

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 November 28, 2018

On August 20, 2018 the PHA received notice of approval letters from HUD for all eight RAD conversion applications we submitted on August 25, 2017. The letters also serve as the “Commitment to Enter into a Housing Assistance Payment” (CHAP) awards for those Asset Management Projects (AMPs 1-8). At this point, staff have not received any additional information regarding a CHAP award for the twelve new units at McDonough Homes (AMP 13). We submitted that application on August 24, 2018 with a goal of including those twelve units in the RAD conversion for AMP 1.

Staff continue to work on assembling the documents required for successful Financing Plan submissions for all eight projects (see attached Financing Plan checklist) by the due date of February 15, 2019. That date can be extended for good cause. Staff meets in both small and large groups to discuss Financing Plan tasks as well as other RAD planning and implementation needs related to the conversion (see attached Project Plan).

The primary purpose of the Financing Plan is to ensure that PHAs have fully evaluated the short-term and long-term financial viability of the conversion and secured or filed the required legal documents needed to complete the conversion. Financing Plan work items include 20-year Capital Needs Assessments (CNAs), environmental reviews, Fair Housing reviews, operating revenue and expense projections, and additional resident and stakeholder communication.

A separate report on this meeting's agenda explains the RAD Financing Plans and "Pro-Forma" financial analyses in detail. The 20-year Capital Needs Assessment impacts a number of factors in the evaluation of the financial viability of the RAD transaction.

As explained in an October, 2018 Board Report, the Financing Plan requires an amendment to the current year's Agency Plan, to describe the RAD conversion in greater detail than our initial Agency Plan submission. As explained in a separate report on this meeting's agenda, staff held a public hearing on November 13, 2018 to explain the Plan amendment showing the RAD details.

As another requirement of the Financing Plan, staff is preparing for a second round of Resident Information Meetings (the first meetings were held in July, 2017). During the month of December, 2018, staff will hold one meeting at each site included in the PHA's RAD conversion (see attached Resident Information Meeting Schedule). All residents living in a unit included in the PHA's RAD conversion will receive the attached RAD Information Notice as an invitation to attend the Resident Information Meetings. During the meetings, members of the PHA's RAD conversion team will present the attached PowerPoint and invite residents to ask questions. Resident Services staff will record residents' questions and comments, and subsequent PHA responses, which will be compiled and uploaded to the RAD Resource Desk as a part of the Financing Plan submission.

JTL

Attachments: RAD Project Plan
Resident Information Meeting PowerPoint
Resident Information Meeting Schedule
RAD Information Notice
Financing Plan Checklist