

ST. PAUL

St. Paul Public Housing Agency gets OK for program to preserve public housing units

St. Paul agency to receive \$220 million over 20 years to keep units maintained.

By Marissa Evans (<https://www.startribune.com/marissa-evans/6370494/>) Star Tribune |

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More than 3,800 housing units owned by the St. Paul Public Housing Agency are being transferred to a new program that will shore up funding to keep up with repairs.

The Public Housing Agency is slated to receive an estimated infusion of \$220 million in funding over the next 20 years under the federal Rental Assistance Demonstration (RAD) program. Agency officials say that the new wave of dollars will mean less uncertainty around congressional funding and is a way to maintain the public housing units they have. Officials hope to eventually create more affordable housing units under the program.

The housing agency applied to the U.S. Department of Housing and Urban Development (HUD) more than two years ago for the units to be put under the RAD program. The change goes into effect Jan. 1.

Jon Gutzmann, executive director of the Public Housing Agency, said in an interview that the RAD program was something his agency “couldn’t say no to.” The agency needs an estimated \$84 million in capital funding to make fixes to the public housing units it owns. Gutzmann said residents will not have to worry about displacement or moving out because no large-scale construction will be taking place.

“That’s the only reason we’re doing this, to lock in the momentarily better money while moving into a more stable funding environment,” he said.

The housing authority has the same conundrum other housing agencies face nationwide — how to squeeze more money out of the federal government as it slowly backs away from investing in public housing. Public housing authorities are finding their capital and operational budgets are not being fully funded by Congress, causing slowed public housing maintenance, long waiting lists for Section 8 rental assistance and limited use of other voucher programs that could help vulnerable populations. Public housing communities are often made up of older adults and people with disabilities.

The RAD program was authorized by Congress in 2012 to help housing authorities complete needed maintenance for aging public housing units without relying on the federal government for increased funding.



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Jon Gutzmann, executive director of the St. Paul Public Housing Agency, said that the federal Rental Assistance Demonstration

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All of the units are still publicly owned, managed and operated by the St. Paul Public Housing Agency, and the organization isn't partnering with any private companies, said Louise Seeba, the housing authority's general counsel.

Shannon Guernsey, executive director for the Minnesota chapter of the National Association of Housing and Redevelopment Officials, said that the St. Paul Public Housing Agency's transition to RAD is something other public housing authorities statewide will likely consider.

"For each community who has a housing authority, that housing authority is looking to serve and address the local need. ... Preserving these units and keeping them viable for the long-term is really important," Guernsey said. She said efforts to preserve and ensure that the units are "available for the long term means a community has this asset they can use for their residents."

Marissa Evans writes about social issues for the Star Tribune.

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