



April 10, 2018

Alyssa Wetzel-Moore
Human Rights & Equal Economic Opportunity
15 West Kellogg Blvd., 240 City Hall
St. Paul, MN 55102

Re: Fair Housing Study & Survey for April 18th City Council Policy Session

Dear Ms. Wetzel-Moore,

I hope this message finds you doing well.

As we discussed over the phone, the PHA has some concerns regarding the survey by Home-Line in 2017. I am writing to further clarify these concerns so they can be easily referenced if necessary.

Home-Line purports to demonstrate, using the PHA's Section 8 Payment Standards, that a landlord ordinance would increase the number of units available to clients shopping with a Section 8 Housing Choice Voucher. They focus particularly on those units within St. Paul with contract rents that are priced at or below the payment standard. However, it appears their survey was flawed in a critical calculation.

The PHA's payment standards are a **gross rent payment standard**, not a contract rent payment standard. To calculate unit eligibility, we add the utilities a tenant is responsible for (with the costs associated in the attached chart) to the contract rent that is advertised, and determine then whether it meets the payment standard amount. This is the first level of analysis in a rent calculation.

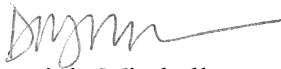
At the PHA, we know that most tenants with our vouchers pay the supplier for one or more of their unit's utilities (most often electricity). My concern is that HomeLine's measures, in only surveying and comparing contract rent, exaggerate the number of units that are affordable. Put another way, **the units they are saying work with our payment standard are actually already over our payment standard and unaffordable**. This would render their conclusion false: that an ordinance prohibiting source of income discrimination would "increase the number of properties accessible to vouchers more than five-fold." They have initially and incorrectly overstated the number of units that would meet the payment standard in the first place.

I understand this is a complicated topic. We take the time to review this with all tenants upon admission to the program, with our landlords at our regularly scheduled (and free) landlord orientations, and staff will review it upon request with client participants and landlords.

A graphic explanation is located in our Section 8 Owner Handbook, which can be found on our website at <http://www.stpha.org/images/section8/S8LLhandbook.pdf>. I am attaching a couple of the relevant pages here (14-15) to further illustrate the basis of the calculation.

Please let me know if you have any questions, or if I can further illuminate this issue.

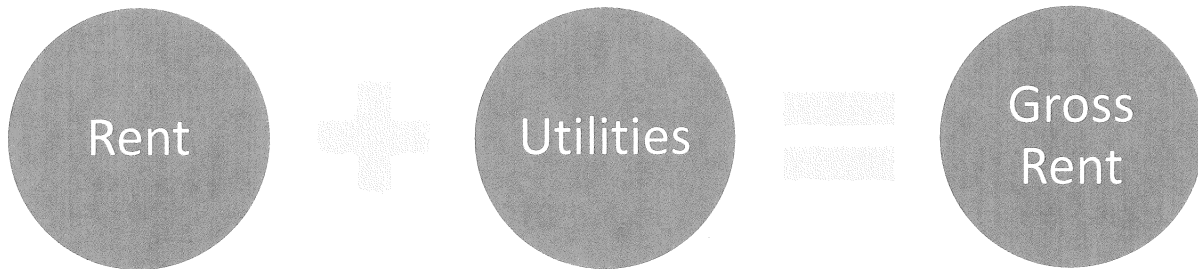
Sincerely,



Dominic Mitchell
Section 8 Programs Manager
Public Housing Agency of the City of Saint Paul

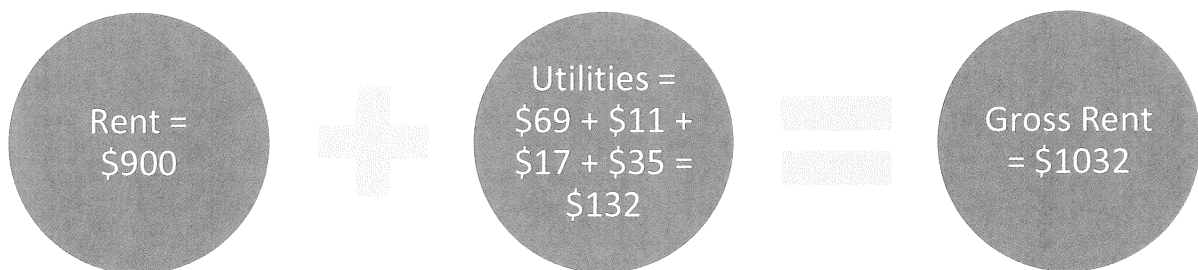
CC: Patti Lilledahl, Department of Planning and Economic Development

When evaluating rents, the PHA must look at the gross rent. The gross rent is calculated by adding the contract rent the landlord is asking for and any utilities that the tenant is responsible according to the PHA's utility chart.



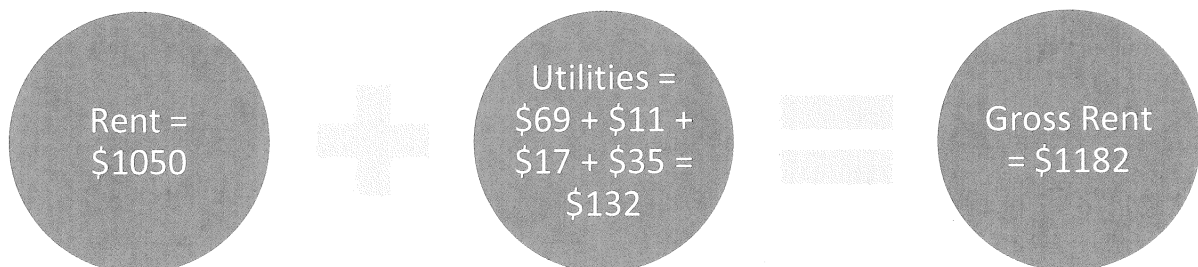
Example 1:

The tenant has a 2 bedroom voucher and has located a 2 bedroom duplex with a contract rent of \$900. The tenant is responsible for the gas heat, the gas cooking, the gas water heating, and the electricity.



Example 2:

The tenant has a 2 bedroom voucher and has located a 3 bedroom duplex with a contract rent of \$1050. The tenant is responsible for the gas heat, the gas cooking, the gas water heating, and the electricity. **Although the tenant has located a 3 bedroom duplex, the PHA must use the 2 bedroom utility allowances because the tenant has a 2 bedroom voucher. The PHA will use the smaller of the tenant's voucher size and the unit size when determining the utility allowance.**



To expedite the evaluation of the rents, please make sure to include three comparables on the RFTA. The comparables must be market rate and comparable in unit size and structure type.

PUBLIC HOUSING AGENCY**SAINT PAUL**

555 Wabasha Street • Suite 300
 Saint Paul, Minnesota 55102
 651-298-5158 • Fax 651-292-7917
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Section 8 Housing Choice Voucher

Payment Standards

EFFECTIVE - December 1, 2016 (new/movers)

EFFECTIVE - February 1, 2017 (annuals)

0 BEDROOM	\$	694
1 BEDROOM	\$	854
2 BEDROOM	\$	1073
3 BEDROOM	\$	1438
4 BEDROOM	\$	1684
5 BEDROOM	\$	1934
6 BEDROOM	\$	2189

7BR \$2477
 8BR \$2734

SECTION 8 EXISTING HOUSING**ALLOWANCES FOR TENANT-FURNISHED UTILITIES AND OTHER SERVICE**

EFFECTIVE – November 23, 2016

M= Multiple Dwelling (Includes Low-Rise Bldgs. (4 or less stories) and High Rise Bldgs. (5 or more stories)

T/D= Townhouse/Duplex (Includes Semi-Detached, Bungalows and Rowhouses)

SF= Single Family Home

UTILITY/ APPLIANCE	0-BR	1-BR			2-BR			3-BR			4-BR			5-BR	6-BR
		M	T/D	SF	M	T/D	SF	M	T/D	SF	M	T/D	SF		
HEATING Gas District Energy Electric	33	35	47	64	59	69	90	67	86	100	94	101	114	138	152
	23	42	42	53	61	61	72	66	66	82	84	84	100	89	93
	24	31	63	79	42	72	123	58	80	119	67	91	130	140	144
COOKING Gas Electric	5	6			11			13			14			15	16
	7	8			13			15			17			19	21
OTHER ELECTRIC	14	22			35			45			50			52	58
WATER HEATING Gas District Energy Electric	8	9			17			21			25			27	31
	7	14			21			21			30			30	33
	11	13			21			25			32			42	45
WATER & SEWER	25	35	49	49	40	53	53	45	62	62	50	75	75	83	97
TRASH COLLECTION	10	10	23	23	10	23	23	10	23	23	10	23	23	25	25
RANGE	4	4			4			4			4			4	4
REFRIGERATOR	5	5			5			5			5			5	5

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Section 8 Housing Choice Voucher Payment Standards

EFFECTIVE - November 1, 2017 (new/movers)

EFFECTIVE - January 1, 2018 (annuals)

0 BEDROOM	\$	711
1 BEDROOM	\$	864
2 BEDROOM	\$	1089
3 BEDROOM	\$	1438
4 BEDROOM	\$	1775
5 BEDROOM	\$	2041
6 BEDROOM	\$	2307

SECTION 8 EXISTING HOUSING

ALLOWANCES FOR TENANT-FURNISHED UTILITIES AND OTHER SERVICE

EFFECTIVE – November 1, 2017 – no change

M= Multiple Dwelling (Includes Low-Rise Bldgs. (4 or less stories) and High Rise Bldgs. (5 or more stories)

T/D= Townhouse/Duplex (Includes Semi-Detached, Bungalows and Rowhouses)

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UTILITY/ APPLIANCE	0-BR	1-BR			2-BR			3-BR			4-BR			5-BR	6-BR
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REFRIGERATOR	5	5			5			5			5			5	5