St. Paul Public Housing Agency RAD Facts

The Rental Assistance Demonstration (RAD) is a voluntary program of the U.S. Department of Housing and Urban Development (HUD) that seeks to preserve public housing by providing Public Housing Agencies with various opportunities, including access to more stable funding. RAD Conversion allows a PHA to convert from receiving funding under HUD’s Low Income Public Housing Program to HUD’s Project Based Section 8 platform, which has historically received more stable funding through Congress, with a long-term contract that, by law, must be renewed. This ensures the housing will be preserved and will remain permanently affordable to low-income households.

Here are some important facts about the St. Paul Public Housing Agency’s (PHA) proposed RAD Conversion:

• RAD will allow the St. Paul PHA to CONVERT properties from conventional PUBLIC HOUSING, with traditional Capital Fund subsidies and Operating Fund subsidies, TO PROJECT-BASED SECTION 8 with a long-term contract with HUD.
• The St. Paul PHA has applied for a RAD Conversion for all 16 Hi-Rises and 4 Family Housing Communities in our portfolio. This amounts to 3,852 total housing units.
• The PHA is pursuing RAD Conversion as a way to help preserve and maintain affordable housing in a climate of funding instability. RAD locks in a previous year’s level of public housing subsidies with an expectation of annual increases for inflation.
• The PHA will not privatize Public Housing. The PHA is a governmental entity created by the Minnesota Legislature that has owned, managed and maintained the federally-funded Public Housing in the City of St. Paul since 1977. After the RAD Conversion the PHA will continue to own, manage and maintain the properties in the same way. RAD maintains the public stewardship of the converted properties through clear rules on ownership and use.
• The PHA will maintain our high standards so all residents can enjoy their homes.
• The PHA will continue our partnerships and services that promote a high quality of life, such as Resident Councils, ACOP (A Community Outreach Program), Hi-Rise Officer in Residence Program, CHSP (Congregate Housing Services Program), Wilder Assisted Living Program, Nutrition Program for Seniors (NAPS), Twin Cities Mobile Market, Recycling Programs, African Economic Development Solutions (AEDS), Metropolitan State University, and dozens of other programs and services.
• Residents in good standing will not have to move or relocate under the PHA’s RAD plans.
• Residents will continue to pay 30% of their adjusted income towards their rent, and they maintain the same basic rights as they possess in the public housing program.
• Following a conversion under RAD, residents will still have the right to operate a resident organization (Resident Council), with financial support from the PHA.

For more information...please visit our website, www.stpha.org.
• **Capital Fund**
Money used for major maintenance projects and improvements of public housing, as well as for management activities.
E.g., roof, windows, plumbing, and any new units built.

• **Operating Fund**
Money to cover the costs of operating and managing public housing.
E.g., routine repairs and maintenance, salaries for staff who are responsible for daily operations, utilities.
How does RAD Work?

Sample Public Housing Conversion
Monthly Revenue Per Unit

<table>
<thead>
<tr>
<th>Pre-Conversion</th>
<th>Post-Conversion</th>
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<tbody>
<tr>
<td>Current Public Housing Funding</td>
<td></td>
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<tr>
<td>Operating Subsidy $246</td>
<td></td>
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<tr>
<td>Capital Fund $140</td>
<td></td>
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<tr>
<td>Average Tenant Payment &amp; Other Income $317</td>
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<tr>
<td>RAD Funding</td>
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<tr>
<td>Housing Assistance Payment $386</td>
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<tr>
<td>Average Tenant Payment &amp; Other Income $317</td>
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RAD combines the Operating Subsidy and Capital Fund into one payment for the property.

After RAD Conversion PHA Has a LONG-TERM CONTRACT WITH ANNUAL INFLATION ADJUSTMENTS

ESTIMATED ANNUAL HAP (MILLIONS)


$0  $5  $10  $15  $20  $25  $30
Mission Statement
"The PHA helps families and individuals with low incomes achieve greater stability and self-reliance by providing safe, affordable, quality housing, and links to community services."