

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 September 25, 2019

The Agency continues to make good progress toward closing on the RAD conversions in early October 2019 as planned, resulting in a Housing Assistance Payments (HAP) contract date of December 1, 2019 (see attached RAD Closing Calendar).

On July 26, 2019, HUD approved the PHA's Financing Plans by issuing RAD Conversion Commitments (RCCs) for the eight RAD projects totaling 3,855 dwelling units. The RCCs outline the specific legal and financial terms and conditions of the conversion and establish the 90 day RAD transaction closing deadline of October 24, 2019, which can be extended, if needed, at the request of either HUD or the PHA. The Board authorized the Executive Director to execute the RCCs at a special Board meeting on August 14, 2019, and the documents were subsequently uploaded to the RAD Resource Desk, HUD's web-based document submission portal.

On August 26, 2019, staff delivered draft versions of the documents listed on the attached PBRA RAD Closing Checklist for all eight RAD projects for review by HUD's local Field Office. In addition to delivering the eight draft closing packets to HUD's local Field Office, staff also uploaded electronic copies of all 575 documents included in the draft closing packets to the RAD Resource Desk, for additional review by our HUD-assigned Closing Coordinator and HUD's Low Income Public Housing and Multifamily Housing management staff. There has since been ongoing review by local, regional and national HUD staff resulting in extensive conversations

between PHA staff, our Closing Coordinator and HUD staff to ensure the final documents meet all HUD requirements. When this report was written, staff intended to submit the final documents for review by HUD's Legal Counsel in Washington, DC on Friday, September 20, 2019.

On August 14, 2019 the PHA entered an agreement with the local office of the law firm Ballard Spahr LLP to provide legal services to assist with reviewing and analyzing title commitments and other real estate documents for all PHA properties undergoing RAD conversion. Ballard Spahr's assistance and strong professional relationship working with HUD's Legal Counsel proved to be very beneficial in examining the 40- to 70-year-old real estate documents.

Staff continue preparing the communications to residents about the PBRA Model Lease and House Rules. Having concluded that a "one size fits all" approach to lease signings would be inefficient and unnecessary, staff are drafting separate communications for the hi-rises and family housing developments. The resident communication schedule for lease signings has not been finalized, and is dependent on HUD's review and related progress towards closing. At a minimum, staff will provide informational meetings where the Model Lease and House Rules will be explained and residents will be encouraged to ask questions. As with the other informational meetings, interpreters will be provided.

If the closings take place on or about October 3, 2019, the Model Lease and House Rules must be signed by all adult household members and returned to the PHA by November 30, 2019, before the HAP contract effective date of December 1, 2019. Closing the transactions early in October would allow the maximum amount of time for staff to work with residents to understand and sign their new PBRA leases.

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. Four weeklong Multifamily Housing Specialist training sessions were presented over the summer by Nan McKay & Associates, covering key property management topics in Multifamily Housing. In addition, two three-day sessions focusing on Multifamily rent calculations, the Enterprise Income Verification (EIV) system and the Tenant Rental Assistance Certification System (TRACS) are being presented during the third and fourth weeks of September. This training will also conclude with certification testing, and will be attended by approximately 50 staff primarily from the Resident Services Department and Rental Office. Money is earmarked for RAD training in the 2018 Capital Fund Program budget.

JTL/AJH/FAH

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