



## **April 2, 2013 PRESS RELEASE – FOR IMMEDIATE RELEASE**

Event: **PUBLIC HOUSING RENOVATION BEGINS ON WEST SIDE**  
**Saint Paul Public Housing Agency (PHA) Announces the Modernization of its Dunedin Terrace Family Development**

Place: Dunedin Terrace  
469 Ada Street  
St. Paul, MN 55107  
(north of Cesar Chavez Street, between Highway 52 and Robert Street)

Date: Thursday April 11, 2013

Time: 9:00 AM – 11:00 PM (Program at 9:30 AM)

### **FOR MORE INFORMATION CONTACT:**

Alicia Huckleby, Special Projects Coordinator

or  
Al Hester, Housing Policy Director

or  
Mai Moua, Executive Assistant

Information about the PHA is also posted at: [www.stpha.org](http://www.stpha.org)

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## **PUBLIC HOUSING RENOVATION BEGINS ON WEST SIDE**

### **Saint Paul Public Housing Agency awards \$2.5 million contract, including \$825,000 State grant**

On Thursday, April 11, 2013 the Saint Paul Public Housing Agency (PHA) will mark the beginning of a multi-million dollar upgrade of its Dunedin Terrace public housing development. The 88 rental units in 22 four-plex townhomes were originally built for low income families in 1964, along with the adjacent Dunedin Hi-Rise for elderly residents.

On January 23, 2013 the PHA Board of Commissioners approved a \$2,464,800 contract with Crossroad Construction Inc. of Ham Lake to renovate 28 of the units. More than one-third of the money comes from a \$825,000 State grant through the Minnesota Housing Agency. That grant under

the “Publicly Owned Housing Program” (POHP) was funded by general obligation bonds approved by the Minnesota Legislature in 2012. The PHA will pay the balance of the contract cost with federal funds from HUD capital grants awarded in previous years. The contract includes extensive renovations inside and outside, including the following:

- Remodel all kitchens and bathrooms.
- Install all new windows to improve resident comfort and conserve energy.
- Convert to “hipped” roofs for improved drainage, easier maintenance, better insulation.
- Replace old siding on second floor.
- Make site improvements.

Scheduled speakers at the press event will include Dexter Sidney, Director of HUD’s Minnesota Field Office, elected officials, PHA Commissioner Marty Strub and Executive Director Jon Gutzmann, and other PHA staff and residents.

Following federal and state law and its own contracting policies, the PHA awards to the “lowest responsible bidder” who fully responds to all of the contract requirements. Before awarding a contract PHA staff confirm the contractors’ bid amounts, qualifications, commitments to equal employment practices and subcontracting to qualified businesses owned by people who are racial minorities, women or persons with disabilities.

Capital improvements to public housing properties benefit the current and future residents, improve the community and generate economic benefits. A national study by Econsult determined that each dollar of HUD capital funding generated \$2.12 in economic activity in the community, and almost 15 jobs created or supported for each \$1 million construction project. (In capital improvement projects much of the money buys materials, equipment, etc.) Following that estimate, this PHA contract would support almost 35 jobs.

The PHA intends to complete this construction by the end of calendar year 2013. Some landscape work may be deferred due to weather so it is to be completed by May 31, 2014. One of the Dunedin Terrace four-plexes was modernized earlier as a prototype. The remaining 56 units will be renovated over the next several years, depending on how much money Congress approves for capital improvements in public housing each year.

Jon Gutzmann says,

“Dunedin Terrace has served its residents and the community well for almost 50 years, and this major renovation work will preserve and improve the asset for future generations. The State of Minnesota’s commitment to help preserve federally-funded public housing is demonstrated here. We applaud the Governor and the State Legislature for approving \$5 million last year for capital improvements to public housing throughout the State. We encourage them to do more of the same this session and in the future.”

### **PHA Background:**

The St. Paul PHA has a national reputation for successful programs and has been recognized in many ways over its 35-year history.

The agency has earned HUD’s “High Performer” rating for 22 consecutive years in its public housing program, and for 11 consecutive years in its Section 8 program, based on performance indicators like these:

- All of the PHA’s public housing units are occupied: less than 1% vacancy rate every year for over 17 years.
- PHA residents pay rent on time. The PHA’s collection losses are under two percent of all rents and charges billed.
- PHA residents comply with their lease. Only 1-2% of residents are evicted for serious lease violations each year.
- The PHA’s public housing units are well maintained. Maintenance requests are completed quickly: Emergencies repairs are done in less than 24 hours, and routine requests in an average of less than 5 days. Residents report almost 100% satisfaction with work orders.
- Crime rates in PHA properties are consistently lower than city-wide averages.
- The PHA spends its capital grants from HUD on time, following approved plans and budgets.
- The PHA has compiled a 14 year record with zero findings on its annual audits and won awards for its financial reporting.

The PHA received HUD’s National Outstanding Sustained Performance Awards in 1991 and 1996, and was the highest-rated large housing agency in the country in 1996 (the only year HUD published such a national ranking).

The PHA administers federal rent subsidies that provide safe, affordable housing to more than 20,000 Saint Paul residents. Almost half of those residents live in the 4253 public housing homes and apartments that the PHA owns and manages. Section 8 Housing Choice Vouchers pay part of the rent in privately-owned properties for another 4,550 households (families and individuals).

Over half of the PHA-owned units (2554) are in 16 high-rise apartment buildings for seniors, persons with disabilities and younger single people. Most of the high-rise apartments are efficiency or one-bedroom units. Almost 1300 family townhomes are divided among four housing developments.

Dunedin Terrace is the PHA’s smallest family development, with 88 units in 22 four-plex buildings. Another 400 families rent PHA “scattered site” homes that are distributed throughout the city. Over 7400 households have put their names on the public housing waiting list. The wait can be six months (for an elderly person or a person with a disability to lease a small hi-rise unit) up to several years (for a family needing a larger unit). The length of wait depends on the household size and other factors.

The PHA also administers the federal rent subsidy program known as “Section 8 Housing Choice Vouchers”. The rental vouchers help over 4500 households pay affordable rents in privately-owned apartments and rental homes. The waiting list for have Section 8 vouchers is closed, and the few families receiving vouchers now have waited years for their names to come to the top of the list. Over 11,000 households requested applications when the waiting list was opened for three days in 2007, and almost 2000 are still on the list.

Families in both public housing and Section 8-subsidized apartments pay about 30% of their income for rent and utilities, and the federal housing subsidy pays the rest of the cost.

The total insured value of the PHA’s public housing properties is almost \$600 million. The total annual budget for public housing, Section 8 and related programs is about \$70 million. The Section 8 program alone will bring about \$39 million in federal funds to Saint Paul this year, most of which is then paid out as rent subsidies to private property owners. HUD will provide \$12.6 million this year for the public housing “operating subsidy” and perhaps another \$6 million for major modernization work. Public housing residents pay over \$12 million a year to the PHA for rent and utilities. In a recent “physical needs assessment” of public housing properties, PHA staff tallied \$77 million in deferred maintenance and other capital needs caused by aging buildings and several years of reduced federal funding.

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