPHRA is not taking this additional step if SSPHRA determines to deny based on criminal or sex offender information that is other than public record.

3.3.2 Recommendation

1. The notice of denial must inform the applicant of their right to request an informal hearing, or how to request an informal hearing.

2. The notice of denial must be accompanied by form HUD-5380 (notice of occupancy rights under the Violence Against Women Act) and form HUD-5382 (VAWA certification form).

3. SSPHRA must send a notice of intent to deny, before the notice of denial is sent, if SSPHRA determines to deny based on criminal or sex offender record other than public record. A sample notice of intent to deny is in *Appendix 8.1*.

3.4 UNIT OFFERS & LEASE-UP

In order to fill units efficiently, vacant units must be offered to applicants in a timely manner and in the right order. The PHA must keep records of unit offers as an audit trail, to ensure that names are not skipped on the waiting list.

The PHA's ACOP (page 5-5) states: "The PHA has adopted a "one offer plan" for offering units to applicants."

3.4.1 Concern or Observation

1. Although the ACOP establishes a one-offer policy, it appears that practice does not match policy. It was reported to NMA that if an applicant calls and "reschedules" to move in the following month, the offer to a vacant unit is made to the next available approved applicant. It was also reported to NMA that the HRA will show an approved applicant both buildings, and the applicant will choose which they prefer.

   Therefore, the practice, not compliant with the ACOP, sometimes provides applicants with more than one offer. In addition, the HRA's practice of letting an applicant choose between both buildings might be considered a "de facto" site-based waiting list. PHAs must go through the PHA plan process and be approved if the PHA wishes to adopt a site-based waiting list.

2. When asked to see a list of all the offers made before a unit is leased up, SSPHRA staff was unable to provide a record of all the unit offers made; only the move-in date is reported and retained when an offer is accepted.

3. SSPHRA's vacant unit turnaround time report is not accurate, and therefore SSPHRA is not adequately tracking make-ready time and lease-up time. Staff reported that "the turns aren't happening as quickly as they should be", but without the vacant unit turnaround time report, it's impossible to discern if the problem is with the maintenance make-readies, lease-up time, or both.

   The vacant unit turnaround time report looks at all the days between when the old tenant moves out and the new tenant moves out. Whereas the occupancy report is a snapshot in time – how many units are occupied at the end of the month – the vacant unit turnaround time report indicates how long it takes to fill units. Vacant unit turnaround time is broken into three categories:
   - Down time – how many days it takes to turn a unit to maintenance once the unit is vacant

- Make-ready time – how many days it takes for maintenance to make repairs and get the unit in a make-ready condition
- Lease-up time – how many days it takes to make unit offers to result in a move-in. This metric involves pulling enough applicants, determining eligibility, making unit offers and conducting the move-in.

Staff provided NMA a vacant unit turnaround time report for units turned between 01/01/24 and 10/01/24. Screenshot of the report provided to NMA is below:

Page

Property: John Carroll(johncarr)

Unit / Move-Out			PHA Unit Status	Start Date	End Date	Vacancy Days	Down	Turnaround Days: Make Ready	Turnaround Days: Lease Up	Turnaround Days: Total non-exempt	Exempt Days: Capital Fund	Exempt Days: Other
			Vacant - Down	05/01/2024	06/02/2024	33	33	-	-	33	-	-
						33	33	0	0	33	0	0
504 05/31/2024	300 Grand Ave W HUD: MN010000-002 504	BR: 1										
			Vacant - Down	06/01/2024	07/23/2024	53	53	-	-	53	-	-
						53	53	0	0	53	0	0
602	300 Grand Ave W HUD: MN010000-002 602	BR: 1										
			Vacant - Down	04/03/2024	04/28/2024	26	26	-	-	26	-	-
						26	26	0	0	26	0	0
713	300 Grand Ave W HUD: MN010000-002 713	BR: 1										
			Vacant - Down	01/01/2024	03/11/2024	71	71	-	-	71	-	-
						71	71	0	0	71	0	0
814 03/08/2024	300 Grand Ave W HUD: MN010000-002 814	BR: 1										
			Vacant - Down	03/09/2024	03/31/2024	23	23	-	-	23	-	-
						23	23	0	0	23	0	0
902	300 Grand Ave W HUD: MN010000-002 902	BR: 1										
			Vacant - Down	04/01/2024	05/22/2024	52	52	-	-	52	-	-
						52	52	0	0	52	0	0
			Units Turned: 13		Property Totals:	562	562	0	0	562	0	0
					Averages:		43.23	0.00	0.00	43.00	0.00	0.00

Property: Nan McKay(nanmckay)

Unit / Move-Out			PHA Unit Status	Start Date	End Date	Vacancy Days	Down	Turnaround Days: Make Ready	Turnaround Days: Lease Up	Turnaround Days: Total non-exempt	Exempt Days: Capital Fund	Exempt Days: Other
105	200 Marie Ave HUD: MN010000-001 105	BR: 1										
			Vacant - Down	12/01/2023	02/29/2024	91	91	-	-	91	-	-
						91	91	0	0	91	0	0

Vacant Unit Turnaround Time

Thursday, October 24, 202

Some significant problems were noted:

a. The report indicates total days in "turn", but all days are in "Down" time. Down time should be the number of days after the unit becomes vacant, to turn the unit over to maintenance for make-ready.

The report shows no days in make-ready time. Staff indicated that maintenance does not have access to the Yardi work order module. It appears that no one is inputting any work orders into the Yardi work order module. Make-ready time is an essential measure to assess if make-readies are happening efficiently, and is thus an essential tool for the supervision of this function.

b. NMA questioned why unit 105 at Nan McKay had been vacant since 12/01/2023. See *3.5.1*. HRA staff was not sure of the data and said they were "figuring it out".

Putting aside unit 105 at Nan McKay, if the number of total vacancy days is accurate in the above report, the average number of vacancy days in the report is 43 days. While not currently being measured or scored under HUD's Public Housing Assessment System (PHAS), an average of 43 days to fill units would have resulting in a failing grade under the previous PHAS.

SSPHRA staff reported that the Yardi module to track vacant unit turnaround time was not retained when the City terminated the contract with the property management company.

4. Note that although SSPHRA removed the deconcentration provision in its ACOP waiting list chapter, deconcentration is still a provision under SSPHRA's transfer chapter (page 12-15 of the ACOP dated January 1, 2024). SSPHRA is not subject to HUD's deconcentration provision because SSPHRA does not have any general occupancy developments.

   If SSPHRA wishes to provide a "bonus" offer to transfer tenants, this policy needs to be more specific.

3.4.2 Recommendation

1. SSPHRA's practice must match its policy. The ACOP states SSPHRA has adopted a one-offer policy.

   Under a one-offer ACOP policy, if an applicant refuses a unit offer and does not have "good cause" (as defined in the ACOP) for refusal, the applicant's name goes to the bottom of the waiting list and the unit offer is made to the next qualified applicant.

   SSPHRA's practice needs to match its policy.

2. The unit offer function has not been sufficiently supervised. Staff who makes unit offers needs to be trained more thoroughly on the ACOP, and the supervisor needs to ensure that unit offers are made according to the ACOP.

   It is essential that all unit offers are tracked. The Yardi module to track unit offers should be purchased and staff trained on utilization of the Yardi module. A sample log of unit tracking is in *Appendix 8.2*, and should be used until Yardi software is obtained and staff is trained on its use.

3. Vacant days need to be much more closely tracked, the waiting list and unit offer process needs to be much more closely supervised, and the HRA needs to set time standards for acceptable performance. For example, an average of 14 days in vacant unit turnaround time could be an acceptable standard. The HRA management team should establish strategies and closely monitor if the strategies are working to achieve the goal of 14 average days in vacant unit turnaround time.

4. The vacant unit turnaround report module described in 3.3.1 and the work order module described in 3.7.2 should be purchased from Yardi, analyzed monthly, and used as a management tool. The maintenance make-ready time is a concern and is discussed in 3.7.1. The average number of days in lease-up time should be closely analyzed to determine if enough applications are being processed monthly, applicants are either determined eligible or denied, and unit offers are made efficiently. Managers and staff should be trained in the utilization of Yardi software and electronic reports generated. A sample vacant unit turnaround time report can be found in Appendix 8.3 – Yardi software has the capability to generate this report.

3.5 OCCUPANCY

Filling units quickly and collecting rents are two essential functions in any housing rental business. Public housing, of course, is a nonprofit housing rental business.

A vacant unit generates no rental income. In addition, if the occupancy rate is at least 97 percent, the project will receive 100 percent of its operating subsidy the next month. If the occupancy rate is below 97 percent, the project’s operating subsidy will be reduced correspondingly the following month.

Occupancy should be tracked monthly, YTD and yearly. An occupancy report should indicate the occupancy rate; that is, not only total units and how many are occupied, but the percentage of units occupied. This numeric is important because the number of total units change, as is the case for substantial rehab where vacant units are not filled while offline. The plumbing project at John Carroll is an example of such substantial rehab.

The PHA's occupancy rate has significantly improved, as reported by staff, with the addition of the Housing Support Specialist. The extensive plumbing project at John Carroll, requiring relocation, has understandably affected occupancy rate. The plumbing project is expected to be completed in December 2024.

The occupancy rate report received by NMA is shown below:

12 Month Occupancy
For Selected Properties
Month Year = 01/2024
Page 1

Property	Name	Units	Sq Ft	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
johncarr	John Carroll	165	515.00	96.69	97.00	97.69	97.23	95.94	96.11	96.56	96.23	95.57	95.22	95.80	0.00
nanmckay	Nan McKay	132	0.00	90.40	94.85	97.54	99.14	95.79	96.64	95.30	96.94	97.62	97.77	98.48	0.00
Weighted Average :		**297**	**515.00**	**93.90**	**96.05**	**97.62**	**98.08**	**95.88**	**96.34**	**96.00**	**96.54**	**96.47**	**96.35**	**96.98**	**0.00**
Overall Weighted Average :		**297**	**515.00**	**93.90**	**96.05**	**97.62**	**98.08**	**95.88**	**96.34**	**96.00**	**96.54**	**96.47**	**96.35**	**96.98**	**0.00**

Under the Public Housing Assessment System (PHAS), which is HUD's objective measure of a PHA's public housing performance, occupancy rate is weighted significantly. Under PHA, if occupancy rate is at 98 percent or above for the fiscal year, the PHA receives the full 18 points for the occupancy subindicator under the management indicator. If the PHA's occupancy rate is at least 96 percent but not yet 98 percent, the PHA's score is reduced to 12 points. PHAS is discussed more fully in *Section 4*.

3.5.1 Concern or Observation

1. SSPHRA's occupancy rate YTD shows 96.96 percent. As explained, if occupancy rate is not at least 97 percent in any month, SSPHRA loses proportional operating subsidy (delivered monthly by HUD) the following month. In addition, the PHA's PHAS score suffers.

   If the PHA's occupancy rate is not at least 97 percent, the PHA needs to closely analyze the vacant unit turnaround time report; this report is the PHA's diagnostic tool to analyze make-ready time and lease-up time. See *3.4.1* for a description of the vacant unit turnaround time report.

2. In an occupancy report reviewed by the NMA consultant, one unit showed vacant since 8-05-24. Staff at SSPHRA stated the report wasn't correct, that a resident was transferred to that unit.

As noted in *3.4.1*, NMA questioned why unit 105 at Nan McKay had been vacant since 12/01/2023. HRA was not sure of the data and said they were "figuring it out".

3. It appears that data is not accurate between reporting systems. For example, unit 105 does not show up in the Yardi Community Manager Dashboard (screenshot below).

Property	Unit	Unit Type	BR	Market Rent	Date Available	Days Vac.	Sqft	Occ.	Amenities	Brochure	Specials	Hold Until
johncarr	810	1b1b	1	0.00	12/31/2023	374	0	Past		Brochure	Specials	
nanmckay	900	1bed1ba	1	0.00	08/05/2024	0	0	Past		Brochure	Specials	
johncarr	1009	1b1b	1	0.00	09/15/2024	54	515	Past		Brochure	Specials	
nanmckay	300	1bed1ba	1	0.00	09/24/2024	45	0	Past		Brochure	Specials	
johncarr	1101	1b1b	1	0.00	09/26/2024	43	0	Past		Brochure	Specials	
johncarr	1013	1b1b	1	0.00	09/30/2024	39	0	Past		Brochure	Specials	
nanmckay	808	1bed1ba	1	0.00	10/31/2024	0	0	Notice		Brochure	Specials	
nanmckay	516	1bed1ba	1	0.00	10/31/2024	0	0	Notice		Brochure	Specials	
johncarr	201	1b1b	1	0.00	10/31/2024	0	0	Notice		Brochure	Specials	
johncarr	612	1b1b	1	0.00	10/31/2024	23	0	Past		Brochure	Specials	
johncarr	1111	1b1b	1	0.00	11/21/2024	0	0	Notice		Brochure	Specials	
nanmckay	716	1bed1ba	1	0.00	11/21/2024	0	0	Notice		Brochure	Specials	
johncarr	1309	1b1b	1	0.00	11/30/2024	0	0	Notice		Brochure	Specials	

It is a concern that SSPHRA does not appear to rigorously maintain and check its occupancy reports. It appears that staff is not closely monitoring performance by analyzing reports at least monthly and resolving discrepancies in reports in a timely manner. It appears that staff sometimes has no report, or there are two versions of a report (Yardi or another internal report). In addition, NMA was told a number of times by staff that they "did their own reports" instead of relying on electronic data.

3.5.2 Recommendation

1. Staff should continue to monitor and improve occupancy rate to achieve at least a 97 percent occupancy rate at all times.

2. Staff should utilize one system. Yardi software is designed to track the waiting list, unit offers, vacant unit turnaround, lease-up and maintenance functions. SSPHRA should purchase any Yardi software module needed and receive training in all the Yardi modules.

   SSPHRA should decide on one set of electronic reports (again, the Yardi modules are recommended), and ensure that data is accurate.

3. Reports should be generated on time (by an established date every month), disseminated to all property staff (Property Managers and Maintenance Technicians), and reports should be reviewed and discussed as a team at least monthly. Improvement goals and measurements should be established if needed, and the following month's reports should be analyzed to determine if improvement measures are being met.

3.6 RENT COLLECTION

The PHA provided a report of total rent owed and total rent due.

3.6.1 Concern or Observation

As with occupancy, a listing of total rent owed and total rent paid (aggregate numbers) is not sufficient to conduct a trend analysis. Rent collection rate expresses the percentage of rent paid and gives a more complete picture. This rate, or percentage, is important because the number of occupied units fluctuates, whereas rent collection rate is a continual analytic regardless of how many units are occupied or vacant.

3.6.2 Recommendation

It appears that SSPHRA has either not purchased the rent collection report module, or has not been sufficiently trained in this Yardi module. SSPHRA should obtain and be trained in the rent collection, including rent collection rate, module available from Yardi.

3.7 MAINTENANCE REPAIRS & MAKE-READIES

Maintenance and make-readies are performed by SSPHRA maintenance staff.

Essential reports to oversee the maintenance function are the work order log, average number of days to complete work orders, and the vacant unit turnaround time report.

The work order log allows the property manager and maintenance supervisor to identify systemic problems and analyze work done by each maintenance technician. Analyzing the work order log at least monthly is a function of adequate supervision of maintenance.

In order to effectively supervise maintenance, the manager and the maintenance supervisor need to analyze, at least monthly:

- The work order log; and
- Report indicating average number of days to complete nonemergency work orders; and
- Report indicating the percentage of emergency work orders completed or abated within 24 hours; and
- The vacant unit turnaround report.

As explained in *3.4.1*, the vacant unit turnaround time report is an essential report because it indicates all the days between when the old tenant moves out and the new tenant moves out – how long it takes to fill units. Vacant unit turnaround time is broken into three categories, *down time*, *make-ready time*, and *lease-up time*. *Make-ready time* indicates how many days it takes for maintenance to make repairs and get the unit in a make-ready condition. These days are tracked as a total for each month and then averaged. The average number of days in make-ready can and should be tracked for trend analysis throughout the year.

3.7.1 Concern or Observation

3.7.1.1 Software

SSPHRA did not retain the Yardi work order module when the City terminated the management contract in 2016. Work orders are done manually by maintenance technicians and input into a system by SSPHRA staff, but there does not appear to be maintenance reports. It is unclear if all work done by a maintenance technician is accurately indicated on a manual form and input by SSPHRA staff.

3.7.1.2 Average number of days to complete non-emergency work orders

The PHA could not produce a report indicating average number of days to complete nonemergency work orders, since the Yardi work order module was not retained by the City.

Without this report, the manager is not able to determine how well the maintenance function is being performed. In addition, this is a statutory sub-indicator under PHAS; when HUD issues a final PHAS, number of days to complete nonemergency work orders will be assessed, whether scored or not.

In order to administer the program effectively, the HRA must establish performance measures; time standards should be established for the average number of days it takes maintenance to complete non-emergency work orders.

Under NSPIRE, the PHA must correct Moderate deficiencies within 30 days and Low deficiencies within 60 days, or as otherwise provided in the NSPIRE standards. Repairs should be permanent fixes, unless otherwise approved by HUD in writing. Currently, SSPHRA is not able to track compliance with these NSPIRE time standards.

3.7.1.3 Emergency work orders

Completing or abating 100 percent of emergency work orders is essential, and HUD’s REAC inspectors’ identification of any life-threatening deficiencies carry a large deduction from the physical condition score under PHAS. SSPHRA did not produce such a report.

3.7.1.4 Vacant unit turnaround time report

As explained in *3.4.1*, the HRA's vacant unit turnaround time report does not report accurately. All days are counted in down time; therefore, there is no indication of how long it takes for maintenance to make the unit move-in ready (make-ready time), or how long it takes to process applicants from the waiting list and make enough unit offers to result in a move-in (lease-up time). See sample vacant unit turnaround time report in *Appendix 8.3*.

One staff person interviewed stated that the make-readies are taking too long. However, without a valid vacant unit turnaround report, it is impossible to discern with any accuracy how long make-readies are taking or to adequately supervise the maintenance staff's performance.

3.7.2 Recommendation

1. SSPHRA should purchase the Yardi work order module and ensure that all relevant staff are trained in the utilization of this module. Reports (addressed below) should be generated and disseminated by a specified time each month. Managers and supervisors should review and analyze these reports, set improvement goals, and track for improvement or lack thereof.

2. Utilizing the Yardi work order module, each month SSPHRA should generate, disseminate, and analyze the report indicating average number of days to complete nonemergency work orders. A sample report tracking average number of days to complete non-emergency work orders is in *Appendix 8.4*.

   SSPHRA should establish time standards that exceed the NSPIRE requirements, because for the REAC inspection under PHAS, HUD-contract REAC inspectors only inspect a sample of the units. SSPHRA needs to set a higher standard to ensure that NSPIRE standards are met or exceeded. An average of 14 calendar days to complete nonemergency work orders is an acceptable industry standard; establishing a baseline and then tracking over time would enable SSPHRA to determine improvement or if improvement is still needed.

3. SSPHRA should also generate a report indicating the percentage of emergency work orders completed or abated within 24 hours.

4. Utilizing the Yardi work order module, each month SSPHRA should generate, disseminate, and analyze the vacant unit turnaround time report, closely tracking make-ready time. Time standards should be established for completion.

3.8 ANNUAL & INTERIM REEXAMINATIONS

Performing accurate and on-time reexaminations is an essential function. While it was beyond the scope of this contract to analyze accuracy of income determination and rent collection (often referred to as a file audit), submitting annual reexaminations on time was checked.

The PHA tracks its annual and interim reexaminations electronically. See screenshot below.

Rows By: Month
Columns By: Action Type

Year	Month	1-New	2-Annual	3-Interim	6-End	7-UnitChange	12-FlatRent	15-Void	Total
2023	January	3	6	3	4	1	0	2	19
2023	February	0	15	1	0	0	0	1	17
2023	March	1	4	0	2	0	0	0	7
2023	April	0	7	2	3	0	2	1	15
2023	May	3	12	4	2	0	0	1	22
2023	June	2	15	2	0	0	0	1	20
2023	July	0	6	1	2	0	0	0	9
2023	August	0	10	1	1	1	0	1	14
2023	September	0	7	2	5	0	0	1	15
2023	October	4	9	1	2	0	1	0	17
2023	November	1	10	1	4	5	1	0	22
2023	December	2	12	1	2	0	0	1	18
Totals For Year 2023:		**16**	**113**	**19**	**27**	**7**	**4**	**9**	**195**
GrandTotal:		**16**	**113**	**19**	**27**	**7**	**4**	**9**	**195**

298 annual reexaminations are required. NMA was informed that an additional 4-5 interim reexaminations were usually performed each month. Given those figures, approximately 29 reexaminations are performed each month. In public housing, this is an acceptable full-time caseload. Typically, a staff person with this caseload would have limited time to perform full property management duties such as supervision of maintenance, property management, lease enforcement, etc.

The HRA Office Specialist conducts a 100 percent file audit (quality control review); all annual and interim reexaminations. The Office Specialist reviews reexaminations and makes corrections.

3.8.1 Concern or Observation

1. Staff indicated that they “help each other out” when conducting annual or interim recertifications. Final accountability in accuracy seems to be somewhat vague.

   If staff has demonstrated competence (knowledge, skills and abilities) in the rent calculation function, it is unusual for a 100 percent file audit to be conducted. SSPHRA staff seems very busy, yet essential functions are not being tracked adequately, while recertifications may be overly audited.

2. Although the Office Specialist reviews 100 percent of reexaminations for accuracy, it is not clear that the HRA has established a clear training and mentoring component when errors are found.
3. As mentioned in *3.1.1*, the PHA's ACOP dated January 1, 2024 is revised for HOTMA, which has been delayed by HUD. HOTMA codifies when interim reexaminations must be conducted and when they may not (are not allowed to) be conducted. Until full HOTMA implementation, the PHA must rely on its most current ACOP before HOTMA.

   SSPHRA's pre-HOTMA interim reexamination policies are inadequate. There is no policy that defines when the HRA will conduct an interim increase. The only interim policy concerns interim decreases (page 47 of the pre-HOTMA ACOP), below:

   > Families are not required to, but may at any time, request an interim reexamination on a decrease in income, an increase in allowable expenses, or other changes in family circumstances.

   The lack of comprehensive and cohesive policies, and the confusion of pre-HOTMA vs HOTMA regulations and policies, leave staff with no guidance whether and when to conduct interim reexaminations for interim increases.

3.8.2 Recommendation

1. One person should be ultimately responsible for each annual or interim recertification. Results of the file audits (quality control reviews) performed by the Office Specialist should be tracked for each Property Manager accountable for each reexamination. Both timeliness and accuracy should be tracked. See discussion of a quality control (QC) schedule in *Section 6*.

   If a Property Manager demonstrates an accuracy and timeliness rate of 98 percent or above, the Office Specialist should track a lesser amount of those recertifications each month. This QC schedule could phase down to 50 percent; then, if the Property Manager continues to have an accuracy and timeliness rate of 98 percent or above, the QC schedule could phase down to 20 percent. If the Property Manager's accuracy and timeliness rate falls below 98 percent, the QC schedule could phase up.

   If a Property Manager consistently demonstrates a timeliness or accuracy rate below 95 percent, the HRA should establish an individual improvement plan for the Property Manager's, including:
   a. Improvement goals, with clear measures

b. Their work should be more closely supervised and monitored
c. They should be required to attend a rent calculation seminar and successfully pass a certification examination.

The Office Specialist could potentially monitor (perform quality control on) other key functions of SSPHRA's public housing program if 100 percent file review were phrased down.

SSPHRA should establish an Excel spreadsheet system, recording timeliness and accuracy. An example of a simple tracking system can be found in *Appendix 8.5* and *Appendix 8.6*.

2. Until full HOTMA implementation (which, as mentioned, has been further delayed by HUD), the PHA's current ACOP is inadequate. SSPHRA needs ACOP pre-HOTMA income, verification, and reexamination chapters. NMA recommends that all staff involved in public housing operations participate in an ACOP revision facilitation engagement.

3.9 TRANSFERS

Because John Carroll and Nan McKay are mostly one-bedroom developments, the PHA's transfers are very limited.

3.9.1 Concern or Observation

SSPHRA could not provide a transfer list. There was a list of units leased up by transfer tenants, but there was no list of residents approved and waiting for a transfer. SSPHRA staff reported that when a resident was approved for a transfer, the team made the unit offer to the next available transfer tenant, but there was no historical record kept. It was reported that there are no residents waiting for a transfer.

For many years, HUD required PHAs to submit their "tenant selection and assignment plan", which included waiting list preferences, unit offers, and transfers. Since 1998, any discretionary policy changes to these policies are included in the PHA plan process. There have been HUD audits and fair housing challenges regarding transfer lists and transfer offers.

3.9.2 Recommendation

Even though currently there is no resident waiting for a transfer, SSPHRA should keep a transfer log and keep the historical record of transfers.

3.10 VIOLENCE AGAINST WOMEN ACT (VAWA)

The Housing Programs Administrator oversees compliance with the Violence Against Women Act (VAWA).

3.10.1 Concern or Observation

It appears that SSPHRA's notices of denial and notices of termination are not accompanied by form HUD-5380 (notice of occupancy rights under the Violence Against Women Act) and form HUD-5382 (VAWA certification form).

3.10.2 Recommendation

All notices of denial and notices of termination must be accompanied by form HUD-5380 (notice of occupancy rights under the Violence Against Women Act) and form HUD-5382 (VAWA certification form).

3.11 LIMITED ENGLISH PROFICIENCY (LEP)

The Housing Programs Administrator oversees Limited English Proficiency (LEP) compliance. Between the six staff members at SSPHRA, staff is available to interpret in French, Hmong, Taiwanese, English, and Spanish. It was reported that sometimes applicants bring in a family member to interpret.

3.11.1 Concern or Observation

While it is commendable that SSPHRA staff speaks many languages, HUD's Final Guidance Notice to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007, states:

> The ''safe harbor'' provided in this Guidance is for written translations only. There is no ''safe harbor'' for oral interpretation. In fact, no matter how few LEP persons the recipient is serving, oral interpretation services should be made available in some form. Depending on the circumstances, reasonable oral interpretation assistance might be an in-person or telephone service line interpreter.

3.11.2 Recommendation

SSPHRA should contract with a language line to provide competent oral interpretation, free of charge, upon request. The language line will provide a graphic, in many languages, of the availability of this service; this graphic should be posted in SSPHRA offices and on its website.

3.12 REASONABLE ACCOMMODATION & PHYSICAL MODIFICATION REQUESTS

The Housing Programs Administrator oversees requests for reasonable accommodation and physical modifications.

The HRA has a reasonable accommodation (RA) packet and describes the RA process.

3.12.1 Observation or Concern

1. The request form lists limited types of requests. The PHA should consider adding more examples, for example, an assistance animal.

2. The *Verification of Need for a Reasonable Accommodation Form* asks the knowledgeable professional named by the tenant to “verify his or her disability”. The wording here should be “to verify his or her disability-related limitation”. The PHA’s form does state, “This form should not be used to discuss the person’s diagnosis or any other information that is not related to the request for an accommodation.” However, the form should be clearer that no confidential medical information should be submitted.

3. The *Response to a Request for Reasonable Accommodation* lists, as a reason for denial, “It will cost too much money and/or is more work than our staff can do (an undue financial and/or administrative burden)”. “Costing too much money” does not meet the threshold for an undue financial and administrative burden under the Fair Housing Act (FHA). Also, note that the denial, under the Fair Housing Act is for undue financial and administrative burden, not undue financial *and/or* administrative burden as indicated in the PHA’s form.

4. At the end of the packet, under "Next Steps", the form states, "If you disagree with this decision, you may appeal to: (blank), and then, "If you are still unhappy with the results, you may appeal to: (blank). The form should state, for an applicant denied a reasonable accommodation request, that the applicant has the right to request an informal hearing. If a tenant disagrees with the request, the tenant has the right to a grievance hearing. The first step in the grievance hearing is the informal settlement. The form should be clearer and more specific.

3.12.2 Recommendation

A sample *Reasonable Accommodation Request Form* can be found in *Appendix 8.7* and a sample *Verification of Need for a Reasonable Accommodation* can be found in *Appendix 8.8*. SSPHRA should consider using these sample forms or amending their forms to comply with the Fair Housing Act and HUD regulations.

3.13 LEASE ENFORCEMENT & TERMINATIONS

3.13.1 Concern or Observation

A minor concern is that a SSPHRA termination notice provided to NMA informed the tenant of their right to an "informal hearing" This is not the correct term. Tenants have the right to a "grievance hearing". Applicants have the right to an "informal hearing".

3.13.2 Recommendation

Revise language to "grievance hearing" or "hearing".

3.14 HEARINGS

The HRA contracts with an attorney to serve as the hearing officer.

3.14.1 Concern or Observation

1. SSPHRA did not produce a hearing log. Per 24 PIH 2016-05(HA), the PHA must maintain a log of all hearing officer decisions and make that log available upon request of the hearing officer, a prospective complainant, or a prospective complainant's representative. At a minimum, the log must include:
    a. The date of the hearing decision
    b. The general reason for the grievance hearing (failure to pay rent, community service and self-sufficiency noncompliance, etc.) and

   c. Whether the decision was in favor of the complainant or PHA

2. NMA was provided with SSPHRA's "Tenant Grievance Procedure" document, revised 8/2023. A minor observation is that #2 on page 2 is no longer a regulatory requirement:

   > The SOUTH ST. PAUL HOUSING & REDEVELOPMENT AUTHORITY shall consult the tenant organizations before appointment of each Hearing Officer (or panel member). Any comments or recommendations submitted by the tenant organizations shall be considered by the SOUTH ST. PAUL HOUSING & REDEVELOPMENT AUTHORITY before the appointment.

   Per 24 CFR 966.53(e), PHAs must include their policies regarding the selection process of hearing officers in the tenant lease. Changes to the lease are subject to a 30-day comment period.

3. While NMA was not provided a termination case based on criminal records or sex offender records, a PHA is required, before issuing a notice of termination, to provide the tenant the opportunity to dispute the accuracy and relevance of criminal records obtained other than public records. This HUD requirement mirrors the obligations for applicants denied for criminal or sex offender records as described in *3.3.1*.

4. This requirement is codified in 24 CFR 5.903(f), 24 CFR 5.905(d) and 24 CFR 966.4(l)(5)(iv).

5. It is not clear if SSPHRA is taking this required step before issuing a notice of termination. This is something the Hearing Officer must seriously consider when making a hearing decision, because the hearing decision is based on two pillars: did the party seeking the change in the status quo meet the standard of proof (preponderance of the evidence), and did the PHA follow all due process.

3.14.2 Recommendation

1. Establish a hearing log. Ensure that the log includes:
   a. The date of the hearing decision
   b. The general reason for the grievance hearing (failure to pay rent, community service and self-sufficiency noncompliance, etc.) and
   c. Whether the decision was in favor of the complainant or PHA

   SSPHRA should also consider tracking:

   a. When the hearing was requested (to track that hearings are scheduled and held promptly, per SSPHRA policy)
   b. When the hearing was held (to ensure that hearing decisions are rendered promptly, per SSPHRA policy)

   While HUD regulations do not require a log for applicant informal hearings, it is advisable for the PHA to track these as well.

2. Amend the grievance procedure to state: "The South St. Paul Housing & Redevelopment Authority's lease includes policies regarding the selection process of hearing officers."

   The lease could simply state: "The hearing officer shall be appointed by the PHA and will be an impartial person, other than the person who made or approved the decision under review, and other than a subordinate of that person."

3. Use, or customize, the sample *Notice of Intent to Terminate Leased Based on Criminal Records*, found in *Appendix 8.9.*

4. PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS)

4.1 BACKGROUND

The Public Housing Assessment System (PHAS) is a system of accountability to assist the Department of Housing and Urban Development (HUD) in monitoring and evaluating public housing performance nationwide.

PHAS defines acceptable standards for key areas of public housing management. PHAS is scored as follows:

Physical Condition	Maximum Points
Physical Condition	40
Financial Condition	25
Management Operations	25
Capital Fund	10

PHAS scores issued by HUD should be used as a management tool by directors and property managers.

SSPHRA, due to its PHAS scores, had been designated a “high performer” in recent years:

Year	SSPHRA PHAS Score
2017	90
2018	90
2022	91

4.2 CONCERN OR OBSERVATION

1. While COVID-19 significantly affected HUD’s issuance of PHAS scores, for PHAs with 250 units or more, HUD does generally issue a PHAS score every year. For developments that score 90 or above in the physical condition score, those developments undergo a REAC inspection every three years. Developments scoring at least 80 but less than 90 undergo REAC inspections every other year. Developments that score less than 70 and all developments in a troubled or Capital Fund-troubled PHA undergo REAC inspections annually.

When NMA asked to see the HRA's most recent PHAS scores, staff at first stated they "don't think we get a PHAS score like most PHAs.".

2. SSPHRA's most recent PHAS score, for the PHA's fiscal year end (FYE) 12/31/2023 was:
   a. 2023 overall PHAS score 87

      This brings the HRA into a "standard performer" designation. While this is still an acceptable score, the downward trend should be a concern. Any time performance is trending downward, careful analysis is required.

   b. The HRA lost crucial points under "occupancy" because units were left vacant too long.

   c. Of equal concern is the points lost for "debt service coverage ratio" under the financial condition indicator, and related points lost under "accounts payable" under the management indicator.

      > The "debt service coverage ratio" is a measure of the PHA's ability to meet its regular debt obligations, indicating whether the PHA has generated enough income from operations to meet annual interest and principal payments on long-term debt obligations.
      >
      > The "accounts payable" measures the money that a development owes to vendors at the end of the development's fiscal year for products and services purchased on credit against total operating expenses.

      It is NMA's understanding that the City Finance Department pays the HRA's bills. It also appears that, although a financial audit is beyond the scope of this contract, HRA has sufficient liquidity and reserves to pay its bills.

4.3 RECOMMENDATION

The downward trend in HUD's PHAS assessment is helpful, because it provides SSPHRA the impetus to systematically analyze its tracking of program and staff performance, reporting and monitoring schedules, and supervision and training.

1. SSPHRA should have quick access to current and previous PHAS scores, and all staff should be informed when HUD issues PHAS scores, educated about what those scores mean, and, when needed, goals established to improve PHAS scores

2. NMA's recommendations to improve occupancy rate are found in *3.4.2* and *3.5.2*.

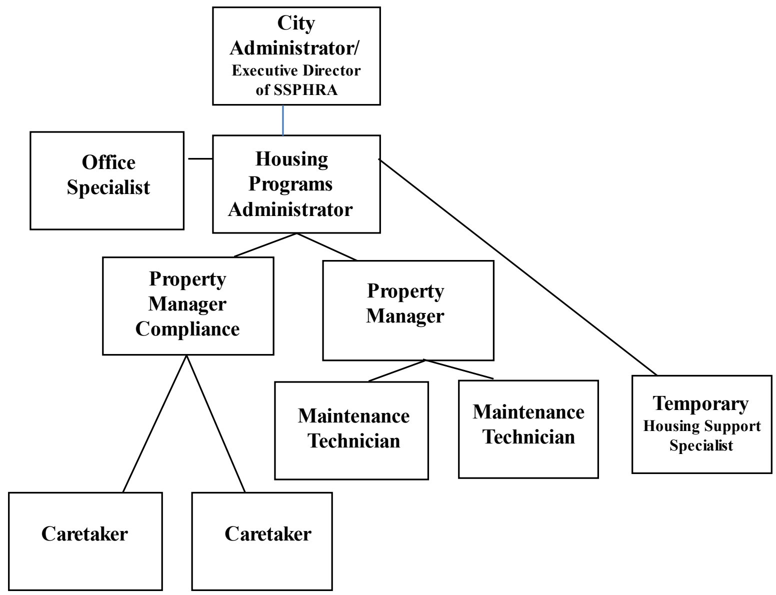
3. If both NMA's assumptions are correct (that the City pays the HRA's bills and that the HRA has sufficient funding to pay its bills), then either HRA staff is not providing the City the invoices (bills due) in a timely manner, or the City is not paying in a timely manner. In either case, there seems to be a process/communication gap that the HRA should investigate and remedy.

   The HRA should set up a tracking schedule and a log, to ensure, monitor, and follow up that bills are being paid on time.

5. JOB DESCRIPTIONS & ESSENTIAL FUNCTIONS

5.1 SSPHRA ORGANIZATION

SSPHRA's organizational chart is shown below:



Usually, a public housing development has its own property manager, but in SSPHRA's case, the two property managers are assigned public housing-wide duties.

> One property manager handles compliance (annual and interim recertifications, pulling income verification reports from HUD's Enterprise Income Verification (EIV) software, and managing the caretakers.
>
> The other property manager performs property management duties: overseeing the maintenance technicians (and occasionally performing basic maintenance tasks), overseeing make-readies, conducting inspections, and handling transfers upon approval by the Housing Programs Administrator.

5.1.1 Concern or Observation

It is not clear whether the division of Property Manager's duties were for operational efficiency or to reflect the strengths and weaknesses of particular staff persons.

Having one property manager supervise maintenance technicians, and the other property manager supervise caretakers is not functional. Maintenance should be supervised by one supervisor. Further, it is NMA's understanding that it is the Housing Program Administrator who actually supervises these positions, i.e., conducts performance reviews and takes disciplinary action when needed.

5.1.2 Recommendation

NMA's recommendation here will be included in *Section 7*.

5.2 JOB DESCRIPTIONS

5.2.1 Housing Programs Administrator

Typically, the director (Executive Director in a small PHA, Portfolio/Public Housing Director in a larger PHA), develops and submits the budgets, oversees the Capital Fund, submits documents to HUD, oversees the PHA Plan and public hearing process, and oversees grant writing. SSPHRA's Housing Programs Administrator performs these duties in addition to officially overseeing the public housing program and supervising the two Property Managers.

The Housing Programs Administrator is working at a director level, which is reflected in the job description.

5.2.1.1 Concern or Observation

While the Housing Programs Administrator is doing an admirable job of performing strategic executive duties described above (and in the job description), the oversight of public housing performance and direct supervision of public housing staff is a concern. The Housing Programs Administrator does not have access to and/or is not utilizing essential reports to fully monitor performance of the two developments.

Without accurate and on-time reports, it is impossible to assess if the Housing Programs Administrator does not have the capability (in time or in knowledge and skills) to perform both the strategic administrative functions typically reserved for a higher level director and adequately supervise performance of the public housing program and staff, or does not have the tools necessary for adequate supervision of public housing performance and staff.

5.2.1.2 Recommendation

See *Section 7.2*.

5.2.2 Property Manager Job Description

There is one Property Manager job description, yet the two property managers' duties are quite divided; one property manager is assigned the annual and interim recertifications and the other property manager oversees performance of the physical properties and maintenance technicians.

5.2.2.1 Concern or Observation

1. It appears that actual job duties may be assigned based on strengths and weaknesses of individual staff, not because the division of duties is optimal. From information gathered in the interviews, it appears that "everyone pitches" in and there is not enough clear ownership and accountability. For example, it was reported that the (temp) Housing Specialist "does the rent calculation first" and then one of the property managers "double-check". As mentioned earlier, while SSPHRA staff are to be commended for their team spirit, job duties need to be clearer. One person interviewed stated that jobs are "too mixed", and NMA tends to agree. Having one job description for very different expectations of the two property managers results in lack of accountability.

2. In addition, the Property Managers appear to be interrupted in their work frequently by residents and seem to feel it is expected that they be available at all times to residents. While NMA certainly understands the mission of customer service to residents, especially elderly residents and residents with disabilities, Property Managers must do their jobs.

5.2.2.2 Recommendation

1. Whether the current system of dividing duties whereby one property manager performs "compliance" and the other oversees the properties, or whether both property managers perform typical property management functions, SSPHRA should establish performance standards, generate on-time electronic reports, establish clear responsibilities and accountability, and track performance.

2. There is a DARTS office at both John Carrol and Nan McKay, which are open daily. DARTS is a local nonprofit organization that provides personalized and professional services for older adults. Residents should be encouraged to take advantage of the DARTS staff presence. The Property Managers could set office hours when residents can drop in, enabling them to focus on essential duties.

5.2.3 Office Specialist

The job description of the Office Specialist seems to be congruous with their actual duties. The Office Specialist's work has been tremendously impacted with the plumbing project at John Carroll – vendor and work invoices, checks and gift cards for relocation, etc., - but this project is expected to end in December 2024.

5.2.3.1 Concern

As noted in *3.8.1*, the Office Specialist conducts 100 percent file reviews of recertifications. SSPHRA has other essential functions to track that are not being tracked.

5.2.3.2 Recommendation.

If staff are held accountable for each annual and interim recertification, and if accuracy and timeliness of the accountable person is being tracked, then SSPHRA should phase down file audits for staff with a high accuracy rate (SSPHRA should define "high accuracy rate", e.g., 97 percent accuracy).

If SSPHRA obtains Yardi modules and develops essential logs/spreadsheets, the Office Specialist could oversee the schedule of reporting and disseminate essential reports monthly and assist in tracking functions of public housing performance in addition to reexaminations.

6. QUALITY CONTROL – TRACKING PERFORMANCE

6.1 DEFINITION & PURPOSE OF QUALITY CONTROL

A quality control (QC) system is how a PHA measures success by establishing key

areas of performance to monitor. An effective QC system helps the PHA understand where they are now (the baseline) and track performance (trend analysis) over time.

The purpose of a quality control system is to:

1. Prevent errors in high-stakes or unrecoverable areas of liability and compliance;
2. Enable the PHA to take action in areas where performance is lacking;
3. Document improvements in performance; and
4. Incrementally enhance the overall quality of the program.

An effective quality control system facilitates conversations about expectations for staff. It also enables managers to be proactive rather than reactive; the PHA can more quickly identify performance areas that are not working and take steps toward improvement.

Sometimes quality control affirms assumptions, e.g., the program is doing great and QC results back that up. Or the director wondered if one of the employees needed more training in rent calculation, and the QC reports will support recommendations and suggestions.

Sometimes QC results are a surprise; those surprises are valuable – results may highlight problems of which the PHA was unaware. Or results may show that performance is exceeding expectations.

6.1.1 Three Types of Quality Control

6.1.1.1 Periodic Quality Control

This type of quality control is usually conducted by higher-level management as needed (at least annually) to review policies, procedures and forms. Defining the 504 coordinator function and updating the ACOP are examples of periodic quality control.

6.1.1.2 Preventive Quality Control

High-stakes issues that represent potential liability or money impact should be reviewed before they “go out the door.” Reviewing termination cases before a hearing, reviewing any denial of a request for a reasonable accommodation, and following up on all insurance risks are examples of preventive action.

6.1.1.3 Continuous Quality Control

This fact-based check of critical performance areas extends from the frontline supervisor up through every level of supervision to the executive director and the board.

Continuous quality control is the monthly identification of the PHA's critical areas of performance. It is impossible (and not practical) to check everything, so the PHA needs to identify the most important areas to track.

> For example, in the area of income determination and rent calculation, the PHA might set up a QC schedule whereby a percentage of each staff person's files are checked monthly and the results are reported appropriately.
>
> Over time, there may be a staff person who never makes a mistake—the PHA may decide to check their files quarterly.

An example of a simple QC tracking schedule for annual reexaminations is found in *Appendix 8.5*.

6.2 LEADERSHIP & SUPERVISION

Staff at the South St. Paul Housing & Redevelopment Authority are committed and cooperative. It was beyond the scope of this contract to assess the competencies of each staff person. However, there are clearly gaps in leadership and supervision:

1. The City Administrator oversees administration of South St. Paul. Acting as the Executive Director of SSPHRA as well is probably not tenable. Even though the former housing authority was disbanded and the housing choice voucher program assigned to another HRA, the public housing program remains under the City of South St. Paul. A public housing program, whether comprised of 29 units, 298 units, or 2,988 units, is a public nonprofit corporation that owns and administers housing that must comply with industry standards of rental real estate plus the universe of HUD regulations and requirements. The City Administrator is too busy to effectively oversee SSPHRA.

   In addition, it was reported that SSPHRA's Board of Commissioners meets only three times per year, resulting in further under-supervision of SSPHRA and staff.

2. The Housing Programs Administrator's current day-to-day duties mostly involve what an executive director (in a small PHA) or director (in a medium-sized or large PHA) would be responsible for: budgets, capital planning and administration, procurement, PIC and REAC submissions to HUD, grant administration, and the PHA plan process. The Housing Programs Administrator has been extremely impacted with the plumbing project at John Carrol, but the capital fund program (CFP) is ongoing in any public housing program. The Housing Programs Administrator also serves as the fair housing coordinator.

   These responsibilities, in combination with the City Administrator's lack of time to monitor SSPHRA, and the lack of software capability/reporting, leave the Housing Program Administrator clearly unable to effectively supervise the daily performance of the public housing and staff.

3. As discussed in *5.2.2*, having one job description for two Property Managers who reportedly have very different responsibilities, yet job performance is not adequately supervised, is not functional unless clearer authority and accountability is established.

6.2.1 Concern or Observation

As noted throughout this report, there is a noticeable lack of supervision at all levels. Again, while staff are committed and cooperative, the lack of clear responsibility and thus accountability is a problem.

6.2.2 Recommendation

See *Section 7*.

6.3 EXPECTATIONS & PERFORMANCE STANDARDS

The South St. Paul HRA team is to be commended for clearly working well together and pitching in to help each other when needed.

6.3.1 Concern or Observation

There is a marked lack of tracking staff performance via on-time, accurate reporting. Many functions essential in any public housing program are not being adequately tracked at SSPHRA.

A system of onboarding and regular training also appears to be lacking.

6.3.2 Recommendation

Evaluation of staff needs to be more closely tied to performance of the essential functions, i.e., occupancy, unit offers, accuracy of rent calculation, etc.

Essential reports needed are summarized in *7.2*.

Recommended training is discussed in *7.4*.

6.4 KEY REPORTS TO TRACK PROGRAM PERFORMANCE

There are key reports that are essential to track performance of the public housing program. Without on-time and accurate reports, it is impossible to accurately assess how the program is actually performing at any given moment and over time (trend analysis).

6.4.1 Concern or Observation

NMA found a pattern of nonexistent or inadequate reports, a lack of management and staff knowledge about what the essential reports are, and line staff does not know how to access reports that SSPHRA actually is producing.

6.4.2 Recommendation

SSPHRA should obtain the necessary Yardi modules and/or develop internal spreadsheets to generate the following reports monthly, YTD, quarterly, and annually. These reports should have detail for both John Carroll and Nan McKay as well as have aggregate figures. Essential reports are described in *7.2*.

7. KEY RECOMMENDATIONS

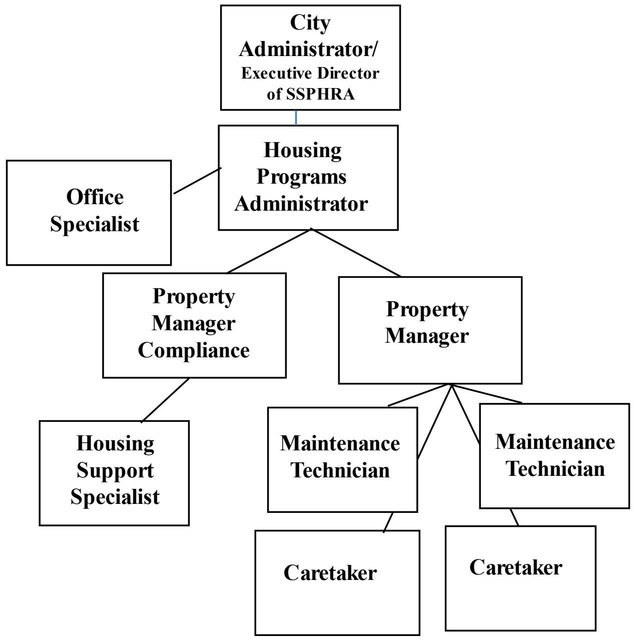
7.1 STAFFING

It is impossible to accurately determine whether SSPHRA is appropriate staffed without clearer performance reports. Before SSPHRA makes any radical changes to staffing, SSPHRA needs to obtain the necessary Yardi modules to produce on-time and accurate reports on program and staff performance.

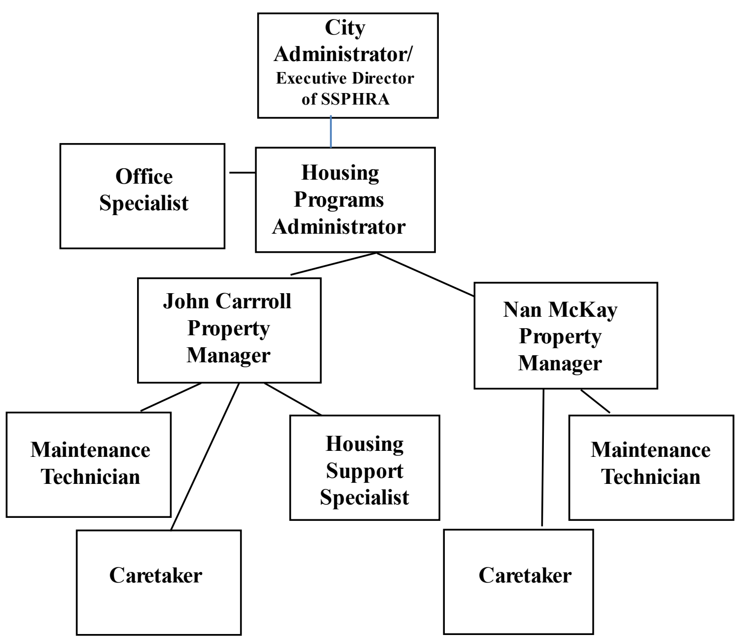
1. SSPHRA should have a director who oversees and monitors the strategic work of SSPHRA. The director should:
    a. Establish performance standards for the properties and the public housing program as a whole by analyzing essential reports monthly. YTD and year-by-year, performing trend analysis (i.e., is performance improving, staying the same, or trending downward).
    b. Establish performance standards for staff, by assigning clear authority and responsibility, providing frequent management best practices and mentoring, ensuring training, and analyzing accurate reports.
    c. Ensure that SSPHRA Yardi software capability encompasses all aspects of public housing program and property management to result in on-time accurate reporting.
    d. Work collaboratively with the City and SSPHRA to establish a strategic, long-range vision for the public housing program, establish strategic goals, measure attainment of those goals, and report on attainment of goals.

2. SSPHRA's property managers' duties should either be the same, with one property manager overseeing the property and maintenance assigned to John Carroll and one to Nan McKay; or, if the City wishes to retain the current structure, supervise performance more effectively by assigning clear duties and accountability.

3. SSPHRA should consider one of two models:
    a. Maintenance staff (including caretakers) should be supervised by one manager, and the Housing Support Specialist supervised by the other Property Manager as below:



b. Alternatively, maintenance could be decentralized, with maintenance staff (including caretakers) assigned to a Property Manager with full duties at John Carroll and the other at Nan McKay. This more industry-standard model would enable SSPHRA to more effectively analyze the job performance of the Property Managers. See graphic below:



4. The Housing Support Specialist should be a permanent position, with training and close supervision, particularly for the first year. For example, the lack of keeping track of unit offers is an oversight of the supervisor, not of the Housing Support Specialist. New staff do not know what they do not know. The Housing Support Specialist should report to the Property Manager who does not oversee maintenance, if SSPHRA decides to keep the Property Manager job duties divided as is.

7.2 ESSENTIAL REPORTS

The South St. Paul Housing & Redevelopment Authority should run essential reports monthly, YTD and annually, with trend analysis comparing past vs current performance. These reports should be run for John Carroll and Nan McKay and in aggregate figures. Reports should be disseminated to the Executive Director, Housing Programs Administrator, Property Managers, and to the Maintenance Technicians and Housing Support Specialist as relevant. Any improvements needed should be discussed among staff and improvement goals established and monitored.

SSPHRA should purchase the necessary Yardi modules to obtain and run the following reports:

1. Occupancy rate report
2. Rent collection rate report
3. Work order log
4. Vacant unit turnaround time report, with down time, make-ready time, and lease-up time.
5. Average number of days to complete nonemergency work orders.
6. Percentage of emergency work orders completed or abated within 24 hours.
7. Annual unit inspections
8. Unit offer report
9. Transfer list

In addition, SSPHRA should maintain the following reports, whether in Yardi, in an Excel spreadsheet, or in a log:

1. PHAS scores Hearing decisions
2. Reasonable accommodation requests
3. Accuracy of rent calculation for annual and interim reexaminations

A schedule of reporting for trend analysis purposes should be run at least annually, comparing past FY performances with current FY. A sample schedule can be found in *Appendix 8.10*.

7.3 ADMISSIONS & CONTINUED OCCUPANCY POLICY (ACOP)

As detailed in *3.1.1*, the HRA's ACOP is inadequate until full implementation of HOTMA, which is further delayed by HUD.

NMA recommends that the HRA enter into a facilitation agreement to update their current ACOP to establish compliant, up-to-date policies. NMA recommends a three-day custom facilitation to include relevant staff at all levels. A custom facilitation would include more explanation and brief training to staff.

7.4 TRAINING

After interviewing staff, NMA noted a lack of comprehensive, regular training. Staff reported that they attended conferences. While attending conferences can be helpful, NMA recommends that staff attend more in-depth training on a somewhat regular basis. NMA also strongly recommends that staff take any certification examination with relevant seminars. While, of course, it is an HR issue whether staff will be required to pass a certification examination and retain their position (which many PHAs do require), passing a certification examination demonstrates a basic level of competency in the subject area. If a staff member did not pass a certification examination, this should trigger closer supervision and mentoring, and further training.

NMA recommends the following seminars:

1. Executive Director – Public Housing Management (PHM)
2. Housing Programs Administrator – PHM, Supervision & Management
3. Property Managers – PHM
4. Housing Support Specialist – PHM
5. Office Specialist – Public Housing Rent Calculation

8. APPENDICES

Included within this section are the following appendices:

8.1 Sample Notice of Intent to Deny Based on Criminal/Sex Offender Records
8.2 Sample Unit Offer Tracking Log
8.3 Sample Vacant Unit Turnaround Time Report
8.4 Average Number of Days to Complete Nonemergency Work Orders
8.5 Sample Annual Reexamination Quality Control (QC) Monthly Report by Employee
8.6 Sample Annual Reexamination Quality Control (QC) Aggregate Reports
8.7 Sample Reasonable Accommodation/Modification Request Form
8.8 Sample Verification of Need for Reasonable Accommodation/Modification
8.9 Sample Notice of Intent to Terminate Lease Based on Criminal Records
8.10 Sample Schedule of PHA Reporting – Trend Analysis

8.1 SAMPLE NOTICE OF INTENT TO DENY BASED ON CRIMINAL / SEX OFFENDER RECORDS

Housing Authority Name
Address
City, State, Zip
Phone
TDD or TTY

Date

Resident Name
Address
City, State, Zip

NOTICE OF INTENT TO DENY ADMISSION BASED ON CRIMINAL RECORDS

Head of Household: [Resident Name],
Subject of Record: [Name]

Dear [Resident Name]:

The Housing Authority of [Jurisdiction] (acronym, or "the PHA") intends to deny admission to its public housing program based on criminal record database(s) and/or sex offender information obtained from a state or local agency. This notice is being sent to the head of household and the subject of record, if the subject of record is other than the head of household.

You signed a consent form authorizing the release of criminal records to the PHA. A copy of that consent form is enclosed.

The PHA has obtained criminal records and/or sex offender information showing that the adult household member named above was involved in a crime that constitutes grounds for denial of admission. This is the PHA's notification of its intention to deny your admission to public housing based on this information.

Enclosed is a copy of the criminal record(s) and/or sex offender information upon which the PHA is basing this decision. In compliance with 24 CFR §5.903 and §5.905(d), you have the right to dispute the accuracy and relevance of these records used to make this determination. If you do not dispute the accuracy and relevance of these records within 10 business days, or if the PHA upholds its decision to deny, you will be sent a notice of denial and be informed of your right to request an informal hearing.

If you have any questions, please call: [name] Phone:

PHA Representative:___________________________________ Date:___________________

Authorizing Signature: _________________________________ Date: __________________

Cc:

8.2 SAMPLE UNIT OFFER TRACKING LOG

In Yardi system. Sample report to be used until Yardi system is operational. Units listed by date of move-out.

Unit Number or Address	Move-out Date	Date of Expected Make-Ready	Date of Actual Make-Ready	Unit Offer #1	Unit Offer #2 (if first offer refused for good cause)	Lease-up Date
				Applicant Name Date ☐ Transfer ☐ 1st offer – *if good cause refusal, keep as "Eligible" for another offer* ☐ Refused ☐ No resp ☐ Accepted	Applicant Name Date ☐ Transfer ☐ 1st offer – *if good cause refusal, keep as "Eligible" for another offer* ☐ Refused ☐ No resp ☐ Accepted	
				Applicant Name Date ☐ Transfer ☐ 1st offer – *if good cause refusal, keep as "Eligible" for another offer* ☐ Refused ☐ No resp ☐ Accepted	Applicant Name Date ☐ Transfer ☐ 1st offer – *if good cause refusal, keep as "Eligible" for another offer* ☐ Refused ☐ No resp ☐ Accepted	
				Applicant Name Date ☐ Transfer ☐ 1st offer – *if good cause refusal, keep as "Eligible" for another offer* ☐ Refused ☐ No resp ☐ Accepted	Applicant Name Date ☐ Transfer ☐ 1st offer – *if good cause refusal, keep as "Eligible" for another offer* ☐ Refused ☐ No resp ☐ Accepted	

Copy more pages as needed and maintain in binder, or maintain in computer.

8.3 SAMPLE VACANT UNIT TURNAROUND TIME REPORT

AMP 1	This Month	Year-to-Date
a. Move-ins	5	27
b. Move-outs	4	41
c. Evictions (included with move-outs)	0	10
d. Down time for units leased	5	30
e. Make-ready time for units leased	53	285
f. Lease-up time for units leased	37	138
g. Total turnaround days (d+e+f)	95	553
h. Average turnaround time (g/a)	19 days	20 days

Detail report – tracked and submitted monthly for each AMP, the portfolio as a whole, YTD, and FY. Calculated from WO system and IMS-PIC.

Unit	Move-out	Move-in	Down Time	Make-Ready	Lease up	Exempt		Total Days
						Capital	Other	
102	8/18/24	10/2/24	1	20	23			44
204	8/20/24							
58	9/15/24	10/7/24	1	14	6			21
143	9/30/24	10/6/24	0	4	1			5
65	10/2/24	10/16/24	1	9	3			13
23	1/19/24	10/31/24	1	6	4			11
TOTAL			**5**	**53**	**37**			**95**

8.4 AVERAGE NUMBER OF DAYS TO COMPLETE NON-EMERGENCY WORK ORDERS

In Yardi system. To be used until Yardi is operational. Tracked and submitted monthly for each AMP, the portfolio as a whole, YTD and FY. Calculated by WO system.

AMP 1	This Month	Year-to-Date
a. Beginning balance from previous month(s)	8	102
b. Number of non-emergency work orders received – include work orders from a (above)	57	534
c. Total number of calendar days to complete non-emergency work orders in b (above)	289	3216
d. Average number of calendar days to complete non-emergency work orders (c/b)	5.1 days	6.0 days

8.5 SAMPLE ANNUAL REEXAMINATION QUALITY CONTROL MONTHLY REPORT – BY EMPLOYEE

QC Report – Q4 2024											
Staff	Caseload	Number of Files		Files with Errors		Types of Errors (may be more than one type of error)					
		Completed	Reviewed	Number	Accuracy Rate %	Lack of verification (or did not follow HUD hierarchy)	Income	Allowances	Data Entry	Did not apply PHA policy	Late
Oct-24											
Staff #1	200	24	10	1	90%			1			
Staff #2	256	31	10	8	20%	4	5	3		3	3
Staff #3	320	35	10	0	100%						
Nov-24											
Staff #1	200	19	10	2	80%		1	1			
Staff #2	256	27	10	5	50%	3	3	3			4
Staff #3	320	29	10	0	100%						
Dec-24											
Staff #1	200	25	10	1	90%		1				
Staff #2	256	27	10	5	50%	2	3	3			1
Staff #3	320	29	10	0	100%						

8.6 SAMPLE ANNUAL REEXAMINATION QUALITY CONTROL – AGGREGATE REPORTS

PHA QC Monthly Summary Report Dec 01, 2024 – Dec 31, 2024				
Status	Review Type		Number	Rate %
Completed			30	100.00%
	Error	Files with Errors (list main reason)	5	16.70%
		Verification or hierarchy	1	20.00%
		Income/Assets/Expenses	2	40.00%
		Administrative Error (data entry or did not follow PHA policy)	1	20.00%
		Late	1	20.00%
	No Error		25	83.30%

Aggregate Reexamination Quality Control YTD 2024													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
Accuracy %	78.0	78.7	79.4	80.8	78.3	89.6	86.3	94.3	90.4	92.0	95.4	83.3	85.5
Late %			2	1			2	2		1		1	9

8.7 SAMPLE REASONABLE ACCOMMODATION/MODIFICATION REQUEST FORM

Request for Reasonable Accommodation or Physical Modification

(THIS FORM IS AVAILABLE IN LARGER FONT OR ALTERNATIVE FORMAT UPON REQUEST)

PLEASE PRINT CLEARLY

Head of Household: ______________________________ **TDD/Phone:** ______________________________

Address: ______________________________ **State/Zip:** ______________________________

Currently, I am: ☐ **An applicant on the waiting list for public housing, or**
☐ **Currently living in public housing**

Household member who needs accommodation:
____

The household member above is a person with a disability because they have a physical, mental or emotional impairment that limits one or more major life activities.

Please DO NOT submit medical records or tell us about the nature or severity of your disability.
The purpose of an accommodation is to remove or relieve a barrier posed by the disability-related limitation. As a result of this disability, the following reasonable accommodation(s) is/are being requested by or on behalf of the person with disabilities listed above.

Please answer the following questions.

1. The person with a disability is requesting a **service or support animal**. Please answer the questions below.
   1.a. **Service animal**. Is the animal (a dog) required because of a disability?
   ☐ Yes. If "Yes", answer question 1.b. below.
   ☐ No. If "No, skip to question #2.
   1.b. Has the animal been trained to do work or tasks that assist or help you with the limitation(s) posed by your disability? Some examples include guiding an individual who is blind or has

low vision, pulling a wheelchair, fetching items, or alerting persons to impending seizures, falls, or other medical crises.

☐ Yes. If "Yes", answer question 1.c. below.

☐ No. If "No, skip to question #2.

1.c. What work or tasks has the animal been trained to do? Note that the PHA is not asking for proof or certification of training. ***Do not provide medical information about the nature of your disability.***

____

2. ☐ **Support animal**. Is a result of this disability, the household member needs a support animal. *Please note that verification by a healthcare professional may be required.*

What type of support animal do you need?______________________________________

3. ☐ The household member **needs a live-in aide**. *A live-in aide is not a daily in-home worker or caregiver doing rotating shifts. Please note that verification may be required.*

4. As a result of this disability, the person with disabilities needs the following reasonable accommodation(s) from the PHA. Please check one or more boxes below.

☐ Special unit features ☐ Physical modifications to unit ☐ Physical modifications to common areas

☐ Transfer to another unit that meets my disability-related needs ☐ Other ____________________

☐ Extra bedroom for medical equipment. *Please note that, if necessary, a PHA inspector may view the equipment to confirm that all sleeping and living spaces are not adequate as an accommodation.*

☐ The household member needs a change in a rule, policy or procedure. (Note that fundamental requirements must still be met). Please specify the necessary change.

If necessary, please explain further what you need. ***Do not provide information about the nature of your disability.***

I understand that the information obtained by the PHA will be kept completely confidential and used solely to make a determination on my reasonable accommodation request.

Under the lease and the PHA's Admissions & Occupancy Policy, the PHA requires that statements made and information provided by the tenant be true and accurate, to the best of the tenant's knowledge.

I certify by signing below that all the information provided above is true, accurate and complete to the best of my knowledge.

____ _________________ __________

Signature Date

For PHA Use ONLY: PHA Certification

- ☐ I certify that this individual's disability is obvious or otherwise known to the PHA and no further verification is required.
- ☐ I certify that this individual's need for the accommodation is readily apparent or known to the PHA and no further verification is required.

__________________________________ ____________________
Signature of PHA Official Date

__________________________________ ____________________
Approval of PHA 504 Coordinator Date

Authorization

I/we authorize the PHA to verify that the above-referenced household member has a disability and that the accommodation(s) requested is necessary in order to remove or alleviate barriers to housing. To verify this information, the housing authority may contact the below-named knowledgeable professional (health care professional if the request is for a support animal) who is knowledgeable about my situation. I understand the information the housing authority obtains will be kept completely confidential and used solely to evaluate the request.

This authorization is requested because third-party verification may be needed.

Name of Professional: ____

Field of Practice: __________________________ Agency/Clinic/Facility: ____________________

Email: ____ Phone: (____)____________________

Address: ____

____ ______________

Signature of household member needing the accommodation (only if 18 years of age or older) Date

**** If the household member needing the accommodation(s) is under 18 years of age, are you the parent or guardian of household member needing the accommodation? ☐ Yes ☐ No**

____ ______________

Signature of parent or guardian Date

Please return this form as promptly as possible so that the PHA can make a determination on this request.

____ ______________

Property Manager/PHA Representative Date

8.8 SAMPLE VERIFICATION OF NEED FOR REASONABLE ACCOMMODATION/MODIFICATION

VERIFICATION OF NEED FOR REASONABLE ACCOMMODATION

Please do not send or attach medical records

Individual Requesting Accommodation ____________________

Name of PHA Head of Household: ___________________________

Dear Knowledgeable Professional:

Please read this form completely – the information provided here is very important. The individual listed above has identified themself as being disabled under the Fair Housing Act and has asked for an accommodation from the PHA to meet housing-related needs necessary in order to remove, alleviate, or mitigate barriers to their housing or housing programs due to their disability-related limitations.

You have been authorized to release information to us regarding the individual's need for an accommodation. That authorization is attached.

The PHA grants reasonable accommodation requests based, if necessary, on verification of need from a professional who is knowledgeable about the individual's situation and competent to render an opinion. Such verification may be from a physician, other medical or non-medical service agency professional, or other knowledgeable professional. For verification of the need for a support animal, the verification is from a health care professional. Verification could include but not be limited to:

- Verification that the person is a qualifying person with disabilities.
- Verification that there is a relationship ("nexus") between the nature of the person's disabilities and the accommodation requested.
- Verification that the accommodation is necessary for the person to have equal opportunity to participate in or access the PHA's programs and services.

Please complete and return this form to the PHA. ***Confidential medical records will not be accepted***.

If you are not able to verify the information requested in this form, the PHA will notify the family and they may request verification from another professional or licensed practitioner.

If you have any questions, or would like further information, please feel free to contact me at:

PHA Representative	Date

Title	Email	Phone

Section I – Verification of Disability
☐ **It is NOT necessary for you to fill out this Section. Please proceed to Section II.** ☐ **Please complete this Section before proceeding to Section II.**
An "individual with a disability" is any person who has a physical, mental or emotional impairment that limits one or more life activities, such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working. The term "physical or mental impairment" includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism. The definition of an "individual with a disability" does *not* include a person whose current use of alcohol or drugs is the barrier that prevents the person from participating in PHA's housing program and services. (A more detailed definition is provided in the Code of Federal Regulations at 24 CFR 8.3, which PHA staff would be glad to provide to you.)
Does the person named above qualify as an "individual with a disability," according to this definition? ☐ Yes ☐ No ☐ Unable to verify Initials ___________

Section II – Verification of Need for Requested Accommodation ***Please do not include medical records***	
I am knowledgeable about this individual's situation.	☐ Yes ☐ No

Special Unit Features Due to Disability

IMPORTANT: Please fill out this section if the disabled household member needs a unit, facilities and/or common area with specific features due to his or her disability.

The following information is requested solely for the purposes of identifying the unit (size, type, and design) that most appropriately meets the needs of the disabled household member. The PHA will make every effort to make the appropriate modifications or identify an appropriate unit based on your professional opinion and assessment.

Please check only those accommodations that are necessary due to limitations posed by the disability.

In my professional assessment of the disabled individual's needs, I certify that:

☐ The disabled household member needs a **wheelchair-accessible unit**.

☐ The disabled household member needs features for the vision-impaired and/or hearing-impaired.

☐ The disabled household member **DOES NOT** need a wheelchair-accessible unit but needs a unit or common area with the following features. ☐ Tub grab bars ☐ Toilet grab bars ☐ Handheld shower ☐ Other ______________________________

☐ Extra bedroom for medical equipment. *Note: if necessary, a PHA inspector may view the equipment to confirm that all sleeping and living spaces are not adequate as an accommodation.*

☐ The disabled individual **requires a live-in aide**. *A live-in aide is not a daily caregiver or rotating shifts. A daily in-home worker or rotating shifts are not adequate to provide an opportunity equal to that afforded others.*

☐ ***Health care professional only:*** The household member **needs a support animal as an assistance animal.** An assistance animal alleviates or removes a disability-related limitation. An example of an assistance animal is providing emotional support to persons with disabilities who have a disability-related need for such support.

☐ The household member **requires a change in a policy or procedure as a direct result of their disability** in order to be afforded an equal housing opportunity. Please explain what change in policy or procedure is being requested.

CERTIFICATION

Based on your professional opinion and assessment of needs, please **check only one** of the following:

☐ **I certify** that the enclosed request for an accommodation is necessary for the disabled household member, as a result of their disability-related limitations, in order to have an equal housing opportunity.

OR

☐ **I cannot certify** that the enclosed request is necessary for the disabled household member, as a result of their disability-related limitations, in order to have an equal housing opportunity.

Please certify below:

☐ This certification is true and accurate to the best of my professional judgment.

____ ____________________
Professional's Signature Date

____________________________ ____________________________
Name (Please print clearly) Title of professional

____
Agency or Clinic, if applicable

____
Complete Address

(_______)______________________________ ______________________________
Phone Email

Please return form to: [PHA] as soon as possible at [address] or [email]

Name: Title:

(_______)______________________________ ______________________________
Phone Email

8.9 SAMPLE NOTICE OF INTENT TO TERMINATE LEASE BASED ON CRIMINAL RECORD

Housing Authority Name
Address
City, State, Zip
Phone
TDD or TTY

Date

Resident Name
Address
City, State, Zip

NOTICE OF INTENT TO TERMINATE LEASE BASED ON CRIMINAL RECORDS

Head of Household: [Resident Name],
Subject of Record: [Name]

Dear [Resident Name]:

The Housing Authority of [Jurisdiction] (acronym, or "the PHA") intends to terminate your public housing lease and tenancy based on criminal record database(s) and/or sex offender information obtained from a state or local agency. This notice is being sent to the head of household and the subject of record, if the subject of record is other than the head of household.

You signed a consent form authorizing the release of criminal records to the PHA. A copy of that consent form is enclosed.

The PHA has obtained criminal records and/or sex offender information showing that the adult household member named above was involved in a crime that constitutes grounds for termination of tenancy. This is the PHA's notification of its intention to terminate your lease and tenancy based on this information.

Enclosed is a copy of the criminal record(s) and/or sex offender information upon which the PHA is basing this decision. In compliance with 24 CFR §5.903, §5.905(d), and §960.204(c), you have the right to dispute the accuracy and relevance of these records used to make the determination to terminate your lease. If you do not dispute the accuracy and relevance of these records within 10 business days, or if you do dispute but the PHA determines the record(s) is/are accurate and relevant, the PHA will then send you a notice of termination. You will be informed of how to appeal our decision.

If you have any questions, please contact::

PHA Representative:__________________________________ Phone: _______________

Authorizing Signature: ________________________________ Email: _______________

Cc:

8.10 SAMPLE SCHEDULE OF PHA REPORTING – TREND ANALYSIS

Portfolio Performance Report – Fiscal Year Ending December 31				
	FY 2024	FY 2023	FY 2022	FY 2021
Overall PHAS Score	96	92	89	81
PASS Score	94.2b 39 points	91.2b 38 points	89.8c* 35 points	86.4c* 34.points
FASS Score	22 points	22 points	22 points	20 points
MASS Score	25 points	22 points	22 points	17 points
Capital Fund Score	10 points	10 points	10 points	10 points
Occupancy Rate	98.2%	97.2%	96.5%	95.2%
Vacant Unit Turnaround Time	12 days	16 days	21 days	25 days
Emergency WOs Completed / Abated w/in 24 Hrs	100%	100%	100%	100%
Average Number of Days to Complete Nonemergency WOs	8 days	10 days	12 days	15 days
Annual Unit Inspections	100%	100%	100%	100%
Rent Collection Rate	96.2%	96.9%	95.8%	94.9%
Annual Reexaminations on Time	99.2%	99.2%	98.6%	98.1%
Annual Reexamination Accuracy	98.1%	97.8%	97.2%	96.4%