



May 28, 2020

Amy Brendmoen, Councilmember Ward 5
15 Kellogg Blvd West, 320-A City Hall
Saint Paul, MN 55102

Dear Councilmember Brendmoen,

The PHA understands the City is making efforts to protect those City residents who rent and may need protection from various private landlords' actions through a Tenant Protections Ordinance. As you know, the Public Housing Agency of the City of St. Paul is the largest landlord in the City, and rents to over 21,000 low-income individuals and families who qualify for housing subsidies. The PHA is a public, independent, government agency that owns and manages 4,273 units of affordable public housing in the City and also works with hundreds of private landlords who collectively provide another 4,884 units of private sector affordable housing through the Section 8 Housing Choice Voucher (HCV) program. These two PHA programs, providing over 9,150 affordable housing opportunities, are funded by the United States Department of Housing and Urban Development (HUD) and are heavily regulated by federal law.

PHA staff reviewed the Tenant Protections Ordinance and would respectfully ask that the City consider minimizing the layering of additional requirements onto housing programs that are already subject to extensive federal regulation.

1. Specifically, the PHA requests consideration of this amendment: that the definition of "landlord" under Sec. 193.01(8) be defined as "the **private** property owner or agent of the property owner."

The PHA is subject to tenant protection regulations already promulgated by the Federal Government in all areas covered in the City's proposed Tenant Protections Ordinance; *inter alia*, criminal history screening criteria, rental history, late rent remedies, and lease language requirements. The PHA is overseen by a seven-member Board of Commissioners that includes two public housing residents; one from the PHA's hi-rise community and one from the family development community. The Commissioners, appointed by the Mayor and confirmed by the City Council, adopt all PHA policies affecting PHA housing programs.

Furthermore, the PHA respectfully requests that the City Council consider recommendations that may be brought forth by those landlords who participate in the PHA's Section 8 Housing Choice Voucher program and help make it a success. Similar to the PHA, HCV landlords are already regulated by extensive Federal laws and regulations and must adhere to a number of stringent requirements to participate in this program. Approximately 900 private landlords participate in

our HCV program and make possible the provision of that deeply affordable product to the 4,884 households renting from them.

2. If the City is unwilling to consider limiting these regulations to private landlords, the PHA recommends this amendment instead: that the language in Sec. 193.04(d) be revised as follows:

d. *Exception.* Whenever local, state, or federal funding or loan requirements for tenant screening conflict with any portion of section 193.04, or if a federal statute, regulation, or handbook permitting certain screening criteria for tenancy subsidized under a federal program conflicts with any portion of section 193.04, then the landlord may publish and implement screening requirements that comply with those funding, loan, or federal regulatory requirements.

The PHA Board of Commissioners sets the Agency's tenant screening policies as guided by the HUD regulations. We respectfully request that the PHA be allowed to continue this successful and federally mandated practice. The PHA believes that the current draft of the Ordinance attempts to exempt the PHA from this requirement but does not do so clearly. The recommended language would make this exemption clear.

3. Finally, if the City Council wanted to consider a third more far reaching amendment, we propose: that the Council consider including an additional exemption for the private landlords who participate in federally regulated housing programs.

This would reduce the additional compliance burden on landlords who must already comply with federally-mandated tenant protections as a condition of their participation in federal housing programs. Including an exemption might also create an incentive for more private landlords to participate in federal housing programs, which would expand affordable housing choice in the City while maintaining the important protections of which the City is concerned.

The PHA suggests that "all" this federal regulation and oversight does not necessarily interfere with service excellence, production and tenant protection. On the contrary, the PHA's record in all three areas is in the public realm. Might that record be instructive to private owners who could potentially be included in the council adopted third amendment? The PHA record of production and tenant production includes but is not limited to the following:

- During our most recent Calendar Year (CY) 2019, for the Section 8 Housing Choice Voucher (HCV) program, the PHA had 54,672 "unit-months-available" and 54,005 "unit-months-leased." (98.8% utilization)
- During Fiscal Year 2019 (4/1/2018-3/31/2019), the PHA had 54,432 HCV "unit-months-available" and 54,313 "unit-months-leased." (99.8% utilization)
- During FY 2018, the PHA had HCV 53,883 "unit-months-available" and 52,863 "unit-months-leased." (98.1% utilization)

- During FY 2017, the PHA had HCV 53,462 “unit-months-available” and 53,434 “unit-months-leased”, just 28 short of 100%. (99.95% utilization!)
- Our 4273 PHA-owned and managed public housing units have had a 99% occupancy rate for 24 consecutive years.
- The PHA has 29 years of data that confirm we terminate less than 2% of household leases annually (48 lease terminations in 2019). The primary reasons for lease terminations are criminal activity and drug related criminal activity.
- The PHA has 28 years of data demonstrating that we collect over 99% of rents charged. Low income people pay rent and pay it on time. The PHA’s four times late notice is a helpful tool to encourage on time rent payment.

Again, providing private landlords an incentive to participate in the successful federal housing programs could expand affordable housing choice in the City while still maintaining tenant protections the City seeks to promote. It may also prevent negative outcomes of the Tenant Protection Ordinance, such as private landlords increasing rents in an effort to comply with the Ordinance but still lawfully run their rental business as they intended.

Please do not hesitate to contact me if I can answer any questions on these suggested amendments from the PHA staff.

Best regards,



Jon Gutzmann
Executive Director

JMG/LTS

cc: Mayor Melvin Carter, Deputy Mayor Jaime Tincher, PHA Board of Commissioners