



Housing and Redevelopment Authority
of the City of Saint Paul, Minnesota:
Redevelopment project files

Copyright Notice:

This material may be protected by copyright law
(U.S. Code, Title 17). Researchers are liable for any
infringement. For more information, visit
www.mnhs.org/copyright.

THE HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SAINT PAUL, MINNESOTA

NEWS RELEASE
August 14, 1968
for immediate release

Francis Horrigan
Public Information Officer
Phone: 223-5439

Representatives of the Mayor's office, the City Council and the Housing and Redevelopment Authority will break ground at 9 a.m. Friday (August 16) on the first turnkey hi-rise for low-income elderly to be constructed in the metropolitan area.

The cost to construct the 187 apartment units at Montreal Avenue and Elway Street will be \$2,594,438.

William Weitzman Associates, St. Paul real estate developers, will construct the building under the turnkey program, a new partnership plan of private enterprise and the public sector.

Cottle-Herman Architects, Inc. are the architects.

The Housing and Redevelopment Authority will purchase the building upon its completion in the fall of 1969.

The turnkey process allows private developers to build low-rent public housing on their own sites, submitting their own plans and specifications. The usual facilities, such as community, management and maintenance spaces, and the same design standards required for conventional hi-rise programs are provided under the turnkey program.

The traditional method of building public housing requires the Authority to buy sites, prepare plans and specifications, and then call for bids. With turnkey, the Authority says, in effect, to private developers: "You produce the housing and we'll buy it."

Objectives of the turnkey method are:

1. To reduce construction costs 10 to 15 percent below the costs of conventional public housing;
2. To reduce construction time by several months;
3. To involve more deeply private enterprise in the public housing program.

Turnkey permits unlimited variety of building designs, construction methods and locations as well as offering new business opportunities to local contractors, architects, engineers, suppliers, lending institutions and others who, heretofore, were involved only in private construction.

The Montreal and Elway project has taken slightly over seven months from the selection of the developer to the start of construction. This is at least several months faster than has been possible under conventional construction programs.

A substantial savings in construction costs also will be achieved in this project.

THE HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SAINT PAUL, MINNESOTA

NEWS RELEASE
February 27, 1968
for immediate release

Francis Horrigan
Public Information Officer
Phone: 223-5439

Mayor Thomas R. Byrne will break ground at 3:30 p.m. Tuesday for a 144-unit hi-rise for the elderly to be built at 899 South Cleveland Avenue, south of Village Lane.

Invited to help the Mayor turn the first shovelfuls of earth are State ^{Senator} Clifton Parks, State Representative Robert W. Johnson, the members of the City Council and Housing and Redevelopment Authority Commissioners.

The building will be 12 stories high with 144 one-bedroom units for the elderly and one two-bedroom unit for the Authority's resident custodian. The building site is 3.85 acres.

In addition, 1,122 square feet of maintenance space and a small office for management are to be provided.

About 2,455 square feet of community space will consist of a large meeting room, kitchen facilities for parties and meetings, library alcove, craft rooms and an office for the operating agency. The community space may be used by neighborhood groups as well as the building's tenants.

The site improvement and building construction work will cost a maximum of \$1,784,667.

The project architect is Grover Dimond Associates, Inc. of St. Paul. Dahn Construction Company of West St. Paul is the general contractor for the project.

The hi-rise will be ready for occupancy by July, 1969.

This project is a part of 850 apartment units in five hi-rises to be constructed during the next two years. The Cleveland site is the third groundbreaking in the series. '

Ground was broken October 23, 1967, on the 187-unit, \$2,307,000 hi-rise now under construction at 1300 Wilson Avenue on St. Paul's east side. Construction of a 151-unit \$1,954,400 hi-rise at 727 Front Street, east of Grotto Street, began in January.

These 850 units will bring the total of Authority low-rent housing units to 3,039.

An additional 450 units in low-rent housing for the elderly have been approved by the Housing Assistance Administration are are being planned now.

(Village Lane intersects with Cleveland Avenue between Bohland Avenue and Saunders Avenue. The enclosed site map pinpoints the location of groundbreaking ceremonies.)

PHA: History and Overview

Part 1 of 2

Many PHA employees began working in the field of public housing before this agency was created in September 1977. The transitions which regularly occur in our staff, however, mean that a growing number of new employees are unfamiliar with the laws, organizations, and events that have spawned public housing activity in St. Paul since 1951. So that we can get a better sense of where our agency is going, the Emphasis begins a two part review on how we got where we are. The text for this special series comes from a report prepared by PHA Executive Director Marshall Anderson in December 1978.

Reader's questions and comments about this feature are invited and will be published subject to space limitations.

The Public Housing Agency of the City of Saint Paul (PHA) was established on September 7, 1977 pursuant to Minnesota Statutes, Sections 462.415 to 462.581 and Chapter 228 of the Laws of Minnesota for 1977. The Agency's role is limited to the construction and management of public housing developments and the administration of the HUD Section 8 Existing Housing Program in the City of Saint Paul. These responsibilities were previously vested in the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (HRA) which was created in 1947 and which has retained all of the powers of the Minnesota Housing Redevelopment Authority Act except for those PHA functions mentioned above.

The primary responsibility of the PHA is to provide standard housing in a suitable living environment for eligible lower income families and individuals at a rental rate which bears a reasonable relationship to a family's income.

The construction of public housing is funded entirely by the Department

of Housing and Urban Development (HUD). The operating funds for managing and maintaining the housing developments are provided by rents paid by the low income occupants and by an operating subsidy provided by HUD. There are no local tax dollars spent on constructing or operating the public housing program. Although the public housing properties do not pay real estate taxes, the Agency does make a payment in lieu of taxes amounting to 10% of the rental receipts after payment of utilities furnished by the PHA. This payment exceeded \$160,000 last year.

The first two public housing programs for low income families in St. Paul were developed during 1951 and 1952 and are known as McDonough Homes and Roosevelt Homes. These two developments provided a total of 840 dwelling units which range in size from one bedroom to five bedroom units. At that time there were no special provisions for housing the elderly: the smaller units served both them and the non-elderly.

The next major development to be constructed was Mt. Airy Homes. Completed in 1959, it consists of 272 family dwelling units and 176 hi-rise dwelling units for use by the elderly. From 1959 until March 1966, the HRA constructed four additional hi-rise buildings for the elderly (Central, Valley, Neill, and Dunedin), totaling 628 dwelling units. During this time period the HRA also built the first and second additions to McDonough Homes consisting of 96 family dwelling units. Additionally, 16 family units were built on the West Side, 42 family units in duplex buildings were constructed on five scattered sites in the Summit-University neighborhood, 22 family dwelling units were built and 4 existing housing units were acquired and added to Mt. Airy Homes, and an 88 family unit development was constructed at Dunedin Terrace.

Since June 1969, the Agency has completed 11 additional hi-rise buildings for the elderly. These buildings have generally been located in neighborhoods lacking adequate housing accommodations for low income elderly individuals and couples.

NEXT MONTH: Single Family Homes, Section 8, and the Board of Commissioners.



THE NEWSLETTER OF THE PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

SENIORS UNITE!

The Metropolitan Senior Federation is the largest organization of and for the elderly in Minnesota. Composed of over 230 Senior organizations, it represents more than 80,000 elderly in the Twin Cities area. Founded in 1973, the Federation works full time to solve the problems seniors face. It is a non-profit organization which generates its funds through memberships, churches, and foundation support.

The member organizations of the Metropolitan Senior Federation have banded together to give dignity and unity to their needs and to show that seniors are capable and dedicated to the welfare of themselves and others. The Federation lobbies actively on issues affecting Seniors, such as: nursing home reform, mandatory retirement, age discrimination, utility rates, social security legislation, and pension reform.

The Metropolitan Senior Federation also provides money-saving services through its non-profit pharmacy and its programs for discount buying, quality low-cost funerals, health maintenance, legal services, home maintenance, and travel. The Federation also sponsors a skills bank and provides low cost homeowners and renters insurance.

For more information about the Metropolitan Senior Federation and their activities and programs, call 645-0261 or write them at 1951 University Avenue, St. Paul, MN 55104.

PHA: History and Overview

(Part 2 of 2)

With this report, the EmPHAsis concludes a special feature highlighting the operational background and major directions of the PHA. Last month we examined the legal context under which the PHA was created and the mission it is designated to pursue, while observing some of the significant development trends of the 1950's and 60's.

In this issue we highlight the major housing programs administered by the PHA. Also discussed is the structure of the agency's policy-making body.

Readers' questions and comments are invited. Forward any communication to the PHA Central Office Small Conference Room, Attn. David Biné (for full address see newsletter mailing panel).

Prior to 1968, it was not possible to provide single family homes for low income families throughout the community, primarily because of HUD regulations and budget constraints. In 1968, HUD provided funds which enabled the HRA (then the body administering public housing) to purchase 36 single family homes and 24 dwelling units in duplexes and fourplexes, primarily in or adjacent to the Summit-University area. In 1969, a request for funding additional single family home purchases was approved by HUD. In approving the single family programs, the City Council authorized the HRA to make purchases throughout the community. This was not entirely possible, however, because of the budget constraints. The HRA was able to purchase 12 single family homes in neighborhoods which had no subsidized housing. However, the budget was insufficient to permit any volume of purchasing of good houses in good neighborhoods. There were

(Cont. page 2)

(Cont. from page 1)

numerous meetings with HUD officials to seek adequate funding to permit the purchase of modest, but adequate, houses in good neighborhoods throughout the city. In March 1972 the HRA finally received a letter of authorization from the HUD area office which permitted the purchase of 3, 4, and 5 bedroom single family homes. This funding level enabled the HRA to purchase or build single family homes on a more widely distributed basis than had been earlier possible.

202 such single family homes were included in the Homeownership Opportunities Program for Low Income Families, otherwise known as HOPLIF. 26 other homes became a part of the low-rent housing rental program. Since the implementation of HOPLIF, 21 of these homes have been sold to the resident families and are now back on the tax rolls. Generally, the scattered site public housing programs were designed to meet the need for housing large, low income families not being met by private developers. They have been operating in that capacity ever since.

Another major, ongoing public housing program is the Section 8 Existing Housing, Housing Assistance Program, which permits low income families and individuals to lease quality apartments from private apartment owners. The family pays up to 25% of their income for rent and utilities, and the difference between the tenant's rental payment and the rent charged by the owner (within HUD-mandated limits) is paid to the property owner by the Section 8 program's administrative agency, now the PHA. The PHA currently subsidizes 1591 dwelling units in private accommodations. This program provides "instant" housing, requires no capital investment, gets the private apartment owners involved in housing low income families, and the properties under lease continue to pay taxes. The general lack of large units (3, 4, and 5 bedroom) in the private rental market is a constraint on the use of the Section 8 program.

Today, the Public Housing Agency of the city of St. Paul manages about 4,400 units of housing with a resident population of over 10,000. The low vacancy rate of the congregate family housing (primarily two story attached row houses) and senior citizen hi-rises results primarily from the time lag which occurs between the move out of the tenant and the time required to prepare the dwelling for re-rental. Lengthy waiting lists in the scattered site and Section 8 programs render vacancy rates here virtually nil.

The PHA's policy-setting body, the Board of Commissioners, consists of seven members appointed by

the mayor of St. Paul for terms of up to five years. By law, two of the seven Board members must be residents of public housing, including one representative from the family units and one from the senior hi-rises.

BOARD ACTION HIGHLIGHTS

June 20, 1979

The PHA Board of Commissioners approved the final application package submitted to HUD for a Modernization Program (Phase 79-15) totaling \$630,000. The program money had been reduced by HUD from the more than \$10 million originally requested by PHA staff and residents.

An amendment to a contract with HUD was signed to allow the PHA to receive the \$7 million for the Phase 79-16 Modernization Program, otherwise known as the Targeted Rehabilitation portion of the Public Housing Urban Initiatives Program (PHUIP) for the original part of McDonough Homes, built in 1951. The PHA can now begin selecting architects to commence the design of proposed improvements.

The Board awarded the contract for furnishing a light amplification device to Standard Equipment Company. This device is the final item to be purchased as part of a package of anti-crime police surveillance equipment for McDonough Homes under the PHUIP.

Pen-"C" Exterminating Co. was awarded the contract for pest control services at all of the family units and community buildings. The one year contract calls for services on an as-needed basis.

July 11, 1979

The Board awarded a contract to Building Concepts, Inc. for the asphalt re-roofing of 18 buildings at Mt. Airy Homes. The work will be completed before winter.

The Allweather Roof Co. was awarded a contract for repairing and resaturating 32 flat roof buildings at McDonough Homes. The job should be completed by December.

THE HISTORY OF PUBLIC HOUSING

by Marshall D. Anderson - 1970

National Industrial Recovery Act created the Housing Division of the Public Works Administration (PWA). PWA made private loans to corporations agreeing to construct housing on a limited-dividend basis. Private investment failed to provide any significant amount of well conceived low-rent housing by this system and it lead to direct federal projects (1934).

PWA undertook to clear slums and built low-rent projects on its own. 21,000 units were built in thirty cities in the 1930's. They didn't have necessary local acceptance as it was built, owned and managed by federal government and localities had little to say about it. It did create employment and that was the primary goal in the 30's. It also developed "new ideas" for community living, grouping structures around community-shared open spaces and breaking away from the gridiron patterns of building houses in blocks. Inside and outdoor recreation facilities were also provided. Thus the idea as to what we now refer to as "housing projects" was developed in the mid 1930's and we were stuck with it for about thirty years. The problems resulting from creating communities of all low-income families weren't really dealt with from a design and management standpoint until recent years. Now we've gone full circle-- back to providing housing in the existing gridiron system in blocks and have dropped the project approach for low-income families. However, we continue the project approach for moderate income families--Liberty Plaza, Hanover and the 236 projects now proposed for Summit-University and Concord Terrace. Let's hope it is more successful than it is for low-income families.

The PWA approach didn't work because the localities revolted against tearing down and building up their community based on plans developed in Washington and not at home by the people closest to the needs and desires of the local citizenry. This lead to the idea of todays housing authorities, created by state law, with the L.A. to be the building and managing agents and the federal government the financing agent and charged with protecting the publics' interest in the use of public funds. The PHA or HAA controls and dictates of design that we have lived with for twenty years came under the heading of "protecting public interest". Local autonomy didn't exist to any large degree until 1960 and still isn't free of federal pressures as to what we should build and how we should build it.

The U. S. Housing Act of 1937 is really the legislation that created public housing as we now know it, even though its primary purpose during the depression was "to alleviate present and recurring unemployment" as well as to provide decent, safe and sanitary housing for low-income families. 170,000 units were built in 260 cities under this act, primarily from 1939 to 1942. It then became "defense housing" during World War II which was later transferred back to low-rental use.

The Housing Act of 1949 was the next piece of significant housing legislation. It authorized 810,000 units to be built over a six year period and was the act under which McDonough and Roosevelt were built. The federal agency providing financing and "guidance" was the P.H.A., Public Housing Administration, a constituent of the Housing and Home Finance Agency. Now, of course, it's the HAA, a part of the Department of Housing and Urban Development.

PHA and HAA provide (1) the preliminary loans for project planning purposes; (2) temporary loans for financing construction costs incurred during early stages of development and (3) permanent loans for any part of the long-term bond issue sold by the LHA and not subscribed by private investors. The long term (generally 40 year bonds) are subsidized by the government by payment of "annual contributions" which are used to pay the annual interest and principal payments to the bond holders. This is how design and development of public housing are financed. If we show a profit in operating projects, which is done primarily out of rental income, the local profit will go towards retiring the annual debt before the federal government determines how much it will contribute. However, no profit has materialized in recent years so we get the full annual contribution from the federal government. If profit did materialize, rents may be too high--better to reduce them than reduce federal subsidy at expense of low income family.

There is no direct local outlay to the cost of constructing public housing--all federal. The local contributions are in the form of services and the fact no taxes are levied against housing property. However, we do make payments in lieu of taxes, of 10% of the shelter rents, to the City of St. Paul. We'll pay \$145,000. in 1970.

The changes in the last twenty years are obvious. In 1950, we had little to say about design and "projects" were the only kind of public housing that could be built. Today we can build single family, if costs will permit, and HAA says little about design. We were property managers for years and now we can have social workers. Even though we may not like the project approach, it has and does provide decent, safe and sanitary housing to thousands of St. Paul families and until the preferred systems, such as leasing and direct acquisition programs, can create significant numbers of dwellings, it will have to continue as our primary method of housing low-income families. We have about 120 scattered units which we own but only a handful of single family which we lease. Most of the leased family units are in Hanover and Liberty Plaza and although this provides more of an economic mix, it still is project in its approach and less desirable than single family or duplex.

The housing designed for the elderly program was started in the late 1950's. Previously such housing had no special budget amounts to permit construction of facilities to serve the elderly's special needs. Mt. Airy was designed and built before the special features were allowed. Previously such housing was a part of family projects and was designed for single person or couple occupancy to accommodate either the elderly or non-elderly.