

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING RAD-PBRA Completion Certifications;
Project MN46RD00004 Edgerton Hi-Rise;
Project MN46RD00006 Mount Airy;
Project MN46RD00007 Exchange Hi-Rise;
Project MN46RD00008 Ravoux Hi-Rise;
Project MN46RD00009 Dunedin Terrace

DATE October 28, 2020

Staff requests approval to submit the following five RAD-PBRA Completion Certifications to HUD through the RAD Resource Desk online portal:

- Edgerton Hi-Rise (including Iowa and Wilson Hi-Rises), Project MN46RD00004;¹
- Mount Airy (including Mt. Airy Hi-Rise and Mt. Airy Homes (Family) and Valley Hi-Rise), Project MN46RD00006;
- Exchange Hi-Rise (including Wabasha Hi-Rise), Project MN46RD00007;
- Ravoux Hi-Rise (including Neill and Central Hi-Rises), Project MN46RD00008; and
- Dunedin Terrace (including Dunedin Family and Dunedin, Montreal, and Cleveland Hi-Rises), Project MN46RD00009.

In addition to the Agency's certification that it has completed the specific activities stated in each Project's RAD Conversion Commitment, the certifications attest to the PHA's compliance with Section 3 and "Resident Right to Return" requirements in the RAD regulations.

This step is a necessary follow-up to the PHA's October 3, 2019 closing on a near portfolio-wide conversion from Low Income Public Housing (LIPH) to HUD's Rental Assistance Demonstration Project-Based Rental Assistance (RAD-PBRA), consisting of eight projects with 3,836 units. Staff submitted Completion Certifications for three RAD-PBRA Projects to HUD in

¹ Project MN46RD00004 is described by HUD as "Edgerton Hi-Rise" even though it includes the three hi-rises. The other RAD-PBRA Projects are similarly named,

August 2020 after receiving Board approval at the July 22, 2020 meeting. Certifications for the remaining five Projects noted above are due in November 2020.

The Completion Certification includes the following sections:

- 1. Physical improvements** (Schedule D to the RAD Conversion Commitments, attached):

During the months preceding the closing date, PHA Maintenance staff identified several modernization projects that were either in progress or were considered critical needs. These projects had been included in the approved 2018 Capital Fund Program (CFP) budget, and staff proposed utilizing most of the remaining 2018 CFP funds as a source in the RAD transaction to enable this work to continue up to and after conversion. The list of items was included (as Schedule D) in each project's RAD Conversion Commitment (RCC; attached), as approved by the Board at a special meeting on August 14, 2019.

Staff have determined that all proposed Schedule D funding will be expended before the submission deadline for these projects of November 18, 2020, satisfying the RAD requirement for "completion".

Schedule D for Mt. Airy contained work items totaling \$348,049. Actual expenditures for the listed items totaled only \$304,639, or \$43,410 less than anticipated. The variance was due primarily to the Valley Corridor Painting project which was less expensive than anticipated (by \$50,821), partially offset by some minor overages in the other items listed. Due to the lower than expected cost for the Valley painting, staff were able to do more retaining wall replacement work at Mt. Airy Homes with the Schedule D funding than originally planned. The additional retaining wall replacement work was a planned project in the FY 21 RAD PBRA operating budget.
- 2. Resident Right to Return.** A core feature of the RAD program is that no residents should be permanently displaced as a result of the project's conversion. Since the PHA's properties were in excellent condition at the time of conversion, no substantial rehabilitation requiring resident relocation was required. Staff will certify that 100% of residents eligible for Right of Return remained at the properties after conversion.

3. **Section 3.** Staff will certify to the stated “Best Efforts to Comply” with Section 3 recruitment, training, and employment of Section 3 residents, and promoting of Section 3 Businesses. Section 3 compliance is standard procedure for the Agency, included in all Requests for Proposals (RFPs) and bid specifications for contracts.

Submission of these five Certifications will finalize the RAD conversion process of 3,836 PHA-owned units from the LIPH program to Multifamily Project-Based Rental Assistance.

LTS/AJH/FAH

Attachments: RAD Completion Certification Template (Sample)
RAD Conversion Commitment Exhibit D for
Project MN46RD00004 Edgerton Hi-Rise
Project MN46RD00006 Mount Airy
Project MN46RD00007 Exchange Hi-Rise
Project MN46RD00008 Ravoux Hi-Rise
Project MN46RD00009 Dunedin Terrace

RAD Completion Certification Due Date: 11/18/2020

Property Name EDGERTON HI-RISE
Owner Entity Name Public Housing Agency of the City of Saint Paul
Owner Contact Name Jon M Gutzmann
Owner Contact Email jon.gutzmann@stpha.org
Owner Contact Phone 651-298-5664
Effective Date of HAP Contract 01/01/2020

All of the above is accurate as-is OR I have updated the above information and it is accurate.

Ownership Certification

Check to certify

- 1. Owner certifies that the RAD Resource Desk Transaction Log Sources & Uses > Post Conversion column has been reviewed and updated, as necessary, and contains the final Sources & Uses, including all permanent financing and any changes resulting from an increase or decrease in the Scope of Work.
Please check to certify or provide details of the deviation below
- 2. Owner certifies that all items shown in the Scope of Work attached to the RAD Conversion Commitment (RCC) have been completed, except as described below.
Please check to certify or provide details of the deviation below

Date Work Completed: Amount of Rehab/Construction as of \$195,008.00
RAD Closing:
Actual Amount, if different: \$0.00

If there were any deviations from the original Scope of Work (increase or decrease), describe:

- 3. Owner certifies that owner has made the initial deposit to the Replacement Reserve account in the amount of \$415,000.00, except as described below.
Please check to certify or provide details of the deviation below

If the owner has not made the initial deposit, describe below:

- 4. Owner certifies that there are no liens on the property OR that all liens (including mechanic's liens) have been released and that there are no liens placed on the covered property aside from those approved by HUD and outlined in the RCC, or as described below.

Please check to certify or provide details of the deviation below
If there are any liens on the property not approved by HUD, describe below:

- 5. Input the number of RAD units abated for lead-based paint hazards as a result of the RAD Scope of Work completed. Do not include any abatement work done to non-RAD units or work done to units outside of the RAD Scope of Work.

Right to Return

A core feature of the RAD program is that any resident has a right to return to the property after the RAD conversion. For the most updated guidance please see section 1.4.A.5(ii) of the RAD Notice and the RAD Fair Housing, Civil Rights, and Relocation Notice. Permanent involuntary displacement of public housing or Section 8 assisted residents may not occur as a result of a project's conversion of assistance and each resident must be able to exercise his or her right to return. However, a resident can opt to voluntarily and permanently relocate by accepting an Alternative Housing Option from the PHA or project owner. Please complete the following Right to Return questions. If all public housing units covered by the CHAP were vacant at the time of CHAP issuance, click the below box and skip this section. Otherwise, this section is applicable to all projects, regardless of whether or not there was relocation as a result of repairs/construction.

All Public Housing units covered by the CHAP were vacant as of the date of CHAP issuance. Skip this section.

- 1. Number of Public Housing households living at the Project at the time of CHAP issuance (08/20/2018) (cannot be 0):
- 2. Number of Public Housing move-ins between CHAP issuance and HAP effective date:
- 3. Moved out between CHAP issuance and the HAP effective date: 0
- 4. Evicted between CHAP issuance and the HAP effective date: 0

5. Total Households Eligible for the Right of Return (Line 1 + Line 2 - Line 3 - Line 4): 0
6. Of the households identified in Line 5 above, how many:
- 6a. Returned to the covered project following conversion, including those that were able to remain at the property and those temporarily relocated due to rehab:
 - 6b. Voluntarily accepted Alternative Housing Options in lieu of returning to the covered project following conversion:
7. Total households not included above (Line 5 - Line 6a - Line 6b): 0

Please explain any discrepancies or abnormalities in the data provided above:
 Please provide details on why the number of residents who returned to the covered project following conversion is less than 90% of all Households Eligible for the Right of Return.

Section 3 (Form 60002)

Disbursement Agency/Project Owner: Public Housing Agency of the City of Saint Paul

Address: 555 N Wabasha Street, Suite 400

City: St Paul

State: MN

Zip Code: 55102

Tax ID Number:

Contact Person: Jon M Gutzmann

Phone: 651-298-5664

Email: jon.gutzmann@stpha.org

Property ID: MN001000003 Conversion Type: PBRA

Property Name: EDGERTON HI-RISE

Property Address: VARIOUS PHA ID: MN001
 St. Paul, MN 55130

Amount of Rehab/Construction as of RAD Closing:	\$195,008.00	<u>Transaction Sources:</u>	
Actual Amount, if different:		Public Housing Operating Reserves:	\$1,797,028.00
Reporting Period Begin: 01/01/2020		Prior Year Public Housing Capital Funds:	\$610,008.00
Reporting Period End:		Replacement Housing Factor:	\$0.00
		HOME Funds:	\$0.00
New Construction:	No	CDBG Funds:	\$0.00

1. Did the expenditure of these funds result in new hires for your agency or your contractors?
2. Did the expenditure of these funds result in any covered contracts?

Best Efforts to Comply

Section 3 Recruitment

Recruited Section 3 residents through: local advertising media, signs prominently displayed at the project site, contacts with community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.

Training or Employment of Section 3 Residents

Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.

Promoting Section 3 Businesses

Participated in a HUD program or other program which promotes the award of contracts to business concerns that meet the definition of a Section 3 business concern.

Promoting Section 3 Businesses

Coordinating with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.

Efforts for achieving compliance, barriers encountered, etc.

Certification Statement

I, Angela Holm, certify that I have the authority to submit this information to HUD and further certify under penalty of perjury under 28 U.S.C. Section 1746 that the statements and information contained herein: (1) meet the regulatory requirements of the Housing and Urban Development Act of 1968 as set forth at 24 CFR Section 135; and (2) are, to the best of my knowledge, truthful and accurate.

EXHIBIT D
Scope of Work

(List all work to be done in connection with the Transaction that needs to be completed before Closing)

Not Applicable

(List all work to be done in connection with the Transaction following Closing)

Work Item	Description of Improvement Work	Budget
	Wilson Hot Water Tanks	\$50,000.00
	Wilson Dom Water Pressure Pumps	\$32,760.00
	Iowa Trash Compactor Replacement	\$37,850.00
	Wilson Bus Duct Engineering	\$1,380.00
	Edgerton Trash Compactor Replacement	\$37,850.00
	Parking Lot Improvements	\$4,915.00
	Wilson Hi-Rise Electric Work	\$30,253.00
		Total \$195,008.00

EXHIBIT D
Scope of Work

(List all work to be done in connection with the Transaction that needs to be completed before Closing)

Not Applicable

(List all work to be done in connection with the Transaction following Closing)

Work Item	Description of Improvement Work	Budget
	Mt. Airy Parking Lot Repairs	\$1,410.00
	Mt. Airy Family Retaining Wall Replacement	\$29,266.00
	Mt. Airy High Rise Air Handler Replacement	\$58,301.00
	Mt. Airy Family Modernization: Addressing Water Infiltration by Replacing Exterior Components	\$69,563.00
	Mt. Airy High Rise Trash Compactor	\$31,388.00
	Valley High Rise Maintenance Garage Roof	\$20,000.00
	Valley High Rise Corridor Painting and Flooring	\$143,121.00
		Total \$348,049.00

EXHIBIT D
Scope of Work

(List all work to be done in connection with the Transaction that needs to be completed before Closing)

Not Applicable

(List all work to be done in connection with the Transaction following Closing)

Work Item	Description of Improvement Work	Budget
	Exchange Roof Eng Fees	\$10,900.00
	Exchange Roof Replacement	\$248,679.00
	Exchange Elevator Mod Engineering	\$7,500.00
	Exchange Trash Compactor Replacement	\$39,800.00
		Total \$306,879.00

EXHIBIT D
Scope of Work

(List all work to be done in connection with the Transaction that needs to be completed before Closing)

Not Applicable

(List all work to be done in connection with the Transaction following Closing)

Work Item	Description of Improvement Work	Budget
	Central Dom Water Pressure Pumps	\$30,000.00
	Central Roof Eng Fees	\$12,065.00
	Central Roof Replacement	\$250,000.00
	Central Elevator Mod Engineering	\$7,500.00
	Nell Elevator Mod Engineering	\$7,500.00
	Nell Fire Alarm System	\$130,948.00
	Ravoux Trash Compactor Replacement	\$45,133.00
	Total	\$483,146.00

EXHIBIT D
Scope of Work

(List all work to be done in connection with the Transaction that needs to be completed before Closing)

Not Applicable

(List all work to be done in connection with the Transaction following Closing)

Work Item	Description of Improvement Work	Budget
	Plumbing (Montreal)	\$216,236.00
	Cleveland Dam Water Pressure Pumps	\$38,400.00
	Dunedin Hot Water Tanks	\$50,000.00
	Dunedin Mod Ph 4	\$102,137.00
	Dunedin Hi Rise Elevator Mod Engineering	\$7,500.00
	Dunedin Hi Rise Trash Compactor Replacement	\$32,277.00
	Cleveland Hi Rise Trash Compactor Replacement	\$32,277.00
	Montreal Hi Rise Trash Compactor Replacement	\$32,277.00
	Total	\$511,104.00