

# **PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL**

**REPORT TO COMMISSIONERS**

**FROM JON M. GUTZMANN  
EXECUTIVE DIRECTOR**

**REGARDING** INFORMATIONAL REPORT  
Project Update - RAD Conversion

**DATE** July 24, 2019

The Agency continues to make good progress toward closing on the RAD conversions at the end of the summer. Based on conversations with senior RAD officials at HUD, staff anticipates that the RAD closing will take place on September 4, 2019 (see attached RAD Closing Calendar).

On July 10, 2019, the PHA received HUD approval of the Affirmative Fair Housing Marketing Plans (AFHMP) for each of the eight RAD transactions. Approval of the AFHMPs was an important milestone in the RAD conversion process.

In April, 2019, the PHA's RAD team began working with Arnold Taylor, our Financing Transaction Manager (FTM) assigned by HUD, to provide the information needed for review and approval of the Financing Plans for the eight RAD projects, totaling 3,855 dwelling units. PHA staff has participated in several conference calls with Mr. Taylor and other HUD staff to work through the requirements of the Financing Plans, and staff expects to receive RAD Conversion Commitments (RCCs) for the eight RAD projects during the week of July 15-19, 2019. The RCCs will outline the specific legal and financial terms and conditions of the conversion and formally establish the transaction closing date, estimated to be September 4, 2019. Staff anticipates presenting the RCCs to the Board for acceptance at a special Board Meeting on August 14, 2019.

In preparation of RAD closing, staff is preparing a draft submission of items included in the attached PBRA RAD Closing Checklist for review by HUD's local Field Office. The draft submission will contain each item required for RAD closing for AMP 4 (Roosevelt Homes), and will be submitted to HUD's Chief Counsel of the Minneapolis Field Office, Judy Tucker, on Monday, July 22, 2019. With guidance from Ms. Tucker, the PHA's Legal Department will compile and finalize the closing documents for all eight RAD projects and submit them to HUD. The PHA must submit finalized closing documents to HUD by Friday, August 23, 2019 in order to close on September 4, 2019, according to Beverly Rudman, the "Closing & Post-Closing Director" in HUD's Office of Recapitalization. Staff anticipates recommending approval of the eight RAD closing packages at a special Board Meeting on August 14, 2019 and submitting the closing packages to HUD shortly thereafter.

Following the RAD closing, PHA staff will issue each household their individual RAD-PBRA Model Lease and House Rules (as approved by the Board on April 24, 2019). Both documents must be signed by all adult household members and returned by the effective date of the Housing Assistance Payment (HAP) contract. Closing on September 4, 2019 would allow the PHA to set the HAP effective date as November 1, 2019, allowing the maximum amount of time for staff to work with residents to understand and sign their new PBRA lease.

As shown on the attached RAD Closing Calendar, staff will hold resident information meetings at each hi-rise and family housing site during the weeks between RAD closing and the HAP contract effective date. At those meetings, staff will explain the RAD-PBRA Model Lease and House Rules and encourage residents to ask questions. As with the other informational meetings, interpreters will be provided. Residents may sign their new lease at the meeting or

wait and return the signed lease at a later date. All leases must be signed and returned to the PHA by the HAP contract effective date of November 1, 2019.

PHA staff members continue to attend trainings in preparation for the transition from the Low Income Public Housing program under HUD's Office of Public and Indian Housing (PIH) to the Project-Based Rental Assistance program administered by HUD's Office of Multifamily Housing. These trainings include four weeklong on-site Multifamily Housing Specialist training sessions facilitated by Nan McKay & Associates, which began in June and will conclude in early August. This training covers key property management topics in Multifamily Housing such as tenant selection and waiting list management, program eligibility, leasing considerations, and rent adjustments. Each of the four sessions concludes with a certification test. A second training, planned for August and September, will focus on rent calculations, the Enterprise Income Verification (EIV) system and the Tenant Rental Assistance Certification System (TRACS). This training will also conclude with certification testing. Money is earmarked for RAD training in the 2018 Capital Fund Program budget. Both training sessions will be attended by approximately 80 to 100 staff members across all departments, with a heavy emphasis on Resident Services and Finance.

JTL/AJH/FAH

Attachments: RAD Project Plan  
RAD Closing Calendar  
PBRA RAD Closing Checklist