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ST. LOUIS HOUSING AUTHORITY

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August 11, 2005

Mr. Les Nolan
Ameren UE
Gateway Division – Geraldine Operating Center
4440 N. Union Boulevard
St. Louis, MO 63115

RE: Variance Application – Kingsbury Terrace Apartments
5655 Kingsbury Avenue
St. Louis, MO

Dear Mr. Nolan;

This correspondence is in response to additional questions posed by the Missouri Public Service Commission pursuant to efforts to secure a variance related single metering of the above referenced project.

The St. Louis Housing Authority has previously worked with Ameren UE to secure a similar variance for similar projects that were comprehensively modernized between 2002 and 2005, most recently:

- West Pine Apartments
4490 West Pine Blvd.
St. Louis, MO
- Parkview Apartments
4451 Forest Park Blvd.
St. Louis, MO

The following is a listing of questions that were posed by MPSC pursuant to those variance proceedings. We have taken the liberty of responding to these questions as they relate to Kingsbury Terrace Apartments.

1. When was the building originally constructed?

Kingsbury Terrace Apartments is a hi-rise residential structure originally constructed in 1971 . The building was originally constructed as conventional low income housing specifically for elderly residents. This building currently continues to operate in that capacity with the exception of additionally allowing residency to disabled populations as mandated by Federal Regulation.

2. What is the extent of the remodeling/rehabbing?

The comprehensive remodeling of Kingsbury Terrace Apartments involves major reconfiguration of existing unit layout and elimination of the majority of efficiency units;

**Original Unit Count : 87 - (0) Bedroom Efficiency Units
 60 - (1) Bedroom Units**

TOTAL 147 Units

**Reconfiguration Count: 110 – (1) Bedroom Efficiency Units
 10 – (2) Bedroom Units**

REVISED TOTAL 120 Units

Additionally, all major plumbing, mechanical, and electrical systems are replaced as part of the remodeling. The original mechanical system consisted of a gas fired hot water, hi-rise loop system with gas fired boiler domestic water system. The remodeling changes this configuration to individual electric thru wall packaged thermal heating / ac units in each apartment and a high efficiency split system forced air hot water boiler system to accommodate all ground floor non-dwelling spaces. Fire safety systems including sprinkler systems and fire alarm systems are replaced to meet current code requirements. All interior floor finishes, bathroom fixtures, cabinets, lighting fixtures are replaced. The original electrical system was master metered and due to interior space constraints as well as significant cost is intended to remain master metered, however, all building electrical distribution systems are to be replaced including building switchgear. The overall estimated value of the improvements is \$10.5 million.

3. What changes are being made?

See response to question #2.

4. Are there two heating system, one forced air and the other circulating water?

See response to question #2.

5. How will electric service costs be included in the rent?

Public Housing Residents pay 30% of their income for rent and utilities. HUD provides the St. Louis Housing Authority a subsidy for utility costs. The SLHA will subsequently pay utility bills.

6. What service is presently provided – separate metering?

The building was originally master metered and current design remains master metered.

7. Is there exclusivity in to whom the premises will be let?

The housing is exclusively for qualifying low to moderate income persons, both elderly and younger disabled (physically or mentally challenged) tenants.

8. How is the housing being subsidized – federal program, etc. Is there any redevelopment taking place where the building is located, i.e., are there any public policy reasons related to rehabilitating the neighborhood that are in play?

Kingsbury Terrace Apartments is a conventional Elderly Public Housing Development. All rents, utilities, management, and operations costs are subsidized thru long term Annual Contributions Contracts between SLHA and the U.S. Department of Housing and Urban Development.

Although development is occurring in the general area of Kingsbury Terrace Apartments the SLHA is not aware, nor have city officials indicated, that any overall neighborhood development strategy is in effect that impacts rehabilitation of this building.

9. Is there anything special about the St. Louis Housing Authority, i.e., is it a private entity, public entity, charitable organization, etc.?

The St. Louis Housing Authority is a Municipal Corporation which receives the majority of its funding from The U.S. Department of Housing and Urban Development.

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10. What is the basis for HUD subsidy, i.e., why is the subsidy relevant to the application?

Low income citizens who qualify for housing in this facility cannot normally meet the utility standards to qualify for credit. Their income status and their credit history do not normally meet the qualifications and they are determined to be at risk to the utility. This also relieves AmerenUE of the burden of turning power on and off as the apartments are vacated and rented. Additionally, payments for utility usage are consistent and billing will be substantially simplified.

We appreciate your assistance for this very important variance. If any additional information is required please contact our office at (314)286-4221.

Respectfully:

Donald K. Ralph
Director of Modernization

Attachment 1
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