

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Rental Assistance Demonstration;
RAD Conversion Closing Packets

DATE August 28, 2019

Staff requests preliminary approval to proceed toward closing on all eight RAD transactions early in October 2019, as previously discussed. As this report was written the Agency's Legal Team and other staff were putting the final touches on the drafts of all eight closing packets for delivery to HUD on August 23, 2019, both by hand delivery to HUD's Minneapolis Field office, and by uploading the documents to the online RAD Resource Desk.

Previously, on July 22, 2019, staff delivered the AMP 4 closing packet to HUD for HUD's review and comment. Since that date, staff has been working with HUD Minneapolis Field Office General Counsel to revise the AMP 4 closing packet documents based on HUD's comments and requirements. Contemporaneously with revisions to the AMP 4 documents, staff have been making changes to all of the same or similar documents in the remaining AMPs' draft closing packets. Staff believe this should streamline HUD's review of the remaining AMPs packets. Electronic versions of the remaining seven AMPs' draft closing packets are available for Board review.

The AMP 4 closing packet contains the Index of the packet. Each draft closing packet has a similar Index. Since this is a no-debt PBRA conversion where the PHA will continue to own, manage and operate the 3,855 RAD PBRA units after conversion, many of the documents do not apply to this PHA transaction. Those index entries are in grey and have a line crossed through them. Many of the documents are identical across all eight AMPs, such as the lease used and the house rules that will apply. Those index entries are identified by green. Some of the documents

in the closing packet only have minor differences between them such as address of the project and number of units converted in that AMP. Those index entries are represented in orange. Lastly, some documents are unique to that AMP, such as subordination agreements that confirm that money awarded by Minnesota Housing for improvements to particular properties are subordinate to the RAD Use Agreement. Those documents are identified in red.

The Board approved the RAD Conversion Commitment (RCC) at the special meeting on August 14, 2019, which began the final phase of the RAD conversion transaction. With the submission of the draft closing packets the last major step is the final conversion, which occurs on the date of closing. Within 30 days after the closing HUD must receive fully executed versions of the closing documents.

JMG/LTS

Attachments: AMP 4 Draft Closing Packet

AMP 4

Roosevelt Homes

MN46RD00005

PBRA RAD Conversion Closing Packet
 (See Part 2: Quick Reference Closing Document Checklist for PBRA RAD Conversions)

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- Grey = N/A
- Green = Identical across AMPs
- Orange = Only minor differences between AMPs
- Red = Major differences between AMPs

PHA Closing Contact List

<p>Jon Gutzmann Executive Director 555 Wabasha Street N, Suite 400 St. Paul, MN 55102 (651) 292-6172 jon.gutzmann@stpha.org</p>	<p>Louise T. Seeba General Counsel & Deputy Executive Director 400 City Hall 15 W. Kellogg Blvd. St. Paul, MN 55102 (651) 266-8772 louise.seeba@ci.stpaul.mn.us</p>
<p>Ronald P. Moen Finance Director/Controller 555 Wabasha Street N, Suite 400 St. Paul, MN 55102 (651) 292-6142 ron.moen@stpha.org</p>	<p>Sean D. Whatley PHA Attorney 400 City Hall 15 W. Kellogg Blvd. St. Paul, MN 55102 (651) 266-8798 sean.whatley@ci.stpaul.mn.us</p>
<p>Angela Holm Assistant Controller & PHA Closing Coordinator 555 Wabasha Street N, Suite 400 St. Paul, MN 55102 (651) 292-6159 angela.holm@stpha.org</p>	<p>Kim Nguyen Assistant Resident Services Director 555 Wabasha Street N, Suite 400 St. Paul, MN 55102 (651) 298-4263 kim.nguyen@stpha.org</p>
<p>Lisa Feidler Rental Administrator 555 Wabasha Street N, Suite 300 St. Paul, MN 55102 (651) 298-5111 lisa.feidler@stpha.org</p>	<p>Jordan LaSota Construction Program Manager 200 E Arch Street St. Paul, MN 55130 (651) 292-6254 jordan.lasota@stpha.org</p>
<p>Al Hester Housing Policy Director 555 Wabasha Street N, Suite 400 St. Paul, MN 55102 (651) 292-6173 al.hester@stpha.org</p>	

**Rental Assistance Demonstration (RAD)
Conversion Commitment (Public
Housing; First Component)**

**U.S. Department of Housing and
Urban Development
Office of Multifamily Housing**

Complete each box, even if information is duplicative			
Proposed Name and Address of Covered Project: ROOSEVELT HOMES Various St Paul, MN 55106	Proposed Project Owner: Public Housing Agency of the City of Saint Paul 651-298-5664 jon.gutzmann@stpha.org Project Owner is controlled by: <input checked="" type="checkbox"/> Control by a Public Body <input type="checkbox"/> Control by a Non-profit Body	Proposed Project Owner Notice Address: 555 N Wabasha Street, Suite 400 St Paul, MN 55102	
Existing Ownership Entity, Name and Address of Converting Project: Public Housing Agency of the City of St Paul ROOSEVELT HOMES Various St. Paul, MN 55106	PHA: Public Housing Agency of the City of St Paul Contact phone/email: 651-298-5664/Jon.Gutzmann@stpha.org PHA is an MTW agency: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	PHA Notice Address: 555 N. Wabasha Street, Suite 400 St Paul, MN 55102	
Dwelling Units in Covered Project (specify total # of dwelling units, and # of RAD, non-RAD income restricted, market, and manager units): Total Units: 320 RAD Units: 320 LIHTC Units: 0 Market Units: 0 Other Affd Units: 0			
PIH Information Center (PIC) removal application number (a/k/a Demolition-Disposition Application Number (DDA#)): DDA0008966			
Converting Project PIC Number(s) <i>(for all items to the right in this row, list data by each AMP # in the cells below):</i>	# of units converting to RAD to be removed from each AMP:	# of non-converting units to be removed from each AMP (e.g., due to a de minimis reduction):	Total # of units to be removed from each AMP (sum of two middle columns):
MN001000004	320	0	320
<input checked="" type="checkbox"/> Project-Based Rental Assistance (PBRA) <input type="checkbox"/> Project-Based Vouchers (PBV). If PBV, list HAP Contract Administrator (PHA or another housing authority): _____		Number of HAP Contracts and Term length of each HAP Contract: 1 contract(s) 20 years	
Reserve Fund for Replacements Amount of Total Monthly Deposit to Replacement Reserve upon effective date of the HAP contract <u>\$17,333.33</u>			

Key features of Covered Project:

General:

- Ground lease
- Transfer of Assistance
- Scattered-site project
- Major non-dwelling assets (e.g., free-standing buildings, community or commercial facilities or significant unimproved acreage) (explain below).
 - Existing included in the PIC removal application listed on page 1
 - To be added to the Covered Project
- PHA's sole project or, together with substantially concurrent conversions, the PHA's last public housing project to convert

Inter-Related Projects:

- Multi-phase conversion
- Converting Project is adjacent to public housing units within the same AMP that are not converting (not a full conversion of a contiguous project)
- Rent Bundling
 - This is a donor property
 - This is a recipient property (Identify below the associated properties in the rent bundling arrangement and when the other projects have/are expected to close)

Construction:

- Demolition of current public housing units
- New Construction. If new construction, is HAP contract to be entered into:
 - at Closing, or
 - upon construction completion

Relocation:

- Tenants will be Relocated for >12 months
- Tenants will be Relocated for ≤12 months
- No relocation anticipated

Financing:

- FHA-Insured Financing anticipated
If so, date of Firm Commitment: _____
- Low-Income Housing Tax Credits anticipated
Date of any allocating agency closing deadline: _____
- Conventional financing anticipated
- No new FHA-insured, LIHTC or conventional financing
- Existing debt, such as EPC, CFFP, OFFP or existing mixed-finance debt (list below the type of debt, whether it will remain outstanding post-conversion and, if not, whether it will be paid off prior to or at closing)
- Public housing funds in Sources and Uses

Unit Configuration:

- Reduction in units. If checked, 0 _____ (#) units reduced based on the following authority:
 - De minimis associated with this transaction (# of 0 _____ units)
 - De minimis associated with another transaction (# of 0 _____ units) (explain below)
 - Other (explain below)
- Change in unit configuration (explain below)

If additional information is necessary to clarify the features above and/or if there are other important features of the Transaction not described above, such additional information may be listed here:

RAD Rehab Assistance Payments:

Not Applicable

Choice Mobility:

- Project Owner will comply with RAD Choice Mobility practices.
- Project Owner is exempt from implementing the RAD Choice Mobility practices with respect to the RAD units in the Covered Project.

Repairs:

- a. Estimated number of months for completion for all Work (number of months the property is eligible for Rehab Assistance Payments): 0 _____ months
- b. Final completion deadline for all Work (after which Project Owner is in default): _____

This commitment ("Commitment") to participate in the Rental Assistance Demonstration ("RAD") and convert the assistance of the Converting Project named in the above table is entered into by and among Public Housing Agency of the City of St Paul, a public housing authority organized and existing under the laws of Minnesota ("PHA"); Public Housing Agency of the City of Saint Paul, a Public Entity organized and existing under the laws of Minnesota ("Project Owner"); and the United States Department of Housing and Urban Development, acting by and through the Secretary, his or her successors, assigns or designates ("HUD"), as of the date executed by HUD below. If the PHA is to be the owner of the Covered Project, the PHA shall also be identified as the Project Owner.

TERMS AND CONDITIONS:

1. **Applicable HUD Regulations and Requirements.** By converting assistance and entering into the Closing Documents contemplated in this Commitment, the PHA and Project Owner agree, each as and to the extent applicable, to operate the Covered Project in accordance with all applicable law, including without limitation the Consolidated and Further Continuing Appropriations Act of 2012 (Pub. L. 112-55, signed November 18, 2011, as amended) ("RAD Statute"); all applicable program requirements and guidance, including without limitation Notice PIH-2012-32, as amended and revised from time to time (the "RAD Notice") or any successor or additional statutes, regulations or guidance; and the terms and conditions set forth below (collectively, the "Program Requirements"). Any conflicts between this Commitment and any other HUD requirements shall be conclusively resolved by HUD. Any capitalized terms used herein but not defined have the meanings given them in the RAD Notice.
2. **Acceptance of Commitment/Expiration.**
 - a. This Commitment shall terminate thirty (30) days from the date executed by HUD unless the PHA and Project Owner execute and return an unaltered copy of this Commitment to HUD, at the address that appears on the last page of this Commitment.
 - b. This Commitment shall not be effective or enforceable against HUD until all conditions stated herein have been satisfied in HUD's determination.
 - c. Unless all conditions stated herein have been satisfied as determined by HUD and the transactions contemplated by this Commitment (collectively, the "Transaction") are closed within 90 days from the date executed by HUD, this Commitment shall, unless extended by HUD in writing, expire and be of no further force or effect. Upon expiration, all rights and obligations of the respective parties shall cease.
3. **Closing Requirements and HUD Approvals.** As used in this Commitment, "Closing" means execution of all binding legal instruments connected to the transaction contemplated by this Commitment and, if applicable, recordation of such instruments. All requirements set forth in this Commitment must be completed to HUD's satisfaction before the Closing can occur. A Closing checklist ("Closing Checklist") is attached hereto as Exhibit E and incorporated herein. The Closing Checklist lists those items HUD has determined necessary to be submitted to and approved by HUD in order for the Closing of this Transaction to occur. Should HUD determine that any other documents or items (in addition to those listed on the Closing Checklist) are necessary to meet the terms of this Commitment or Program Requirements, the PHA and Project Owner agree to provide such documents or other items in such form and substance as acceptable to HUD or to terminate this Commitment and not proceed to Closing. Unless otherwise agreed by HUD, in the case where the Project Owner differs from the PHA, all post-closing requirements and obligations contained herein will apply to the Project Owner after the Closing. Any determination, approval or decision of HUD pursuant to this Commitment shall be in HUD's sole and absolute discretion. Unless otherwise set forth in writing by HUD prior to Closing, HUD's execution and release of the Closing Documents shall constitute any approvals or decisions required herein and not previously given in writing.
4. **Public Housing Requirements.** The PHA and Project Owner acknowledge that the Converting Project remains subject to the United States Housing Act of 1937, its Consolidated Annual

Contributions Contract and any amendments thereto, and all other pertinent Federal statutory, executive orders, regulations and other guidance, as those requirements may be amended from time to time (collectively the "Applicable HUD Requirements"), and shall not be subject to the HAP Contract, until the effective date of the HAP Contract. Unless HUD gives written instructions otherwise, for so long as the Converting Project remains public housing, the PHA and Project Owner shall take all steps necessary to ensure that:

- a. Fire and other property insurance as required under Applicable HUD Requirements are and shall be maintained in full force and effect;
- b. All ordinary and necessary operating expenses pursuant to Applicable HUD Requirements of the Converting Project are and shall be paid; and
- c. The Converting Project remains in compliance with Applicable HUD Requirements, including without limitation all requirements related to the physical condition of the Converting Project and any remedial agreements between HUD and the PHA and remedial judicial or administrative orders, except as expressly modified by this Commitment and/or the Closing Documents.

Upon the Closing, the PHA shall certify in writing that the foregoing requirements have been met through the date of the Closing.

5. **HUD Review of Project Ownership.** The PHA and Project Owner agree that HUD approval of the ownership and control of the Covered Project is a condition of closing. The PHA shall not transfer any ownership interest in the Converting Project prior to the Closing.
6. **Closing Documents.** The PHA and Project Owner shall execute or cause to be produced, as appropriate, such agreements, instruments, certificates and other documents as HUD may require to complete the Transaction (collectively, the "Closing Documents"), using forms prescribed by or acceptable to HUD and completed, executed, recorded and/or filed in the number of copies and in such manner as directed by HUD. Without limiting the foregoing, the Closing Documents may include:
 - a. If applicable, one or more releases or partial releases of the applicable Declaration(s) of Trust or comparable document;
 - b. a RAD Use Agreement (document HUD-52625);
 - c. a Housing Assistance Payments Contract (for PBRA, documents HUD-52620 and HUD-52618; for PBV, HUD-52530A Parts I and II and HUD-52621), including any required exhibits;
 - d. Certifications and assurances; and
 - e. Any additional documents required by HUD in order to determine whether criteria for Closing have been met.
7. **Use Agreement Priority.** A title report must be provided for the Converting Project and Covered Project. In addition, an owner's pro forma title policy may be requested for the Covered Project involving the addition of financing to be secured by the Covered Project. Unless otherwise approved by HUD, the RAD Use Agreement shall be superior to any and all liens and/or encumbrances against the Covered Project, including, without limitation, the lien evidenced by any and all mortgages, deeds of trust and other financing documents and regulatory documents related to the Covered Project (including any LIHTC use agreement). The Project Owner shall obtain consents or subordination agreements, and have such documents executed, as HUD may determine necessary to establish such priority.
8. **Expenses and Transaction Costs.** Except as otherwise set forth in this Commitment, regardless of whether the Transaction is consummated, HUD shall not be responsible for any expenses or transaction costs incurred by or at the direction of the PHA or Project Owner in connection with the Transaction (including without limitation, fees for consultants, attorneys, environmental contractors, tax advisors and accountants; city, county and/or state taxes and/or fees; recording fees, prepayment penalties and/or premiums; costs for title insurance and title examination; surveys and appraisals).
9. **Tax, Financial, and Legal Consequences.** HUD has not provided, nor shall it provide, any opinions, representations, warranties, or covenants to any party regarding any federal, state and/or local tax consequences, financial consequences, or legal consequences relative to the

Transaction. The PHA and Project Owner acknowledge that funding of the contemplated Housing Assistance Payment Contract (HAP Contract) is subject to appropriations.

10. **Certifications, Representations and Warranties by the PHA and Project Owner.** Any statement, certification, representation or warranty made by the PHA or Project Owner in or pursuant to this Commitment is true and correct when given, and shall remain true and correct at all times through and including the Closing. In the event any such statement, certification, representation or warranty is no longer complete or correct, and without limiting HUD's rights and remedies, the PHA or Project Owner, respectively, shall notify HUD in writing immediately. Without limiting the foregoing, the PHA and Project Owner, respectively, hereby represent and certify to HUD and warrant to maintain the veracity through Closing of the following statements:
- All notices required by Program Requirements relating to the transaction have been timely provided to such persons and in a manner complying with applicable Program Requirements.
 - The PHA and the Converting Project continue to meet all program eligibility requirements as stipulated in the RAD Notice.
 - With the exception of any transfers under the PHA's Admissions and Continued Occupancy Policy or as otherwise approved by HUD, the PHA has not relocated any residents of the Converting Project in connection with the Transaction prior to the date this Commitment is executed by all parties.
 - Except as specifically disclosed to and accepted by HUD in writing, neither the PHA nor the Project Owner (including, but not limited to Board Members, principals and executives of the PHA or Project Owner) has any knowledge that it (or any Board Members, principals and executives of the PHA or Project Owner in their official capacity as members, principals or executives of the PHA or Project Owner, as applicable) is the current subject of, nor has received any pending notice of, any debarment, suspension or other administrative proceeding, audit or investigation by HUD, including without limitation by the Inspector General, the Departmental Enforcement Center, or the Office of Fair Housing and Equal Opportunity, or any other Federal or state government agency, whether or not sanctions have been imposed against such party.
 - No disclosed debarment, suspension or other administrative proceeding, audit or investigation would impact the PHA's or the Project Owner's ability to carry out its obligations as contemplated under this Commitment.

Upon the request of HUD, the PHA shall provide HUD with evidence satisfactory to HUD relating to each of the foregoing certifications. Execution of the Closing Documents by the PHA and the Project Owner, respectively, constitute re-certification to HUD of the foregoing statements.

11. **Successors and Assigns.** This Commitment and its attachments are binding upon the PHA, the Project Owner and the successors and assigns of each. Unless otherwise provided herein, this Commitment may not be assigned, in whole or in part, except upon the prior written consent of HUD.
12. **Corrections.** Notwithstanding anything to the contrary contained in this Commitment, the PHA and Project Owner agree to execute, before or after the Closing, such documents, amendments or modifications as HUD deems necessary or appropriate to effectuate the intent of this Commitment or to complete or consummate the Transaction, including but not limited to instruments necessary to correct this Commitment or any of the Closing Documents.
13. **Changes to This Commitment.** HUD has approved a Financing Plan for this transaction. The PHA and Project Owner shall notify HUD of any changes to the terms set forth in the Financing Plan, or any other business terms submitted to HUD. If HUD determines such changes to be material, HUD may require an amendment to this Commitment or other reviews or approvals as HUD determines necessary to account for the changed terms. The final business terms shall be determined as of the Closing and inserted into the applicable Closing Documents. The PHA's and Project Owner's execution of the Closing Documents shall constitute acceptance of the final business terms reflected therein.

14. Sources of Funds.

- a. HUD must review and approve all debt (secured and unsecured) against the Covered Project prior to Closing.
- b. Development Budget. HUD approval of this Transaction is based on the estimated Sources and Uses attached as Exhibit B. Any changes to this Sources and Uses shall be disclosed to HUD and if HUD determines that such changes are material, HUD may require additional review and approvals and/or amendment to this Commitment. PHA and/or Project Owner shall provide HUD with the final certified Sources and Uses upon Closing.
- c. PHA Funds for Development Budget. Where the Transaction includes public housing funds to be contributed by the PHA for uses other than funding the HAP Contract, these funds must be shown on the Sources and Uses. The PHA certifies that all such funds are available and reserved for the Transaction, are irrevocable, and that the PHA has obtained all consents necessary in order for the PHA to commit such funds to the Transaction.
 - i. Prior to Closing, public housing Capital Funds shown in the Sources and Uses must be moved within the HUD Line of Credit Control System (LOCCS) to the "RAD Investment" Budget Line Item (BLI 1504). These funds must be drawn down out of LOCCS at closing and, until they are disbursed for a use shown in the Sources and Uses, made subject to a General Depository Agreement (GDA, form HUD-51999).
 - ii. Until disbursed for a use shown in the Sources and Uses, Public housing Operating Reserves shown in the Sources and Uses must be held in an account or sub-account subject to a GDA.
 - iii. To the extent such funds must be subject to a GDA as described above, the PHA may use a pre-existing GDA if the PHA is making use of separate or segregated accounting. (For example, a PHA may have a pre-existing account for Operating Fund Reserves subject to a GDA and if the converted funds to be used as shown in the Sources and Uses may be adequately separated or segregated for accounting purposes in a sub-account or otherwise remaining subject to the pre-existing GDA, the requirements of this section are fulfilled.) If shown in the
 - iv. Sources and Uses, such funds may be used to satisfy obligations of the Covered Project, including without limitation, funding reserves (for example, to make an initial deposit for a replacement reserve (IDRR)) or payment of construction or other project costs in accordance with this RCC and other project documents. Methods by which the PHA may choose to disburse such funds in accordance with this section include:
 - In a lump sum as a loan to the Project Owner, subject to a loan agreement or other documentation;
 - Incrementally over time as a loan to the Project Owner, subject to a loan agreement or other documentation;
 - In a lump sum to the Project Owner as a grant or otherwise without the expectation of repayment; and/or
 - Incrementally over time to the Project Owner as a grant or otherwise without the expectation of repayment.
- d. No Additional PHA funds. Except for the amounts identified in the Sources and Uses and amounts identified in the HAP Contract to fund the Covered Project in the calendar year of conversion, no public housing funds may be used as an additional source of funds for the Covered Project. By way of illustration and not limitation, after Closing, no public housing funding (including any funds deemed "project funds" or "program income" under public housing regulations) may be used to pay for any costs for any work (Work or other work) done in connection with the Covered Project.

- e. Upon the conversion of assistance, the Converting Project, including any real or personal property thereof, shall no longer be used for public housing purposes, as originally authorized by the U.S. Housing Act of 1937. This Commitment provides instruction for such conversion and the treatment of the Converting Project. Any proceeds of disposition of the Converting Project (or of any real property or improvements that as of the date of this Commitment are considered public housing) in connection with the conversion of assistance contemplated by this Commitment shall be used for affordable housing purposes as defined in the RAD Notice. Any proceeds of any loans of converted public housing funds made in connection with the conversion of assistance contemplated by this Commitment shall be used for affordable housing purposes. Any uses of converted public housing funds listed in the Sources and Uses attached hereto as Exhibit B shall be considered end uses for purposes of 2 CFR Part 200.
15. **Moving to Work Considerations.** Participation in RAD by a Moving To Work (MTW) agency does not reflect a determination that the agency will remain an MTW agency, only a determination that the Covered Project will continue to be a RAD project under the terms of the RAD program.
16. **RAD HAP Contract Funding in Initial Year.** From the effective date of the HAP Contract through the remainder of the calendar year, the Covered Project will be funded only from available public housing amounts obligated prior to the effective date of the HAP Contract and from any additional public housing amounts that HUD obligates in full or in part, subject to the availability of sufficient appropriations, for the remainder of the calendar year in which the HAP Contract becomes effective. **Project Owner acknowledges that this amount for the first year may be less than the contract rent for subsequent years.** During such time, the PHA will draw down funds from LOCCS as instructed by HUD and transfer amounts to the Project Owner as payments pursuant to the HAP Contract in its capacity as or on behalf of the Contract Administrator, as applicable.
17. **RAD Rehab Assistance Payments.** It is anticipated that the Covered Project will be eligible for RAD Rehab Assistance Payments pursuant to its HAP Contract to the extent set forth on the second page of this Commitment.
18. **Section 8 Contract Rents.** Exhibit C sets out the monthly Section 8 contract rents that will be specified in the HAP Contract.
19. **Planned Construction and Rehabilitation.** Exhibit D sets forth the planned construction, repairs and/or rehabilitation for the Covered Project, including any repairs that need to be completed before closing, to be funded in accordance with the Sources and Uses (the "Work").

The Project Owner hereby represents, warrants and certifies to HUD and will update such representation, warranty and certification at Closing, in a form and substance acceptable to HUD, that the sources of funds are sufficient to pay for the Work and that all Work will be completed timely and in accordance with applicable RAD Program Requirements, including without limitation:

- a. The Work will be completed in accordance with:
- i. The more stringent of: (1) any applicable national building code, such as Uniform Building Code, Council of American Building Officials Code, or Building Officials Conference of America Code; or (2) applicable state and local laws, codes, ordinances, and regulations;
 - ii. Other applicable Federal requirements including any Federal fire-safety requirements and HUD minimum property standards (e.g., 24 CFR part 200, subpart S for FHA-insured properties);
 - iii. The relevant requirements of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-484 6), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-485 6), and implementing regulations at 24 CFR part 35, as applicable;

- iv. Notice PIH 2014-17 / H 2014-09, issued July 14, 2014 (and any amendments, revisions or successor documents), "Relocation Requirements under the Rental Assistance Demonstration (RAD) Program, Public Housing in the First Component," which relocation requirements include, as applicable, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and its implementing regulations at 49 CFR Part 24 with regard to any relocation of residents;
 - v. Section 504 of the Rehabilitation Act of 1973 and its implementing regulations at 24 CFR part 8, including but not limited to accessibility standards, with regard to any "substantial alterations" or other "alterations," each as defined in such regulations, as applicable;
 - vi. The design and construction requirements of the Fair Housing Amendments Act of 1988 and its implementing regulations at 24 CFR Part 100.25, as applicable;
 - vii. Section 3 of the Housing Act of 1968 and its implementing regulations at 24 CFR Part 135 and all of the related regulations, rules and requirements as applicable; and
 - viii. Davis-Bacon prevailing wage requirements, section 12 of the United States Housing Act of 1937, and Contract Work Hours and Safety Standards Act, and all of the related regulations, rules and requirements for any repairs that qualify as "construction" or "rehabilitation" as defined in such regulations, rules and requirements.
- b. Any Work not completed by the final completion date listed on page 2 of this Commitment and set forth in the HAP Contract, including any reduction in the scope of Work listed on Exhibit D, unless an extension of such date or such reduction in scope is approved in writing by HUD, constitutes a default of this Commitment and of any HAP Contract entered into with respect to the Covered Project. Upon such default, HUD may terminate this Commitment and/or HUD may take action to terminate the HAP Contract relating to the Covered Project, as provided in the HAP Contract.
 - c. The Project Owner shall not be entitled to withdraw or take any Distributions from the Covered Project until after completion of the Work and certification of the actual cost of the Work.
 - d. To the extent the Work includes new construction or substantial rehabilitation, the PHA and/or Project Owner shall engage a qualified general contractor who shall obtain either (i) a payment and performance bond from a properly licensed surety, which bond and surety shall be acceptable to HUD, or (ii) a letter of credit, acceptable to HUD.
20. **Reserve for Replacements.** The Project Owner shall establish upon Closing a Reserve for Replacements, with an IDRR as set forth in Exhibit B, the Sources and Uses. Monthly deposits into the Reserve for Replacements will be made in the amount set forth on the first page of this Commitment as set forth in the HAP Contract and adjusted annually in accordance with the HAP Contract and Program Requirements.
21. **Counsel.** Closing is conditioned upon review and approval of the Transaction by HUD, including without limitation a legal review and approval of diligence and closing documents. The PHA and Project Owner, if different than the PHA, agree to select competent counsel in connection with this Transaction in a manner that satisfies the applicable rules of professional conduct. Counsel to the PHA and/or Project Owner, as appropriate, must provide a legal opinion with respect to the following matters and any other matters reasonably requested by HUD:
- a. The PHA and Project Owner are each duly organized, validly existing and in good standing under the laws of the applicable jurisdiction(s);
 - b. The PHA and Project Owner each have the requisite power and authority, and have secured all consents required, to consummate the Transaction;
 - c. Each of the Closing Documents executed by or on behalf of the PHA and/or Project Owner in connection with the Transaction is a legally binding obligation of such party, duly executed and delivered on behalf of such party and enforceable in accordance with its terms;
 - d. There is no litigation or other claim pending or threatened against the PHA, Project Owner or the Covered Project other than as disclosed to and consented to by HUD;

- e. Based upon a pro forma title policy acceptable to HUD and assuming the recordation of documents in the order contemplated by such pro forma title policy, provided counsel has no reason to believe the documents will be recorded in an order other than as listed in such pro forma title policy, the RAD Use Agreement is superior to the lien and/or encumbrance evidenced by any and all mortgages, deeds of trust and other financing documents and regulatory documents of record relating to the Covered Project; and
- f. All Closing Documents conform with the legal requirements set forth in this RCC and any and all changes to HUD forms or sample language have been disclosed to HUD.
22. **Last public housing unit.** If, upon completion of this RAD conversion and other RAD conversions for which this PHA has an RCC and/or CHAP, the PHA will no longer have residential units in its public housing portfolio, the PHA agrees to comply with additional instructions provided by HUD regarding the close-out of its residential public housing portfolio prior to or after Closing. The PHA acknowledges that failure to comply with HUD instructions may result in withholding Section 8 or other cash payments after Closing pending cure of such violation to HUD's satisfaction.
23. **Non-dwelling assets.** Any non-dwelling assets proposed for removal from PIC in connection with the Transaction must be listed in the PIC removal application (a/k/a Demolition-Disposition Application) identified on the first page of this Commitment and must be approved by HUD.
24. **Special Conditions.** This Commitment is subject to the Special Conditions set forth on Exhibit A.
25. **Exhibits.** The following exhibits are a part of this Commitment and incorporated herein by this reference:
- a. Special Conditions
 - b. Sources and Uses of Funds
 - c. Monthly HAP Contract Rents
 - d. Scope of Work
 - e. Closing Checklist
26. **Entire Agreement; Survival.** The information listed on the chart on the first pages of this Commitment is a part of this Commitment. All prior and contemporaneous oral and written communications are merged herein and superseded hereby, and this Commitment and all exhibits attached constitute the entire agreement between the PHA, Project Owner and HUD with respect to the Transaction. This Commitment, and the responsibilities relating to each respective party, shall survive Closing of the Transaction.
27. **Post-Closing Responsibilities.** The PHA and Project Owner agree to follow the directions of the HUD Closing Coordinator with respect to post-Closing obligations. Without limiting the foregoing, the PHA and Project Owner, as appropriate, will provide evidence of recording of the applicable Closing Documents and copies of any applicable executed HAP contract, recorded Use Agreement, and DOT Release within three (3) business days thereof and will provide copies of the remaining Closing Documents as directed within sixty (60) days of Closing. In addition, the PHA must follow instructions provided by HUD to remove the Converting Project, or portions thereof, from PIC to effect conversion.
28. **Severability.** Should any provision of this Commitment be held by a court of law to be unenforceable, such determination shall in no way compromise the enforceability of the other provisions.
29. **Counterparts.** This Commitment may be executed in counterparts. Electronic copies of signatures (such as those in portable document format (pdf)) shall be evidence of and treated as original signatures.
30. **Consistency with Federal Law.** Nothing contained in this Commitment shall impose on HUD any duty, obligation, or requirement, the performance of which would be inconsistent with federal statutes, rules, or regulations in effect at the time of such performance.

(signature page follows)

Signature Page to RAD Conversion Commitment

Department of Housing and Urban Development

By:


Name: Thomas R. Davis

Title: Director, Office of Recapitalization

Date:


7-26-19

PHA: Public Housing Agency of the City of St Paul

Public Housing Agency of the City of St Paul
Jon M Gutzmann, Executive Director
555 N Wabasha Street, Suite 400
St Paul, Minnesota 55102

Project Owner:

Public Housing Agency of the City of Saint Paul


Public Housing Agency of the City of St Paul
Jon M Gutzmann, Executive Director
555 N Wabasha Street, Suite 400
St Paul, Minnesota 55102

Date:

8/15/2019

EXHIBIT A
Special Conditions

- An acceptable Lead Based Paint (LBP) Operations & Maintenance (O&M) Plan must be submitted to HUD prior to closing.

Necessary HUD Approvals

- The PHA will be required to provide an updated PCA Narrative acceptable to HUD prior to closing.

Additional Provisions to the RCC

Not Applicable

Sources and Uses Report

PHA Name Public Housing Agency of the City of St Paul

PIC Number MN001000004

Transaction Log Last Modified: 07/15/2019

Sources	
Hard Debt	\$0.00
Soft Debt	\$0.00
Grants	\$1,052,356.00
Public Housing Operating Reserves	\$917,356.00
Public Housing Capital Funds (inc DDTF)	\$135,000.00
Equity	\$0.00

Property Name ROOSEVELT HOMES

Uses	
Acquisition Costs	\$0.00
Acquisition Land and Buildings	
Payoff Existing Loans and Payables	
Other Acquisition Costs	\$0.00
Hard Costs	
Demolition	
Construction/Rehabilitation	
General Requirements/Overhead/Profit	
Construction/Rehabilitation Contingency	
Builder's Risk Insurance	
Relocation Costs	\$0.00
Soft Costs	
Architectural Design Fee (Plans & Specs)	
Construction Management/Budget Planning Fee	
Engineering Fee	
Feasibility Studies	
Environmental Reports	
Appraisal/Market Study	
Accounting	
Survey	
eCNA Tool	
Title Insurance/Exam Fee, Closing Escrow	
Organizational Costs	
Recordation Fee	
Borrower's Legal Counsel	
Lender's Legal Counsel	
Consultants	
Other Professional Fees	
Other Loan Fees	
FHA Fees (MIP, Application, Inspection)	
Tax Credit Financing Fees	
Prepayment Penalty/Premium	
Payables	
Construction Interest (Not Deferred)	
Construction Loan Fees	
Bond Issuance Cost and Fees	
Permits	
Investor's Legal Counsel	
Bond-Legal Counsel	
Permanent Financing Fees	
Furniture, Fixtures & Equipment	
Marketing & Lease Up	\$1,052,356.00
Reserves	\$135,000.00
Initial Deposit to Replacement Reserve	
Initial Operating Deficit Escrow	\$917,356.00
Operating Reserve	
Tax and Insurance Escrow	
Lease-Up Reserve	
Other Reserves:	
Developer Fees	

TOTAL SOURCES:	\$1,052,356.00	TOTAL USES:	\$1,052,356.00
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EXHIBIT C
Monthly HAP Contract Rents

<u>Number of Contract Units</u>	<u>Number of Bedrooms</u>	<u>Contract Rent</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
0	0	\$0.00	\$0.00	\$0.00
63	1	\$590.00	\$61.00	\$651.00
167	2	\$744.00	\$109.00	\$853.00
68	3	\$1,057.00	\$129.00	\$1,186.00
22	4	\$1,238.00	\$167.00	\$1,395.00
0	5	\$0.00	\$0.00	\$0.00
0	6	\$0.00	\$0.00	\$0.00

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)

Not Applicable

EXHIBIT E
Closing Checklist
See Attached

Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

In the following four sections, this document provides an overview of the RAD closing process and instructions on the document submission requirements for PBRA conversions:

- 1) General overview of the closing process;
- 2) Quick reference closing document checklist;
- 3) Full checklist with detailed descriptions and information on each submission requirement.
- 4) Instructions for uploading the draft closing package to the RAD Resource Desk

Part 1: General Overview of the Closing Process for PBRA Conversions

Assignment of a RAD Closing Coordinator, HUD Field Counsel & HUD Multifamily Account Executive

Upon issuance of the RAD Conversion Commitment (RCC), the RAD Closing Coordinator will serve as your main point of contact during the closing process. The RAD Closing Coordinator will contact you with instructions and will provide you with the name of the assigned HUD Field Counsel and HUD Multifamily Account Executive. The Closing Coordinator will also arrange a kick-off call with internal and external parties to discuss the closing process, timelines and other topics as needed. For additional information on the RAD closing process, please see the "Closing Process for RAD Public Housing Conversions" webinar on www.radresource.net.

Required Closing Documents

A full list of closing documents is shown in Part 2. Not all documents are applicable in all closings. Use the full checklist in Part 3 to understand what's needed for your specific closing document submission. Discuss any questions you may have regarding applicability of documents with your RAD Closing Coordinator and HUD Field Counsel. The latest version of HUD documents and templates can be found in the Closing section of the Document Library on the RAD Resource Desk, www.radresource.net/doclibrary.cfm. Copies of HUD Multifamily forms can be found on HUDCLIPS.

NEW Closing Package Submission

You must submit two copies of the draft closing package, one to your assigned RAD Closing Coordinator and one to your assigned HUD Field Counsel. **As of September 10, 2018, all draft closing package submissions to your RAD Closing Coordinator must be uploaded via www.radresource.net. Upload instructions can be found in Part 4 of this document. Your assigned HUD Field Counsel will still need to receive a copy of the draft closing package, either via email, CD, or hardcopy.** Please contact your assigned HUD Field Counsel for their submission instructions. Only complete draft closing packages will be reviewed. The draft closing package should be submitted to both parties within two weeks of RCC issuance and no later than two months following RCC issuance. Failure to submit a closing package within two months will result in your transaction being placed in "Delayed Submission" status where it will be unassigned for your closing coordinator and HUD counsel and your RCC will be at risk of being withdrawn by HUD.

Closing Package Review

Upon receipt of a complete closing package, the RAD Closing Coordinator and HUD Field Counsel will review, provide comments, and work with you to finalize all required documents in order to close. For the purposes of RAD, the closing date is the date of recording. You will receive instructions from your RAD Closing Coordinator regarding documents required to be submitted after closing as part of the final closing docket. Note: FHA-RAD Closings will follow the existing FHA requirements and closing process with the addition of a RAD Closing Coordinator who will review the RAD-specific documents.

Additional Guidance and Requirements for PBRA RAD Conversions

Please note that this closing checklist only pertains to the closing of the RAD conversion and that there are additional requirements that the PHA and/or new ownership entity must fulfill as part of the conversion from Public Housing to Multifamily Housing including leases, submitting 50058 End of Participation prior to the effective date of the RAD PBRA HAP contract, completing the 50059s, obtaining access to HUD systems, etc. Please refer to "RAD's Quick Reference Guide to Multifamily Housing Requirements" which can be found in the Document Library on www.radresource.net.

FDS Reporting Requirements for all RAD Conversions

Projects converting to RAD will experience a series of reporting changes based on the timing of the conversion. Consult PIH-REAC PHA Financial Accounting Brief #22: FDS Reporting Requirements for Projects Converting Under RAD. A copy can be found in the Document Library on www.radresource.net.

Important Reminder -for PHAs Leaving Public Housing

If this RAD conversion represents the PHA's last remaining public housing units, consult PIH Notice 2016-23 for specific requirements and guidance for leaving the Public Housing program.

**Rental Assistance Demonstration Closing Overview & Checklist: Project Based
Rental Assistance (PBRA) Conversions
Part 2: Quick Reference Closing Document Checklist for PBRA RAD Conversions**

No.	Document	Included <input type="checkbox"/> Yes <input type="checkbox"/> No
1	Closing Contact List	<input type="checkbox"/> Yes <input type="checkbox"/> No
2	Fully executed RAD Conversion Commitment (HUD Form 52624)	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	Evidence of Completion of RAD Conversion Commitment Special Conditions	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
4	Request to Amend the RAD Conversion Commitment	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
5	RAD Use Agreement (HUD Form 52625)	<input type="checkbox"/> Yes <input type="checkbox"/> No
6	RAD PBRA HAP Contract a) Part 1 (HUD Form 52620), including all exhibits b) Part 2 (HUD Form 52618)	<input type="checkbox"/> Yes <input type="checkbox"/> No
7	Declaration(s) of Trust/Declaration(s) of Restrictive Covenants and any title encumbrance and/or exception documents	<input type="checkbox"/> Yes <input type="checkbox"/> No
8	Release(s) of Declaration(s) of Trust and/or Declaration(s) of Restrictive Covenants	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
9	Title Pro Forma and/or Title Report	<input type="checkbox"/> Yes <input type="checkbox"/> No
10	Survey and Site Plans	<input type="checkbox"/> Yes <input type="checkbox"/> No
11	Sources & Uses	<input type="checkbox"/> Yes <input type="checkbox"/> No
12	Consolidated Owner Certification	<input type="checkbox"/> Yes <input type="checkbox"/> No
13	Certification and Assurances	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
14	Opinion of Project Owner's Counsel (post-conversion owner)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
15	Opinion of PHA's Counsel	<input type="checkbox"/> Yes <input type="checkbox"/> No
16	Rental Schedule (HUD Form 92458)	<input type="checkbox"/> Yes <input type="checkbox"/> No
17	Project Owner's/Management Agent's Certification (HUD Form 9839)	<input type="checkbox"/> Yes <input type="checkbox"/> No
18	Management Entity Profile (HUD Form 9832)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
19	Property Management Agreement	<input type="checkbox"/> Yes <input type="checkbox"/> No
20	Evidence of Required Amount of Fidelity Bond Coverage	<input type="checkbox"/> Yes <input type="checkbox"/> No
21	Tenant Leases (sample)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
22	RAD Delayed Conversion Agreement (PBRA) (formerly known as the New Construction Agreement)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
23	Master Lease/Tenancy Addendum	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
24	Organizational Documents for New Ownership Entity a) Organizational chart and list of key partners/principals b) Articles of Organization; By-Laws; Partnership Agreement (as applicable) c) Certificate of Existence, Certificate of Good Standing, or similar document from the Secretary of State providing the legal name of the Project Owner	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
25	Amendments/Releases of Existing Mixed Finance Documents a) Termination of Mixed Finance Amendment to the ACC b) Termination of Regulatory and Operating Agreement (R&O Agreement) c) Lender and PHA Subordination Agreements, as applicable	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
26	Deed	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
27	Ground Lease and Memorandum of Ground Lease	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
28	Evidence of Payoff, Release or Subordination of Existing Debt	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
29	Restrictive Covenants and Land Use Restrictions	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
30	General Depository Agreement (HUD Form 51999)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
31	First Mortgage Financing Documentation a) Note b) Mortgage/Deed of Trust c) Intercreditor/Subordination Agreement	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
32	New Junior Debt Supporting Documentation a) Note	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

	b) Mortgage/Deed of Trust c) Intercreditor/Subordination Agreement	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
33	Bond Financing Documentation a) Documentation that issuance of the bonds has been authorized b) Firm Commitment to purchase the bonds	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
34	LIHTC Equity Documentation a) Equity Commitment, including the pay-in schedule b) LIHTC Reservation Letter	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
35	New Construction or Substantial Rehabilitation Documentation a) Evidence that the General Contractor has obtained either (i) a payment and performance bond from a properly licensed surety; or (ii) a letter of credit b) Owner Completion Guarantee Agreement	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
36	HUD Form(s) 50075.1 with Budget Line Item 1504	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
DOCUMENTS TO BE SUBMITTED IMMEDIATELY AFTER CLOSING		
37	HUD Form 50075.1 with Budget Line Item 1503 and Initial Year Funding Tool	<input type="checkbox"/> Yes <input type="checkbox"/> No
38	Form 50058 End of Participation (EOP)	<input type="checkbox"/> Yes <input type="checkbox"/> No
39	Recorded Release of Declaration(s) of Trust/Declaration(s) of Restrictive Covenant and Use Agreement; fully executed HAP Contract, Certification and Assurances	<input type="checkbox"/> Yes <input type="checkbox"/> No
40	Post Closing Docket	<input type="checkbox"/> Yes <input type="checkbox"/> No

**Rental Assistance Demonstration Closing Overview & Checklist: Project Based
 Rental Assistance (PBRA) Conversions
 Part 3: Full Closing Checklist for PBRA Conversions**

No.	Document	Applicability	Notes and Instructions
1	RAD Closing Contact List	Always	<ul style="list-style-type: none"> • Provide this list to your RAD Closing Coordinator as soon as possible and no later than with the submission of your draft closing package. • The list should include full contact information for all parties that will be involved in the closing including - but not limited to- PHA, Project Owner, Existing Owner (if different from the PHA or Proposed Project Owner), PHA counsel, Project Owner's Counsel, Lender's Counsel, Escrow Agent, etc.
2	RAD Conversion Commitment (RCC) – HUD Form 52624 (fully executed)	Always applicable	<ul style="list-style-type: none"> • Execution/Termination/Extensions: <ul style="list-style-type: none"> ○ Must be fully executed by authorized representatives of the PHA, Project Owner, and Existing Owner (if different entities) within 30 days of issuance or the RCC will be terminated and must be reissued. ○ For existing Mixed Finance conversions where the PHA is not the current owner, the PHA must still execute the RCC as an acknowledging party. ○ Note that the RCC expires 90 days after issuance unless extended by HUD. RCC extension requests should be sent to your assigned RAD Closing Coordinator in advance of expiration. • Return/Submission of Fully Executed RCC: <ul style="list-style-type: none"> ○ Upload a copy of the fully executed RCC within 30 days of issuance to the RAD Resource Desk. It should be uploaded as Item 2, Fully Executed RCC, in the Closing Document Upload section • Changes/Amendments: <ul style="list-style-type: none"> ○ No changes to the RCC language are allowed. ○ If you believe corrections are needed to the HUD-executed RAD Conversion Commitment please contact your RAD Transaction Manager and RAD Closing Coordinator immediately; HUD may process an amendment to the RCC to incorporate the corrections applicable. The HUD-executed RCC must still be countersigned within the 30-day timeframe. ○ If terms outlined in the RCC have changed, submit a request to your RAD Closing Coordinator outlining the requested changes. See item #4 in this closing checklist for information on submitting RCC amendment requests. ○ HUD expects your transaction to close within 90 days. If an extension is warranted, please contact your RAD Closing Coordinator.
3	Evidence of Completion of RAD Conversion Commitment Special Conditions	Conversions with special conditions listed in the RCC.	Upload relevant documentation pertaining to any Special Conditions. Work with your Closing Coordinator to ensure all conditions are satisfied prior to closing. Any certifications can be included in the Consolidated Owner Certification.

Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

4	Requests to Amend the RAD Conversion Commitment	Applicable if proposing changes to the RCC for corrections or revisions	<ul style="list-style-type: none"> • Not required to be submitted with the draft closing package but should be submitted as soon as possible. • An RCC amendment may be required whenever there is a change to the RCC or its' exhibits, including Sources & Uses. • Any changes to the Sources & Uses or financing terms require an update to the Transaction Log on www.radresource.net. • Please discuss any requested amendments with your RAD Closing Coordinator. • The RCC amendment request should be uploaded to the RAD Resource Desk and should detail all requested changes and justifications as appropriate.
5	RAD Use Agreement – HUD Form 52625	Always applicable	<ul style="list-style-type: none"> • Parties: The Project Owner and HUD are parties to the Use Agreement. If there is a ground lease, the fee owner (generally the PHA) and the Project Owner <u>both</u> execute the Use Agreement. Prepare HUD's signature block for the Director, Office of Recapitalization. Include a Washington, D.C. notary block. Your assigned RAD Closing Coordinator can provide you with a copy of the appropriate signature block if needed. • Legal Description: Unless there is a transfer of assistance, the legal description on the Use Agreement(s) will generally cover all property released from DOT. Where assistance is being transferred to a different site, ensure that the Use Agreement encumbers the Covered Project (the project that will be receiving Section 8 subsidy), not the Converting Project (current public housing project). • Term: Ensure that the initial term of the Use Agreement matches the approved HAP contract term. • Local Recording Requirements: The Use Agreement must contain all formalities required for recording a deed in the jurisdiction of recordation (i.e., notary/acknowledgement, seal, etc.). • Priority: The RAD Use Agreement must be superior to all financing documents (including FHA-insured mortgages). • Partial vs Full Release: If the DOTs/DORCs are being partially released, include the word "partially" in the reference to that DOT/DORC Release in the Use Agreement; if the DOTs/DORCs are being fully released, include the word "fully" in the reference to that DOT/DORC Release. • No changes to the form are allowed (other than changes to the signature pages to reflect state recording requirements). • Include the Covered Project's name and PBRA HAP project number.

Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

6	RAD PBRA HAP Contract a) Part 1 - HUD Form 52620 b) Part 2 - HUD Form 52618	Always applicable	<ul style="list-style-type: none"> Completed by PHA/Owner's Counsel. No changes to the boilerplate HAP contract language are permitted. If applicable, HUD will provide the Rehab Assistance Payment in the RCC to be input in Part 2 of the PBRA HAP Contract. Exhibit 2 to the RAD PBRA HAP is the Affirmative Fair Housing Marketing Plan (AFHMP), HUD Form 935.2A. This form should be completed and submitted to the local Multifamily Field Office at the Financing Plan stage. The draft closing package should include the final approved copy of the Plan or an indication that it is in process. Projects are permitted to close without an approved AFHMP; in those cases, the draft AFHMP plan should be attached with a cover page that says "Draft – The attached Affirmative Fair Housing Marketing Plan (AFHMP) has been submitted to HUD for review. No marketing or leasing is permitted until approval of the AFHMP by HUD. Marketing or leasing includes the solicitation, distribution or acceptance of applications or development of a waiting list." The HAP Contract effective date must be the first day of either the first or second month following closing; for example, for a 9/3/16 closing, the HAP contract effective date should be 10/1/16 or 11/1/16. Labor Standards Addendum (HUD Form 5679) must be attached to the HAP contract as Exhibit 3.
7	Declaration of Trust and any title encumbrance and/or exception documents	Always applicable	<ul style="list-style-type: none"> Provide a copy of any Declarations of Trust and/or Declarations of Restrictive Covenants in force, with their recording information, even if they are not shown on the Title Pro Forma. Submit any documents referenced in the legal description for the project (i.e. Plat/Parcel Map, etc.) Along with the title report and/or pro forma, provide a copy of all title exceptions and encumbrances
8	Release of the Declaration of Trust (DOT) and/or Declaration of Restrictive Covenants (DORC)	Unless approved by HUD in accordance with RAD requirements, only property that is part of the Covered Project (the project that will receive PBV or PBRA assistance and will be covered by the RAD Use Agreement) is eligible for DOT/DORC Release through RAD.	<ul style="list-style-type: none"> There is a HUD-approved sample form found on www.radresource.net but variations are allowed. If all land encumbered by the DOT/DORC is not converting through this transaction, ensure that the title and body of the document indicate that it is a <i>partial</i> release. If all land encumbered by the DOT/DORC is converting through this transaction, ensure that the title and body of the document indicate that it is a <i>full</i> release. If non-dwelling buildings and/or vacant land are associated with the Covered Project, the PIH Field Office must determine whether such assets may be released per the RAD Notice. When there is a phased conversion of a public housing project, HUD will look to the deal specifics to determine which property, if any, will be released from the DOT/DORC. In such situations, consult with HUD prior to submitting a draft closing package. Ensure that the Release fulfills state recording requirements. Prepare HUD's signature page for the General Deputy Assistant Secretary for Public and Indian Housing. Include a Washington, D.C. notary block, and a witness statement/signature line below the signature block. The legal description should identically match the legal description used in the title work. Any deviations must be explained to the satisfaction of HUD.

Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

9	<p>Title Pro Forma and/or Title Report All proposed recorded documents must be listed in proper order.</p>	<p>Always applicable</p>	<ul style="list-style-type: none"> • Include a title report (always) and Owner's Pro Forma Policy (if applicable) • In cases where there is a transfer of assistance, title work must be provided for both the Converting Project and the Covered Project. • The title search must search back at least to the vesting deed to the PHA. <ul style="list-style-type: none"> ○ If the title work reveals that a Converting Project is not covered by the appropriate current DOT/DORC, a DOT/DORC may need to be recorded. Please contact your RAD Closing Coordinator for further instruction. The current versions of the DOTs for Development and Modernization are available at http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/forms/hud5. ○ Financial Liens and use restrictions must be subordinated to the RAD Use Agreement or released. All other encumbrances must also be subordinated unless HUD determines, in its sole discretion, that the encumbrance will not negatively impact the Covered Project. • If a title policy will be issued, provide a copy of the pro forma and a copy of the final policy (when issued) to HUD Field Counsel. • If no new debt is proposed as part of the RAD conversion and no party is receiving a title policy, a title report is acceptable. Ensure that the title report is dated within 30 days of when the HUD Field Counsel receives the complete draft package. Depending on the amount of time the deal takes to close, HUD Field Counsel may require an updated title report. • The legal description on the pro forma, title report and Use Agreement must precisely match. If this description does not match the DOT legal description, sufficient evidence must be provided for the HUD Field Counsel to determine (in her sole discretion), that the descriptions cover the same property. • Documents may be recorded in the following order: <ul style="list-style-type: none"> ○ Release of DOT/DORC (if applicable) ○ Deed or Memorandum of Ground Lease (ground lease or memo of ground lease must contain HUD required provisions subordinating to the Use Agreement) ○ RAD Use Agreement (always applicable) ○ Mortgages and Use Restrictions (as applicable) • <i>RAD-FHA conversions:</i> <ul style="list-style-type: none"> ○ <i>The RAD Use Agreement must appear on schedule B-1 of the title policy.</i> ○ <i>Include only the lender's pro forma in the draft closing package unless HUD Counsel specifically requests to also receive the title commitment or title report.</i>
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Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

10	Survey and Site Plans	Always applicable	<ul style="list-style-type: none"> • A <u>hard copy full-sized survey</u> of the Covered Project must be included in the draft RAD closing Package sent to the HUD Field Counsel. If DOTs or DORCs will be released from the Converting Project, a full-sized survey must also be provided for the Converting Project. <ul style="list-style-type: none"> ◦ If a recent survey is available, include a full-sized copy in the draft closing package submitted to HUD Field Counsel. If a recent survey is unavailable, there is no change to the existing footprint of buildings and no party is requiring a new survey, an old survey may be acceptable at HUD Field Counsel's sole discretion. • Site plans are encouraged and must be submitted for new construction. • <i>If the transaction also involves FHA financing, the Covered Project's survey must comply with all FHA requirements.</i> • Discuss any concerns regarding the survey requirements with your HUD Field Counsel.
11	Sources & Uses	Always applicable	<ul style="list-style-type: none"> • Final executed Sources & Uses must be submitted prior to closing. • If the Sources & Uses are changing prior to closing from what's shown in the RCC exhibit, the RCC may need to be amended. Check with your RAD Closing Coordinator. • Any change to the Sources & Uses or key terms requires an update to the RAD Transaction Log "As Closed" column on www.radresource.net
12	Consolidated Owner Certification	Always applicable	<ul style="list-style-type: none"> • This document includes required certifications and can be tailored to include any requirements/special conditions noted in the RCC. • A draft of this document must be submitted for review and approval as part of the draft closing package. • Prior to closing, a PDF of the fully executed certification must be sent to your Closing Coordinator. • See sample template available for download on www.radresource.net. The certification is frequently updated so please reference the latest version posted online.
13	Certification and Assurances	Always applicable	<ul style="list-style-type: none"> • All submitted closing documents must be listed. • A draft of this document must be submitted for review and approval and then executed prior to or at closing; • The executed version must be submitted to HUD Field Counsel within 3 days of closing. Attach redlines to the executed version showing changes made to the documents listed since sign-off by HUD. • See sample template available for download on www.radresource.net. • The document should reflect the following recording order: <ol style="list-style-type: none"> 1. [Partial or Full] Release of Declaration of Trust or Declaration of Restrictive Covenants (if applicable) 2. Deed or Memorandum of Ground Lease 3. RAD Use Agreement (always applicable) 4. Mortgages and/or Use Restrictions (if applicable)
14	Opinion of Project Owner's Counsel (Post-Conversion Owner)	Applicable if the PHA will not retain ownership.	<ul style="list-style-type: none"> • If the PHA will not retain complete, direct ownership of the Covered Project after conversion, opinions are required by both Post-Conversion Owner's Counsel and PHA's Counsel. • A template containing HUD-required language is available on www.radresource.net.

Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

15	Opinion of PHA's Counsel	Applicable if the PHA will not retain ownership.	<ul style="list-style-type: none"> If the PHA will not retain complete, direct ownership of the Covered Project after conversion, opinions are required by both Post-Conversion Owner's Counsel and PHA's Counsel. A template containing HUD-required language is available on www.radresource.net.
16	Rental Schedule - HUD Form 92458	Always applicable	Available for download on HUDCLIPS
17	Project Owner's/Management Agent's Certification - HUD Form 9839	Always applicable	<ul style="list-style-type: none"> Available for download on HUDCLIPS Be sure to select the correct version (9839-A, 9839-B or 9839-C) depending on your Management Agent structure. Discuss any questions with your assigned Multifamily Account Executive.
18	Management Entity Profile - HUD Form 9832	Always applicable	Available for download on HUDCLIPS
19	Property Management Agreement	Required on all conversions unless self-managed.	Include a copy of the agreement in the draft closing package.
20	Evidence of Required Amount of Fidelity Bond Coverage	Always applicable	See HUD Handbook 4381.5, Section 2.14 for requirements
21	Tenant Leases	Always applicable	<ul style="list-style-type: none"> Provide the form of lease and any addendums Use the HUD Form Model Lease (Form HUD-90105a). Available for download on HUDCLIPS Appendix 1E of the RAD Notice must be attached as part of the "House Rules" and must control notwithstanding any other provision of the lease. Must not contain provisions challenging RAD's tenant rights of return and grievance procedures Prior to package submission, consult with Recap on HUD's current guidance related to Tenant Leases
22	RAD Delayed Conversion Agreement (PBRA) (formerly known as the New Construction Agreement)	For conversions in which the assistance is being transferred to a new site and tenants will remain in their current units until construction of the new site is completed. In this scenario, a PHA may choose a Delayed Conversion Agreement (#22) or Master Lease/Tenancy Addendum (#23).	<ul style="list-style-type: none"> The existing public housing units will continue to receive public housing subsidy and remain subject to PIH requirements until construction is complete. The PBRA HAP contract is not executed at closing; it is executed and becomes effective at the time that tenants transfer to the new site. The PHA/Owner should still submit a copy of the RAD PBRA HAP Contract and all exhibits for review as part of the draft closing package (as exhibits to the Delayed Conversion Agreement). Although the HAP contract is not executed at closing, the RAD Use Agreement is recorded against the Covered Project at closing. The Converting Project's DOTs are not released. The required Delayed Conversion Agreement template is available on www.radresource.net.

Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

23	Master Lease/Tenancy Addendum	<p>For conversions in which the assistance is being transferred to a new site and tenants will remain in their current units until construction of the new site is completed. In this scenario, a PHA may choose a Delayed Conversion Agreement (#22) or Master Lease/Tenancy Addendum (#23).</p>	<ul style="list-style-type: none"> • In transactions involving new construction and a transfer of assistance, if residents are remaining in the Converting Project until the Covered Project is constructed, the parties may elect to enter into a Master Lease between the PHA and Project Owner for leasing the Converting Project. (The other option for this scenario is execution of a Delayed Conversion Agreement – see above) • Under the Master Lease, the RAD conversion occurs at closing, the Converting Project's dwelling units are removed from PIC at closing and a HAP contract is entered into at the time of closing. • Through the Master Lease, the Project Owner leases the tenants' units from the PHA and then subleases the units to the tenants (who are now Section 8 tenants). • There is a HUD-approved Master Lease template. A Tenancy Addendum may be used in lieu of a Master Lease. • The PHA should be aware of the limitations on the use of federal funds created by use of the Master Lease structure. For example, if there is an indemnification provision, the PHA cannot use federal funds to fulfill those obligations.
24	Organizational Documents for New Ownership Entity a) Organizational chart & List of Key Partners/Principals b) Articles of Organization; By-Laws; Partnership Agreement (as applicable) c) Certificate of Existence, Certificate of Good Standing, or similar document from the Secretary of State providing the legal name of the Project Owner.	<p>Required when the Covered Project Owner is not the PHA; even if the PHA is transferring ownership to an instrumentality, the instrumentality's ownership documents must be provided.</p>	<ul style="list-style-type: none"> • The entity must be validly formed and its term of existence must be at least as long as the HAP contract. • With the exception of LIHTC deals, the organizational documents must establish PHA or non-profit ownership/control. This statutory requirement is satisfied if: <ul style="list-style-type: none"> ○ The PHA is retaining ownership of the project. ○ The Project Owner is an entity in which the PHA is the sole owner or member. ○ The Project Owner is organized as a nonprofit entity (it need not be a 501(c)(3) entity). • In LIHTC deals, PHA control may be established through the owner's organizational documents or the ground lease. <ul style="list-style-type: none"> ○ If control is established through the organizational structure, use the HUD required provisions. (Note: these provisions are distinct from the provisions that must be included in the organizational documents for PHA deals) ○ If control is established through a ground lease, the ground lease must contain the ground lease control provisions available on the RAD Resource Desk. ○ Discuss any proposed alternative method of establishing PHA control with HUD Field Counsel prior to submission of a draft closing package.
25	Amendments/Releases of Existing Mixed Finance Documents (if applicable) a) Release of Declaration of Restrictive Covenants (DORC) b) Termination of Mixed Finance Amendment to the ACC c) Termination of Regulatory and Operating Agreement (R & O Agreement) d) Lender and PHA Subordination Agreements (if applicable)	<p>Applicable where the Converting Project is an existing Mixed Finance Project.</p>	<ul style="list-style-type: none"> • For DORC Releases, follow the procedure and requirements discussed above for DOT Releases. • The Termination of the Mixed Finance Amendment to the ACC is signed by the appropriate PIH Field Office. Once the draft documents have been deemed legally acceptable, your RAD Closing Coordinator will work with the PIH Field Office to obtain the appropriate signature. • If there is a partial conversion of a Mixed Finance Project, with some of the project's units remaining as public housing, the MF Amendment is <i>not</i> terminated; instead, an amendment must be prepared in HQ's Office of Public Housing Investments. • Termination of the ACC Amendment and Termination of the R & O Agreement are posted to www.radresource.net.

Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

26	Deed	Applicable if title to the property is being conveyed.	<ul style="list-style-type: none"> • When the deed conveys fee simple to the Covered Project Owner, it can contain no reversionary clauses, conditions subsequent or similar provisions; the deed must be for fee simple unless the PHA is ground leasing the land to the Covered Project Owner and simply deeding the improvements. • The deed cannot be a Quitclaim Deed. • The legal description must match the title policy/title report and RAD Use Agreement.
27	Ground Lease and Memorandum of Ground Lease	Applicable if the property will be subject to a ground lease.	<ul style="list-style-type: none"> • If the Ground Lease is not recorded, submit both the Ground Lease and a Memo of Ground Lease. • Use the HUD-required provisions. • The legal description must match the title policy/title report and RAD Use Agreement. • The Ground Lease must be subordinated to the RAD Use Agreement in accordance with HUD requirements. • In deals where the Covered Project is already covered by a ground lease, the lease must be amended to include the HUD-required provisions unless otherwise approved by HUD. • The lease term must be at least as long as the HAP contract.
28	Evidence of Payoff, Release or Subordination of Existing Debt	Required if there is an existing EPC, CFFP, OFFP, or other form of debt that will be paid off or subordinated at closing.	<ul style="list-style-type: none"> • Provide evidence that the existing debt has been or will be paid off in conjunction with RAD closing. Existing debt being paid off in conjunction with the RAD closing should be shown on the Sources & Uses. • If existing debt is not being paid off at or prior to closing, the debt must be subordinated to the RAD Use Agreement in conformance with HUD guidance. • See the HUD-approved Subordination Agreement form on www.radresource.net.
29	Restrictive Covenants and Land Use Restrictions	Applicable in all deals with land restrictions	<ul style="list-style-type: none"> • Restrictions must be subordinate to the RAD Use Agreement • For non-FHA transactions, use the HUD-approved RAD Subordination Agreement or ensure that the substantive provisions of the template are included in the Restrictive Covenants document. • Restrictions cannot impact the right of tenants to remain in or return to the property after conversion • <i>For FHA transactions, use the FHA Subordination Agreement or other appropriate form per FHA requirements</i>
30	General Depository Agreement - GDA (Form 51999) Latest version of GDA form is dated 10/2014	Required if Public Housing funds are being used as a source of funds and not being disbursed to Project Owner for an approved use at closing.	<ul style="list-style-type: none"> • Consult your RAD Closing Coordinator for specific guidance and requirements. • Public Housing funds used in the transaction must be shown on the Sources and Uses and are subject to a GDA until they are disbursed for the approved use. Once disbursed, the funds need not be subject to a GDA. • Once the funds are transferred from an account held by the PHA to an account held by the Project Owner, such funds are considered disbursed for purposes of whether a GDA is required. • Until disbursed, public housing funds to be used in the transaction must be held in a segregated account or sub-account. If such account is already subject to a GDA, no new GDA is required. • If a new GDA is required, no changes to the HUD form are permitted. • No changes to the HUD form are permitted, other than those allowed for in the form itself. • <i>Not required for transactions with FHA financing. Follow FHA guidelines.</i>

Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

31	First Mortgage Financing Documentation: a) Note b) Mortgage/Deed of Trust c) Intercreditor / Subordination Agreement	Required for all conversions obtaining first mortgage financing.	<ul style="list-style-type: none"> • New financing documents must be recorded after and explicitly subordinated to the RAD Use Agreement • For non-FHA transactions, use the HUD-approved RAD Subordination Agreement or ensure the substantive provisions of the template are included in the appropriate debt documents. • <i>In FHA-RAD deals:</i> <ul style="list-style-type: none"> ◦ Use the appropriate form of HUD-approved subordination agreement or rider for FHA transactions. ◦ The RAD Use Agreement shall be recorded before the HUD-insured mortgage. ◦ In FHA-RAD deals, all financing must comply with all FHA requirements. • If financing terms have changed since RCC issuance, submit revisions to the RAD Closing Coordinator for HUD review and then update the RAD Resource Desk Transaction Log once the financing changes have been approved.
32	New Junior Debt Supporting Documentation a) Note b) Mortgage/Deed of Trust c) Intercreditor / Subordination Agreement	Required for all conversions with secondary financing or junior debt previously approved in the RAD Financing Plan.	<ul style="list-style-type: none"> • If financing terms have changed since RCC issuance, submit revisions to the RAD Closing Coordinator for HUD review and then update the RAD Resource Desk Transaction Log once the financing changes have been approved. • Aside from the Note, Mortgage/Deed of Trust, and Intercreditor/Subordination Agreement, no additional documentation is needed to be submitted in the draft closing package.
33	Bond Financing Documentation a) Documentation that issuance of the bonds has been authorized b) Firm Commitment to purchase the bonds	Required for all conversions utilizing bond financing	<ul style="list-style-type: none"> • If financing terms have changed since RCC issuance, submit revisions to the RAD Closing Coordinator for HUD review and then update the RAD Resource Desk Transaction Log once the financing changes have been approved. • Aside from the documentation regarding issuance and the firm commitment, no additional documentation is needed to be submitted in the draft closing package.
34	LIHTC Equity Documentation a) Equity Commitment, including the pay-in schedule b) LIHTC Reservation Letter	Required for all conversions involving tax credits.	<ul style="list-style-type: none"> • If financing terms have changed since RCC issuance, submit revisions to the RAD Closing Coordinator for HUD review and then update the RAD Resource Desk Transaction Log once the financing changes have been approved. • Aside from the reservation letter and equity commitment, no additional documentation is needed to be submitted in the draft closing package.
35	New Construction or Substantial Rehabilitation Documentation a) Evidence that the General Contractor has obtained either (i) a payment and performance bond from a properly licensed surety or (ii) a letter of credit b) Owner Completion Guarantee Agreement	New Construction or Substantial Rehabilitation only.	

Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

36	HUD Form(s) 50075.1 with Budget Line Item 1504	Required on all conversions that use PH Capital Funds in the development budget	<ul style="list-style-type: none"> Required before Closing as soon as a final Sources and Uses is available. Submit to your Closing Coordinator the HUD Form(s) 50075.1 with BLI 1504 manually added that matches the amount of Capital Funds listed as a source in the final executed Sources and Uses. This is to ensure that the Capital Funds used in the Development budget will be available at closing. Note that only prior year Capital Funds can be utilized in this manner and you must submit one form per Capital Fund grant year. Please see "RAD Initial Year Funding Process Instructions" on the Resource Desk for further information.
IMMEDIATELY AFTER CLOSING- ADDITIONAL REQUIRED STEPS			
37	HUD Form 50075.1 with Budget Line Item 1503 and Initial Year Funding Tool(s)	Required on all conversions	<ul style="list-style-type: none"> Required immediately after Closing in order to access the final public housing subsidy from Capital Funds that will be available for the converted property for the remainder of the calendar year in which a HAP contract becomes effective Complete the HUD Form 50075.1 with BLI 1503 manually entered Complete the Initial Year Funding Tool(s) with the correct HAP effective date Send to your Closing Coordinator within 3 business days of recording. Operating funds are not to be included on the 50075.1. Please see "RAD Initial Year Funding Process Instructions" and the "RAD Initial Year Funding Tool" on the Resource Desk for further information.
38	Form 50058 End of Participation (EOP)	Required on all conversions unless there is a Delayed Conversion Agreement; contact the Closing Coordinator for applicability.	<ul style="list-style-type: none"> Required within 5 business days after Closing. Provide confirmation via email to the Closing Coordinator that Form-50058 EOP has been submitted. In order for HUD to remove the applicable units from the Public Housing Information Center (PIC), a Form-50058 End of Participation (EOP) for the public housing program for all residents still living at the property at RAD conversion must be submitted into PIC. The 50058 EOP must be effective for each resident on the last day of the month before the new HAP will be effective. For example, a property that will have an October 1 HAP effective date should submit EOPs effective September 30 for all residents still living at the property.
39	Recorded Release of Declaration of Trust, Use Agreement, and HAP Contract (copies)	Required on all conversions	<ul style="list-style-type: none"> A PDF of the recorded Release of Declaration of Trust, Use Agreement, HAP contract, final executed Sources & Uses, fully executed RCC Amendment(s), and any other documents identified by HUD must be submitted via email to the Closing Coordinator within 3 business days after recording.
40	Post-Closing Docket	Required on all conversions	<ul style="list-style-type: none"> HUD requests that Post-Closing Dockets be submitted via www.radresource.net within 30 days of Closing. See the Post Closing Instructions on www.radresource.net for details
41	Reminder – PIH Close Out and FDS Reporting Requirements for RAD Projects	Required on all conversions	<ul style="list-style-type: none"> Projects converting to RAD will experience a series of reporting changes based on the timing of the conversion. Please see PIH-REAC PHA Financing Accounting Brief #2: FDS Reporting Requirements for Projects Converting Under RAD. A copy can be found in the Document Library on www.radresource.net. PHAs who are converting their last remaining Public Housing units will need to work with their PIH Field Office on closing out of Public Housing. Please consult PIH Notice 2016-23

Rental Assistance Demonstration Closing Overview & Checklist: Project Based Rental Assistance (PBRA) Conversions

Part 4: Instructions for Uploading the Draft Closing Package to RAD Resource Desk

The draft closing package submitted to your RAD Closing Coordinator must be uploaded to www.radresource.net. Note that your assigned HUD Field Counsel must receive a copy of the same draft closing package per his or her instructions (email, CD, hardcopy, etc). Consult your HUD Field Counsel for his or her submission preferences.

1. Login to www.radresource.net. Note that you will need upload access in order to upload documents.
2. Navigate to the **My Properties with CHAPs Issued** card and click on the property name. It's status should say **RCC Issued**.
3. The closing page will open. Use the **Go To** navigation option in the menu at the top and select **Closing Document Upload** OR scroll down the page until you see the green heading that says **Closing Document Upload – PBRA**.
4. The grid is aligned to the PBRA Closing Checklist. Upload each item shown on the grid using the **Browse and Upload** buttons. For any items that are not applicable to your closing, select N/A. You can input comments that you'd like your RAD Closing Coordinator to see in the **PHA/Owner Comments** field. You must click **Save for Later** (located at the bottom of the page) for your comments to save.
5. If you have uploaded ALL of the applicable documents and are ready to notify your RAD Closing Coordinator that the package is ready for his or her review, click the red button that says **Submit Closing Package**. If you are not ready to make the submission yet and wish to continue working on it, click **Save for Later**.
6. Email resourcedesk@radresource.net with any upload questions or issues.

#3



LEAD-BASED PAINT OPERATIONS & MAINTENANCE PLAN



Prepared for:

Public Housing Agency of the City of St. Paul
200 East Arch Street
Saint Paul, Minnesota 55130
Jordan LaSota

LEAD-BASED PAINT OPERATIONS & MAINTENANCE PLAN

AMP 4-Roosevelt Homes and Community Center
1575 Ames Avenue
St. Paul, Minnesota 55106

PREPARED BY:

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EMG Project Number: 127987.17R000-004.035
Date of Report: August 15, 2019

On Site Date: November 27, 2018

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1. Certification

EMG has completed a Lead-Based Paint Operations and Maintenance (O&M) Program report for the AMP 4-Roosevelt Homes and Community Center, which is located at 1575 Ames Avenue in St. Paul, Minnesota. The O&M Program report was prepared at the Client's request utilizing methods and procedures consistent with good commercial or customary practice designed to conform to acceptable industry standards and applicable federal, state, and local regulations including the United States Department of Housing and Urban Development (HUD) Lead Safe Housing Rule (24 CFR part 35), the United States Environmental Protection Agency (USEPA) identical rule (40 CFR part 745), and the United States Occupational Safety and Health Administration (OSHA) lead in construction standards (29 CFR parts 1926.62 and 1910.1025). Furthermore, the O&M Program preparer, listed below, is professionally trained, experienced, and qualified in accordance with industry and regulatory standards to complete this O&M Program report.

The independent conclusions represent EMG's best professional judgment based on information and data available to us during the course of this assignment. Factual information regarding operations, conditions, and test data provided by the Client, owner, or their representative have been assumed to be correct and complete. Additionally, the conclusions presented are based on the conditions that existed and the information available at the time of the assignment.

Prepared by EMG:

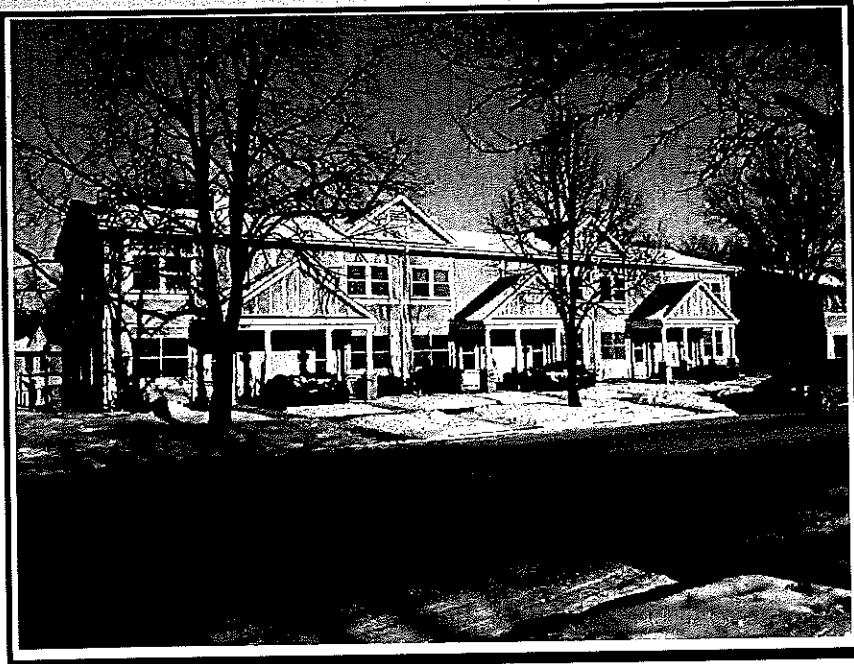


Ronald V. Melchior
Manager of Expanded Environmental Services
EMG

RAD PCA REPORT

prepared for

Public Housing Agency of the City of St. Paul
200 East Arch Street
Saint Paul, Minnesota 55130
David Lang



RAD PROGRAM
PHYSICAL CONDITION ASSESSMENT
OF
AMP 4-ROOSEVELT HOMES AND COMMUNITY CENTER
1575 AMES AVENUE
ST. PAUL, MINNESOTA 55106

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DATE OF REPORT:

10/15/2010

ON SITE DATE:

10/15/2010



engineering | environmental | capital planning | project management

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RAD PCA REPORT

AMP 4—ROOSEVELT HOMES AND COMMUNITY CENTER
 1575 AMES AVENUE
 ST. PAUL, MINNESOTA 55106

EMG PROJECT NO: 127987.17R000-004.306

GREEN RECOMMENDATIONS AT A GLANCE

GREEN CONSERVATION MEASURE	RECOMMEND FOR REHABILITATION					Report Reference / Comment
	Already Exists	N/A	Yes	No		
BUILDING ENVELOPE			✓			Section 3.3.3
Install EnergyStar Windows		✓				Section 3.3.3
Install EnergyStar Sliding Doors	✓			✓		Section 3.3.3
Install Storm Windows	✓					Section 3.3.3
Install Window Sun Shades	✓		✓			Section 3.3.4
Install Additional Thermal Insulation				✓		Section 3.3.4
Install Vegetative Roofing				✓		Section 3.3.4
Install EnergyStar Rated Reflective Metal			✓			Section 3.3.4
Install EnergyStar Rated Asphalt Shingle	✓					Section 3.7.2
Convert Carpeted Surfaces to Smooth-and-Cleanable Surfaces		✓				Section 3.3.2
Replace Siding with Cementitious (cement fiber) Siding	✓					Section 3.3.2
Implement Air Leakage Control						
MECHANICAL SYSTEMS	Already Exists	N/A	Yes	No		Report Reference / Comment
Install Vent Dampers	✓					Section 3.4.1 and 3.4.2
Convert Equipment to Electronic Ignition	✓					Section 3.4.1 and 3.4.2
Install Boiler Controls	✓					Section 3.4.2.1
Replace Inefficient Boiler			✓			Section 3.4.2.1
Install Programmable/ Setback Thermostats			✓			Sections 3.4.2.1, 3.4.2.2
Insulate Hot Water or Steam Pipes			✓			Sections 3.4.1.1, 3.4.2.1, 3.4.2.2
Seal and Insulate Ducts				✓		Sections 3.4.2.1, 3.4.2.2
Install Geothermal Heat Pumps				✓		Energy Audit Section 4.4
Install Geothermal System for Heating and Hot Water				✓		Energy Audit Section 4.4
Install Swamp Coolers				✓		Energy Audit 5
Implement Temperature and Humidity Monitoring	✓					Section 4.4
Install Photo-Controls for Exterior Lighting	✓					Section 3.2.6
Upgrade or Replace Inefficient Motors		✓				Energy Audit 5
Install Water-Saving Toilets	✓					Section 3.4.1.2
Install Water Saving Faucets / Showerheads			✓			Section 3.4.1.2
Convert Exterior Lighting Fixtures			✓			Section 3.2.6
Convert Hot Water Heater System to Solar				✓		Energy Audit 4.1
Install EnergyStar Heating Systems			✓			Sections 3.4.2.1, 3.4.2.2
Install EnergyStar Cooling Systems				✓		Sections 3.4.2.1, 3.4.2.2
Install Energy Efficient Water Heaters			✓			Sections 3.4.1.1, 3.4.1.2
INDOOR AIR QUALITY	Already Exists	N/A	Yes	No		Report Reference / Comment
Duct Bathroom Exhaust Fans to Exterior	✓					Section 3.4.2.2
Green Household Cleaning Products			✓			Section 4.4
Low VOC Carpeting		✓				Section 3.7.2.3
Install Rubber Walk Off Mats			✓			Section 4.4



RAD PCA REPORT

AMP 4-Roosevelt Homes and Community Center
 1575 Ames Avenue
 St. Paul, Minnesota 55106

EMG PROJECT NO: 127987.17R000-004.306

GREEN CONSERVATION MEASURE	RECOMMEND FOR REHABILITATION				Report Reference / Comment
	Already Exists	N/A	Yes	No	
INDOOR AIR QUALITY					
Install Rubber Stair Treads	✓				Section 4.4
Install Carbon Monoxide Detectors	✓				Section 3.6
ELECTRICAL SYSTEMS	Already Exists	N/A	Yes	No	Report Reference / Comment
Install Power Co-Generation System				✓	Energy Audit 4.3
Install Fuel Cells Owned by a Property				✓	Energy Audit 4.5
Install Wind Power System				✓	Energy Audit 4.2
Install Solar PV System				✓	Energy Audit 4.1
Replace Fluorescent Lamps with EnergyStar Lamps in Apartments			✓		Section 3.7.2.4
Replace Fluorescent Lamps with EnergyStar Lamps in Common Areas			✓		Section 3.7.1.2
Replace Ceiling Fans with EnergyStar Fans in Apartments		✓			Section 3.7.2.4
Install LED Exit Signs			✓		Section 3.6
Install Occupational Sensors for Interior Lighting				✓	Energy Audit 5.3
Install EnergyStar Refrigerators			✓		Section 3.7.2.2
Install EnergyStar Dishwashers		✓			Section 3.7.2.2
Install Lighting Controls in Building		✓			Energy Audit 5.2
RECYCLING / LANDSCAPING	Already Exists	N/A	Yes	No	Report Reference / Comment
Consider Native / Xeriscape Landscaping Plan	✓				Section 3.2.3
Implement Household Recycling Plan	✓				Section 3.2.6
Implement Household Hazardous Recycling Plan			✓		Section 3.2.6
Implement Construction Debris Recycling Plan			✓		Section 3.2.6
Porous Paving Surfaces			✓		Section 3.2.2
Install Soil Moisture Sensors				✓	Section 3.2.4
Utility Leak Monitoring Program				✓	Section 3.2.7



RAD PCA REPORT

AMP 4--ROOSEVELT HOMES AND COMMUNITY CENTER
 1575 AMES AVENUE
 ST. PAUL, MINNESOTA 55106

EMG PROJECT NO: 127987.17R000-004.306

GREEN ELEMENT CHECKLIST AT A GLANCE

Checklist for Review of RAD Physical Condition Assessment Elements	Report Reference
Sufficiently recent (within 120 days)	Cover Page - Date
Certification that contractor meets all required qualifications	Certification Section Page 1 and Appendix H
Green recommendations to reduce energy usage	Throughout Report
Green recommendations to reduce water usage	Section 3.4.1.2
Green recommendations to safeguard/improve indoor environmental air quality	Section 4.4
Summary of the green alternatives, their costs and cost/health impacts	Section 4.4
Utility/temperature and humidity monitoring costs	Section 4.4
Comments on the financial or health benefits of suggested green alternatives	Section 4.4
Green item recommendation data source and pricing identified	UW Model and Part II Energy Audit Section 1
Payback analysis when recommending replacement of traditional items with green items at the end of their useful life	UW Model
Payback analysis when recommending early replacement of existing items with green(er) items	UW Model
EA recommendations for rehab/reserves/operations	Part II Energy Audit
Evidence of sizing calculation for HVAC, or explanation as to inappropriateness	Energy Audit 3.1
Evidence the PCA contractor tested the duct-work for leakage	Energy Audit 3.1
Lighting replacements for all common areas	Section 3.7.1.2
Evidence of sizing consideration for DHW, if individual	Energy Audit 4
Kitchen and bath exhaust fans (Energy Star if cost-efficient)	Section 3.4.2.2
Carbon monoxide alarms	Section 3.6
Low- or non-VOC paint, caulking, sealants, etc	Sections 3.3.2
Carpet replacement (smooth surface flooring or low-VOC)	Section 3.7.2.3
Rubber walk- mats at entryways	Section 4.4
Rubber stair treads	Section 4.4
Cement board siding	Section 3.3.2
Green management of construction/rehab debris	Section 3.2.6
Green roofing (EnergyStar shingles, reflective roof, garden roof)	Section 3.3.5
Water efficient landscaping	Section 3.2.3
Thermostats (Energy Star)	Sections 3.4.2.1, 3.4.2.2
Checklist for Review of Green Energy Audit Elements	Report Reference
Certification that Energy Auditor meets all required qualifications	Certification Section Page 1 and Appendix H
Prudent energy-related improvements to the property with estimates of cost and financial calculations of probable payback when accounting for the remaining useful life of existing components	Energy Audit Section 5
Recommendations include such variables as operating hours, equipment efficiency, and building and occupant energy demand characteristics	Energy Audit Section 5
Building meets current code, with respect to energy-related items	Section 4.1
Actual costs, appropriate rates and utility configuration of the subject property (rather than sample or profile property)	Energy Audit 2.2
Financial calculations are sufficiently transparent to permit an understanding of the variables considered and their appropriateness	UW Model and Energy Audit Section 5
Recommendation on whether additional insulation, air sealing or caulking and sealing, is a cost-justified expenditure	Energy Audit 5.2
Co-generation, if potentially feasible	Energy Audit 4.3
Current energy usage and costs (kilowatt-hour, therms, utility cost)	Energy Audit 2.3, 2.4, 2.5
Recommended energy efficiency improvements	Energy Audit Section 5
Installed cost estimates for recommended energy efficiency measures	Energy Audit Section 5
Expected useful life of recommended energy measures	Energy Audit Section 5
Annual energy saving estimates (consumption and cost reductions)	Energy Audit Section 5
Simple payback period in years for each recommended measures	Energy Audit Section 5
Potential savings in water consumption expenses which are associated with energy improvements	Energy Audit Section 5



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RAD PCA REPORT

AMP 4–ROOSEVELT HOMES AND COMMUNITY CENTER
1575 AMES AVENUE
ST. PAUL, MINNESOTA 55106

EMG PROJECT NO: 127987.17R000-004.306

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1575 AMES AVENUE
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EMG PROJECT NO: 127987.17R000-004.306

CERTIFICATION

EMG has completed a RAD Physical Condition Assessment (RPCA) and a Limited Environmental Screening of the subject property, AMP 4 - Roosevelt Homes & Community Center located at 1575 Ames Avenue in St. Paul, Ramsey County, Minnesota 55106.

The RPCA was performed at the Client's request using methods and procedures consistent with good commercial and customary practice conforming with:

- Client supplied scope of work for market upgrades.
- Fannie Mae (FNMA) Document FNMA, Delegated Underwriting Services (DUS) Guide Section 3 entitled "Physical Needs Assessment Guidance to the Property Evaluator".
- RAD Physical Condition Assessment Statement of Work and Contractor Qualifications.

This report is exclusively for the use and benefit of the Client identified on the first page of this report, the Client's successors, and the HUD RAD office. This report has been prepared for and is exclusively for the use and benefit of the Client identified on the cover page of this report. The purpose for which this report shall be used shall be limited to the use as stated in the contract between the client and EMG.

This report, or any of the information contained therein, is not for the use or benefit of, nor may it be relied upon by any other person or entity, for any purpose without the advance written consent of EMG. Any reuse or distribution without such consent shall be at the client's or recipient's sole risk, without liability to EMG.

The opinions EMG expresses in this report were formed utilizing the degree of skill and care ordinarily exercised by any prudent architect or engineer in the same community under similar circumstances. EMG assumes no responsibility or liability for the accuracy of information contained in this report which has been obtained from the Client or the Client's representatives, from other interested parties, or from the public domain. The conclusions presented represent EMG's professional judgment based on information obtained during the course of this assignment. EMG's evaluations, analyses and opinions are not representations regarding the design integrity, structural soundness, or actual value of the property. Factual information regarding operations, conditions and test data provided by the Client or their representative has been assumed to be correct and complete. The conclusions presented are based on the data provided, observations made, and conditions that existed specifically on the date of the assessment.

EMG certifies that EMG has no undisclosed interest in the subject property, EMG's relationship with the Client is at arms-length, and that EMG's employment and compensation are not contingent upon the findings or estimated costs to remedy any deficiencies due to deferred maintenance and any noted component or system replacements.

EMG's PCA cannot wholly eliminate the uncertainty regarding the presence of physical deficiencies and the performance of a subject property's building systems. Preparation of a PCR in accordance with ASTM E2018-08 is intended to reduce, but not eliminate, the uncertainty regarding the potential for component or system failure and to reduce the potential that such component or system may not be initially observed. This RPCA was prepared recognizing the inherent subjective nature of EMG's opinions as to such issues as workmanship, quality of original installation, and estimating the remaining useful life of any given component or system. It should be understood that EMG's suggested remedy may be determined under time constraints, formed without the aid of engineering calculations, testing, exploratory probing, code compliance, the removal of materials, or design considerations. Furthermore, there may be other alternate or more appropriate schemes or methods to remedy the physical deficiency. EMG's opinions are generally formed without detailed knowledge from individuals familiar with the performance of the component or system.

In preparation of this report EMG has used staff who are certified to complete building energy audits by RESNET or BPI (or their training providers), or be a Certified Energy Manager (CEM), or be a State equivalent certified energy auditor, or be a professional architect, or be a registered professional engineer, or be a RESNET certified Home Energy Rater or BPI Certified Building Analyst.

EMG staff have training in evaluating building systems and conditions and continue to receive training on an annual basis. EMG staff are LEED certified or have equivalent certifications. EMG staff take training classes in environmental and energy subjects on a regular basis with at least 10-hours of education per year.

EMG is not be under suspension or debarment by HUD, or involved as a defendant in criminal or civil action with HUD. EMG has an acceptable record of performance with HUD and has completed hundreds of reports where the residents receive Section 8 or public housing assistance. EMG produces reports that are well regarded in the marketplace in terms of content, timeliness and responsiveness. We have the capacity to complete the project inspection and prepare the report in a time frame acceptable to the Lender/Owner

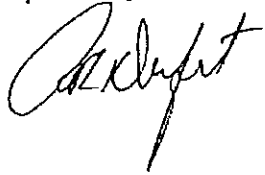
RAD PCA REPORT

AMP 4--ROOSEVELT HOMES AND COMMUNITY CENTER
1575 AMES AVENUE
ST. PAUL, MINNESOTA 55106

EMG PROJECT NO: 127987.17R000-004.306

Any questions regarding this report should be directed to the Program Manager at arhupp@emgcorp.com or at 800.733.0660, ex6632.

Prepared by: Penny Mavrikis R.A.
Field Observer/Energy Auditor
Project Manager

Reviewed by: 

Al Diefert
Technical Report Reviewer For
Andrew Hupp
Program Manager



#5

**Rental Assistance
Demonstration
Use Agreement**

**U.S. Department of Housing
and Urban Development**
Office of Housing
Office of Public and Indian Housing

**OMB Approval No. 2502-0612
(Exp. 04/30/2020)**

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0276), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Prepared by and return to:
St. Paul Public Housing Agency
555 Wabasha Street N, Ste 400
St. Paul, MN 55102

This Rental Assistance Demonstration Use Agreement (hereinafter called the "Agreement") is made as of [_____ (date)], for the benefit of and agreed to by the United States Department of Housing and Urban Development, acting by and through the Secretary, his or her successors, assigns or designates (hereinafter called "HUD") and the Public Housing Agency of the City of Saint Paul, (hereinafter called the "PHA").

Whereas, Rental Assistance Demonstration (hereinafter called "RAD") provides the opportunity to test the conversion of public housing and other HUD-assisted properties to long-term, project-based Section 8 rental assistance to achieve certain goals, including the preservation and improvement of these properties through access to private debt and equity to address immediate and long-term capital needs.

Whereas, the PHA is the fee owner of the real property described on Exhibit A (the "Property"), upon which is or will be located improvements owned or to be owned by the PHA receiving assistance converted pursuant to RAD, which project will commonly be known as Roosevelt Homes, Section 8 Project No. MN46RD00005 (the "Project"). The Project will contain 320 dwelling units, of which 320 ("Assisted Units") are subject to a RAD Housing Assistance Payment contract, as the same may be renewed, amended or replaced from time to time ("RAD HAP contract").

Whereas, pursuant to the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, approved November 18, 2011, as amended from time to time, the "RAD Statute"); and the corresponding PIH Notice 2012-32, rev-2, as amended from time to time, and any successor document and/or regulations (hereinafter called the "RAD Notice"), which this Agreement incorporates by this reference, the PHA has agreed to encumber the Property and operate the Project in accordance with this Agreement in exchange for HUD's agreement to execute or permit the execution of the RAD HAP contract and the assistance provided thereby;

Whereas, in accordance with the RAD Statute and RAD Notice, except as otherwise agreed in writing by HUD, this Agreement is to be recorded superior to other liens on the Property, run until the conclusion of the initial term of the RAD HAP contract, automatically renew upon each extension or renewal of the RAD HAP contract for a term that runs with each renewal term of the RAD HAP contract, and remain in effect even in the case of abatement or termination of the RAD HAP contract for the term the RAD HAP contract would have run, absent the abatement or termination.

Now Therefore, in consideration of the foregoing, conversion of assistance pursuant to RAD, provision of rental assistance pursuant to the RAD HAP contract and other valuable consideration, the parties hereby agree as follows:

- 1. Definitions.** All terms used in this Agreement and not otherwise defined have the same meaning as set forth in the RAD Notice.
- 2. Term.** The initial term of this Agreement commences upon the date this Agreement is entered into and shall run until the conclusion of the initial term of the RAD HAP contract. The RAD HAP contract is effective for 20 years. Unless otherwise approved by HUD, this Agreement shall remain in effect through the initial term of the RAD HAP contract and for additional periods to coincide with any renewal term of the RAD HAP contract or any replacement HAP contract. It is the intention of the parties that the RAD HAP and this Agreement shall each renew upon the completion of its initial term. Therefore, this Agreement shall remain in effect until a release is recorded as contemplated by Section 8. Such release shall be the evidence of the non-renewal of the HAP Contract, of the determination not to execute a replacement HAP contract and of the termination of this Agreement. This Agreement will survive abatement of assistance or termination of the RAD HAP contract unless otherwise approved by HUD.
- 3. Use Restriction and Tenant Incomes.** The Assisted Units shall be leased in accordance with the RAD HAP contract, including any applicable eligibility and/or income-targeting requirements. In the case that the RAD HAP contract is terminated prior to the completion of the term or renewal term, if applicable, of this Agreement (by way of illustration and not limitation, for breach or non-compliance), for the remainder of the term of this Agreement new tenants leasing the Assisted Units (except if any of the Assisted Units is a HUD-approved manager unit) must have incomes at or below 80 percent of the Area Median Income (AMI) at the time of admission ("Eligible Tenants"). Additionally, rents for such Assisted Units must not exceed 30% of 80% of the AMI for households of the size occupying an appropriately sized unit. Notwithstanding the foregoing, in the event the PHA so requests and is able to demonstrate to

HUD's satisfaction that despite the PHA's good faith and diligent efforts to do so, the PHA is unable either (1) to rent a sufficient percentage of Assisted Units to Eligible Tenants in order to satisfy the restrictions in this paragraph, or (2) to otherwise provide for the financial viability of the Project, HUD may, in its sole discretion, agree to reduce the percentage of units subject to the restriction under this paragraph or otherwise modify this restriction in a manner acceptable to the PHA and HUD. Any such modification of the restrictions listed in this paragraph shall be evidenced by a written amendment to this Agreement executed by each of the parties hereto.

4. Survival. This Agreement will survive foreclosure and bankruptcy.

5. Fair Housing and Civil Rights Requirements. The PHA and its agents, where applicable, shall ensure that the Project complies with applicable federal fair housing and civil rights laws, regulations, and other legal authorities, including those identified at 24 C.F.R. § 5.105.

6. Accessibility Requirements. The PHA and its agents, where applicable, shall ensure that the Project complies with all applicable federal accessibility requirements under the Fair Housing Act and implementing regulations at 24 CFR Part 100, Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR Part 8, and Titles II and III of the Americans with Disabilities Act and implementing regulations at 28 CFR Parts 35 and 36, respectively.

7. Restrictions on Transfer. HUD has been granted and is possessed of an interest in the above described Project. Except as authorized below, the PHA shall not transfer, convey, encumber or permit or suffer any transfer, conveyance, assignment, lease, mortgage, pledge or other encumbrance of said Project and/or Property or any part thereof without prior written consent of HUD. Notwithstanding the foregoing, HUD hereby authorizes (a) leases in the normal operation of the Project, (b) subordinate liens contemplated by a RAD Conversion Commitment executed in connection with the Project, whether such liens are recorded concurrent with the recordation of this Use Agreement or recorded subsequent hereto (such as permanent financing to replace construction-period financing), and (c) conveyance or dedication of land for use as streets, alleys, or other public rights-of-way and grants and easements for the establishment, operation and maintenance of public utilities. Except as otherwise approved in writing by HUD, any lien on the Project and/or Property shall be subject and subordinate to this Agreement. Unless this Agreement is released by HUD, any transferee of the Project and/or Property shall take title subject to this Agreement. In the event of a default under the RAD HAP contract including, without limitation, upon any transfer of the Property or Project without HUD consent, upon expiration of any applicable notice and/or cure periods, HUD may transfer the RAD HAP contract and the rental assistance contemplated therein to another entity and/or Property and/or Project. The PHA has constituted HUD as its attorney-in-fact to effect any such transfer.

8. Amendment or Release. This Agreement may not be amended without HUD consent. This Agreement shall remain as an encumbrance against the Property unless and until HUD executes a release for recording. This Agreement may only be released by HUD in its sole discretion. In the event that the RAD HAP is, in accordance with all applicable laws and RAD program requirements, not renewed or replaced, HUD shall not unreasonably fail to provide such a release upon the completion of the applicable term of this Agreement.

9. **Enforcement.** In the event of a breach or threatened breach of any of the provisions of this Agreement, any eligible tenant or applicant for occupancy within the Project, or the Secretary or his or her successors or delegates, may institute proper legal action to enforce performance of such provisions, to enjoin any acts in violation of such provisions, to recover whatever damages can be proven, and/or to obtain whatever other relief may be appropriate.

10. **Severability.** The invalidity, in whole or in part, of any of the provisions set forth in this Agreement shall not affect or invalidate any remaining provisions.

11. **Conflicts.** Any conflicts between this Agreement and the RAD HAP contract or any other applicable HUD program requirements shall be conclusively resolved by the Secretary.

12. **Execution of Other Agreements.** The PHA agrees that it has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions of this Agreement, and that in any event, the provisions of this Agreement are paramount and controlling as to the rights and obligations set forth and supersede any other conflicting requirements.

13. **Subsequent Statutory Amendments.** If revisions to the provisions of this Agreement are necessitated by subsequent statutory amendments, the PHA agrees to execute modifications to this Agreement that are needed to conform to the statutory amendments. At HUD's option, HUD may implement any such statutory amendment through rulemaking.

14. **Lender Provisions.**

A. Nothing in this Agreement prohibits any holder of a mortgage or other lien against the Property or Project from foreclosing its lien or accepting a deed in lieu of foreclosure. Any lien holder shall give HUD, as a courtesy, written notice prior to declaring an event of default. Any lien holder shall provide HUD concurrent notice with any written filing of foreclosure filed in accordance with state law provided that the foreclosure sale shall not occur sooner than sixty days (60) days after such notice to HUD. The Notice to HUD may be personally delivered or sent by U.S. certified or registered mail, return receipt requested, first class postage prepaid, addressed as follows:

For PBRA transactions:
U.S. Department of Housing and Urban Development
451 7th Street SW, Room 9100
Washington, DC 20410
Attention: Office of the Assistant Secretary for Housing - Rental Assistance
Demonstration

B. Notwithstanding any lien holder's foreclosure rights, this Agreement survives foreclosure and any new owners of the Property or the Project take ownership subject to this Agreement.

C. Transfer of title to the Property or the Project may be grounds for termination of assistance under the RAD HAP contract. However, HUD may permit, through prior written consent by HUD, the new owner of the Property or the Project to assume the RAD HAP

contract, subject to the terms included therein, or enter into a new HAP contract. Any HUD consent to continued HAP assistance is subject to the RAD Statute and other RAD program requirements.

D. Each entity interested in purchasing the Property in a foreclosure sale administered under state foreclosure law may submit a written request to HUD to continue RAD HAP contract assistance in the event of such entity's successful acquisition at the foreclosure sale. Such request shall be submitted by the latter of ten business days after first publication of the foreclosure sale or 60 days prior to such foreclosure sale.

15. Successors and Assigns. This Agreement shall be binding upon the PHA and all future successors and assigns of either with respect to any portion of the Property or the Project.

Public Housing Agency of the City of Saint Paul:

By: _____
Jon Gutzmann
Executive Director

Date: _____

By: _____
Ronald P. Moen
Controller/Finance Director

Date: _____

State of Minnesota

)
)
)

ss:

County of Ramsey

On this _____ day of _____, 20_____, before me a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared _____, proved to me on the basis of satisfactory evidence to be the Executive Director of the Public Housing Agency of the City of Saint Paul and the person who executed this instrument on behalf of the PHA.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above written.

(Seal)

_____ (Notary Public)

My commission expires _____, 20_____.

EXHIBIT A – Property Subject to this RAD Use Agreement

LEGAL DESCRIPTION OF PROPERTY: Blocks 1, 2, 3 and 4 Franklin D. Roosevelt Homes Addition, including that portion of adjoining Supornick Lane, vacated, lying between the extensions across it of the North and South lines of said Block 2 and together with that portion of adjoining Jessamine Lane, vacated, lying easterly of the East line of Hazelwood Avenue and northwesterly of the northwesterly lines of Ames Avenue.

That part of Block 5, Franklin D. Roosevelt Homes Addition, lying Easterly and Northerly of the following described line:

Commencing at the Northwest corner of said Block 5; thence North 63 degrees 14 minutes 50 seconds East (assumed bearing) along the South line of Ames Avenue, 33.57 feet to the point of beginning of said line to be herein described; thence South 0 degrees 04 minutes 33 seconds East, 176.47 feet; thence North 89 degrees 38 minutes 30 seconds East, 85.89 feet; thence North 79 degrees 12 minutes 19 seconds East 39.74 feet; thence North 82 degrees 20 minutes 13 seconds East, 146.18 feet; thence North 89 degrees 38 minutes 30 seconds East, 328.97 feet to a point on the West line of Germain Street and there terminating said point of termination being 269.44 feet North of the point of intersection of the South line of said Block 5 and the West line of Germain Street as measured along the West line of Germain Street.

Torrens Property

Being registered land as is evidenced by Certificate of Title No. 545921.

**Part I
PBRA Housing Assistance Payments
Contract for the Conversion of Public
Housing to Project-Based Section 8
(Rental Assistance Demonstration
Component 1)**

**U.S. Department of Housing and
Urban Development
Office of Multifamily Housing Programs**

Type of Financing at Time of Conversion:	Section 8 Project Number: MN46RD00005	FHA Project Number (if applicable):
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This contract is a housing assistance payments contract (HAP Contract) between the United States of America, acting through the Department of Housing and Urban Development (HUD), and
The Public Housing Agency of the City of Saint Paul

(Owner). The HAP Contract is subject to Notice PIH 2012-32 (HA), as revised or amended from time to time (or any successor document) ("RAD Notice"), including 24 C.F.R. Part 880 (as in effect November 5, 1979, as amended), as modified and as published in Appendix I of Notice PIH 2012-32 (HA).

1.1 Statutory Authority, Purpose of HAP Contract, and HAP Contract Terminology.

- (a) **Statutory Authority.** The HAP Contract is entered pursuant to the Consolidated and Further Continuing Appropriations Act, 2012, Pub. L. No. 112-55, 125 Stat. 673 – 675 (Nov. 18, 2011); as amended by the Consolidated Appropriations Act, 2014, Pub. L. No. 113-76, 128 Stat. 635 (Jan. 17, 2014); as further amended by the Consolidated and Further Continuing Appropriations Act, 2015, Pub. L. No. 113-235, 128 Stat. 2757 – 2758 (Dec. 6, 2014), as further amended from time to time; section 8 of the United States Housing Act of 1937 (Act), 42 U.S.C. 1437 et seq.; and the Department of Housing and Urban Development Act, 42 U.S.C. 3531 et seq.
- (b) **Purpose.** The purpose of the HAP Contract is to effectuate the conversion of Public Housing to a Multifamily Housing project with Project-Based Rental Assistance under section 8 of the Act.
- (c) **Terminology.** Terms in the HAP Contract that are not otherwise defined herein have the definition given in the RAD Notice, including those terms defined in Appendix I of the RAD Notice setting forth 24 C.F.R. Part 880 except as struck in part. Terms that are not defined in the RAD Notice (including Appendix I) shall have the meanings given in 24 C.F.R. Part 5, which applies pursuant to 24 C.F.R. § 880.104(d). In addition, "Year of Conversion" shall mean the time from the effective date of the HAP Contract through the end of that calendar year; "First Full Year" shall mean the first full calendar year of the HAP Contract beginning the year after the calendar year of the effective date.¹

1.2 Scope; Assignability of HAP Contract; and HUD Requirements.

- (a) **Scope of HAP Contract.** The HAP Contract consists of Part I, Part II, and the exhibits identified in section 1.4(d) of the HAP Contract, which are hereby incorporated into and made a part of the HAP Contract.

¹ To clarify, in cases in which a project converts in December and the effective date of the Contract is January 1, the Year of the Conversion is the calendar year starting on the effective date and the First Full Year begins the year following.

- (b) **Assignability of HAP Contract.** HUD may assign the HAP Contract at any time to a public housing agency (PHA) for the purpose of PHA administration of the HAP Contract to the extent permitted under any Annual Contributions Contract (ACC) between HUD and the PHA. Unless and until HUD assigns the HAP Contract to a PHA, HUD shall be the Contract Administrator (CA) and, in that capacity, a party to the HAP Contract. Upon any assignment of the HAP Contract by HUD to a PHA, the PHA shall assume all the contractual obligations of HUD under the HAP Contract (or of any PHA to which HUD had previously assigned the HAP Contract) and shall replace HUD (or any PHA to which HUD had previously assigned the HAP Contract) as the CA and as a party to the HAP Contract during the ACC term.
- (c) **HUD Requirements.** The HAP Contract shall be construed and administered in accordance with the RAD Notice. With the exception of the provisions of 24 C.F.R. Part 880 and section 8 of the Act that are identified in Appendix I and Appendix II of the RAD Notice, respectively, as inapplicable, the HAP Contract shall further be construed and administered in accordance with all statutory requirements and all HUD regulations and other requirements, including any amendments to and/or changes in statutory requirements, HUD regulations (including 24 C.F.R. Part 880), and other requirements. However, any changes in HUD requirements, except to the extent required by statute, that are inconsistent with the provisions of sections 2.5(a)(1) or 2.8 shall not be applicable.
- (d) **Statutory Changes during Term.** If any statutory change during the term of the HAP Contract is inconsistent with section 2.5(a)(1) or 2.8 of the HAP Contract, and if HUD determines and so notifies the Contract Administrator and the Owner, that the Contract Administrator is unable to carry out the provisions of such sections because of such statutory change, then the Contract Administrator or the Owner may terminate the HAP Contract upon notice to the other party. Notwithstanding such termination, the project shall remain subject to the RAD Use Agreement encumbering the property on which the project is located.

1.3 Effective Date, Initial Term, and Funding For Initial Term of HAP Contract.

- (a) **Effective Date and Initial Term.** The HAP Contract begins on December 1, 2019 and shall run for an initial term of twenty (20) years.
- (b) **Funding for Initial Term.**
- (1) **Funding for the Year of Conversion.** In the Year of Conversion (as defined in 1.1(c)), the HAP Contract shall be funded only from public housing amounts obligated prior to the effective date of the HAP Contract, and from any additional public housing amounts that HUD obligates in full or in part, subject to the availability of sufficient appropriations, for the remainder of the calendar year in which the HAP Contract becomes effective. Owner acknowledges that this amount for the first year may be less than the contract rent for subsequent years.
- (2) **Funding for the Remainder of the Initial Term.** Starting in the First Full Year (as defined in section 1.1(c)) and in each subsequent year in which the HAP Contract is effective, subject to the availability of sufficient appropriations, HUD will obligate funding in accordance with this HAP Contract and provide the Owner written notification of (i) the amount of such additional funding, (ii) the approximate period of time within the HAP Contract term to which it will be applied.

1.4 Fiscal Year, Project Description, Statement of Services, and Exhibits.

- (a) **Fiscal Year.** The ending date of each Fiscal Year shall be March 31. (Insert March 31, June 30, September 30, or December 31, as approved by HUD.) The Fiscal Year for the project shall be the 12-month period ending on this date. However, the first Fiscal Year for the project is the period beginning with the effective date of the Contract and ending on the last day of the Fiscal Year. The project must comply with 24 CFR part 5, subpart H, as amended, revised, or modified by HUD.
- (b) **Project Description** (Print or type the street address(es) and the number of units by bedroom size.).

The project consists of 320 units in 69 two-story townhome buildings.

Street Addresses:

1575 Ames Avenue (community center)

1548 - 1588 Ames Avenue

1553 - 1558 Fellows Lane

1066 - 1188 Hazelwood Street

1553 - 1597 Jessamine Avenue

1552 - 1598 Maryland Avenue

1127 - 1188 Supornick Lane

Bedroom Size Distribution:

One Bedroom - 63 Units

Two Bedroom - 167 Units

Three Bedroom - 68 Units

Four Bedroom - 22 Units

(c) **Statement of Services, Maintenance and Utilities Provided by the Owner.**

(1) Services and Maintenance:

The owner will provide routine maintenance and general upkeep of the physical structures including roofs, siding, doors, and windows, as well as perform necessary repairs to sidewalks and parking lots.

(2) Equipment:

Each unit will contain one stove and one refrigerator.

(3) Utilities:

The owner will provide water/sewer, trash removal, and recycling.

(4) Other:

(d) **Exhibits.** The exhibits to the HAP Contract consist of the following:

- (1) **Exhibit 1A:** Initial Schedule of Contract Units and Contract Rents;
- (2) **Exhibit 1B:** Revised Schedule of Contract Units and Contract Rents (if applicable as the result of Tenant-Paid Utility Savings);
- (3) **Exhibit 2:** Affirmative Fair Housing Marketing Plan; and
- (4) **Exhibit 3:** Addendum to the HAP Contract—Labor Standards

1.5 Contract Rent Levels.

- (a) **Initial Contract Rent Levels.** The initial Contract Rent for each contract unit shall be as stated in Exhibit 1A, which is attached to and made a part of the HAP Contract. Initial Contract Rents do not take effect until the First Full Year (as defined in Section 1.1(c)). As of the beginning of the First Full Year, and unless the Contract Rents are revised in accordance with section 1.5(b), the Contract Rent for each bedroom size (i.e., number of bedrooms) shall be the initial Contract Rent as reflected in Exhibit 1A.
- (b) **Revised Contract Rent Levels.** If applicable as the result of Tenant-Paid Utility Savings in accordance with the provision of the RAD Notice governing such savings for Project-Based Rental Assistance Conversions (i.e., Attachment 1C of the RAD Notice), or successor provision, the revised Contract Rent for each contract unit shall be as stated in Exhibit 1B, which is attached to and made a part of the HAP Contract, and which shall be adjusted annually, or continue to be adjusted annually, in the manner prescribed in section 2.8 of the HAP Contract. The revised Contract Rents shall become effective on the first day of the month following the date on which HUD approves the cost certification submitted by the Owner after completion of the Work (as defined and set forth in the RAD Conversion Commitment (RCC)).
- (c) **Year of Conversion Contract Rent.** During the Year of Conversion (as defined in Section 1.1(c)), the Owner is due subsidy in the amount described in Section 1.3(b)(1). Contract Rents shall equal such subsidy amounts plus any portions payable by Families in accordance with HUD regulations.

1.6 Contract Administrator's Obligation to Offer to Renew and Owner's Obligation to Accept Offers to Renew. The Contract Administrator and the Owner acknowledge and agree that upon expiration of the initial term of the HAP Contract, and upon expiration of each renewal term of the HAP Contract, the Contract Administrator shall offer to renew the HAP Contract and the Owner shall accept each offer to renew the HAP Contract, subject to the terms and conditions applicable at the time of each offer, and further subject to the availability of appropriations for each year of each such renewal.

1.7 Owner's Obligation to Operate Project. The Owner agrees to operate the project for the full initial term of the HAP Contract specified in section 1.3(a) and for each renewal term in accordance with the HAP Contract, the RAD Notice, all statutory requirements, and all HUD regulations and other requirements, including any amendments to and/or changes in statutory requirements, HUD regulations (including 24 C.F.R. Part 880), and other requirements.

1.8 Flood Insurance Applicability.

- If the preceding box is checked, the Owner agrees that the project will be covered, during the life of the property, regardless of transfer of ownership, by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less.

Signature Page

Warning: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willfully makes or uses any writing containing any materially false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of the executive branch of the Government of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

As evidenced by the signature below of their authorized representative, the Owner and HUD hereby agree to the terms of this HAP Contract, the scope of which is set forth in section 1.2(a) of the HAP Contract.

Owner

Name of Owner (Print or Type)

Public Housing Agency of the City of St. Paul

By: _____
Signature of authorized representative

Name of Signatory (Print or Type) **Jon Gutzmann**

Official Title (Print or Type) **Executive Director**

Date (mm/dd/yyyy): _____

United States of America
Secretary of Housing and Urban Development

By: _____
Signature of authorized representative

Name of Signatory (Print or Type)

Official Title (Print or Type)

Date (mm/dd/yyyy): _____

Exhibit 1A

Initial Schedule of Contract Units and Contract Rents

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
63	1	\$590	\$61	\$651
167	2	\$744	\$109	\$853
68	3	\$1,057	\$129	\$1,186
22	4	\$1,238	\$157	\$1,395

Exhibit 1B

Revised Schedule of Contract Units and Contract Rents (if applicable)
[after HUD-Approved Utility Allowances, as revised]

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent

Exhibit 2

Affirmative Fair Housing Marketing Plan

See Attached.

Placeholder for “Addendum to the HAP Contract—Labor Standards”

Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see <http://portal.hud.gov/hudportal/documents/huddoc?id=nuancereaderinstall.pdf> for the instructions. Using Nuance software is the only means of completing this form.

OMB Approval No. 2529-0013
(exp. 1/31/2021)

Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity

1a. Project Name & Address (including City, County, State & Zip Code)	1b. Project Contract Number	1c. No. of Units
Project 4 Roosevelt Homes 1575 Ames Avenue Saint Paul Ramsey County MN 55106	MN46RD00005	320
1d. Census Tract		
27123031702, Ramsey, Minnesota		
1e. Housing/Expanded Housing Market Area		
Housing Market Area: Ramsey County Expanded Housing Market Area: Minneapolis-St. Paul-Bloomington, MN-WI		

1f. Managing Agent Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address

Public Housing Agency of the City of Saint Paul; Attn: Angela Holm
555 Wabasha Street N, Suite 400, St. Paul, MN 55102, Phone: 651-298-6159, Email: Angela.Holm@stpha.org

1g. Application/Owner/Developer Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address

Public Housing Agency of the City of Saint Paul; Attn: Angela Holm
555 Wabasha Street N, Suite 400, St. Paul, MN 55102, Phone: 651-298-6159, Email: Angela.Holm@stpha.org

1h. Entity Responsible for Marketing (check all that apply)

Owner Agent Other (specify) _____

Position, Name (if known), Address (including City, County, State & Zip Code), Telephone Number & Email Address

Lisa Feidler, Rental Administrator, Public Housing Agency of the City of Saint Paul, 555 Wabasha Street N, Suite 300, St. Paul, MN 55102, Phone: 651-298-5111, Email: lisa.feidler@stpha.org

1i. To whom should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State & Zip Code), Telephone Number & E-Mail Address.

Al Hester, Housing Policy Director, Public Housing Agency of the City of Saint Paul, 555 Wabasha Street N, Suite 400, St. Paul, MN 55102, Phone: 651-292-6173, Email: al.hester@stpha.org

2a. Affirmative Fair Housing Marketing Plan

Plan Type: Date of the First Approved AFHMP:

Reason(s) for current update:

2b. HUD-Approved Occupancy of the Project (check all that apply)

Elderly Family Mixed (Elderly/Disabled) Disabled

2c. Date of Initial Occupancy

2d. Advertising Start Date

Advertising must begin *at least* 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects.

Date advertising began or will begin:

For existing projects, select below the reason advertising will be used:

To fill existing unit vacancies

To place applicants on a waiting list (which currently has individuals)

To reopen a closed waiting list (which currently has individuals)

3a. Demographics of Project and Housing Market Area
Complete and submit Worksheet 1.

3b. Targeted Marketing Activity

Based on your completed Worksheet 1, indicate which demographic group(s) in the housing market area is/are *least* likely to apply for the housing without special outreach efforts. (check all that apply)

- White American Indian or Alaska Native Asian Black or African American
 Native Hawaiian or Other Pacific Islander Hispanic or Latino Persons with Disabilities
 Families with Children Other ethnic group, religion, etc. (specify)

4a. Residency Preference

Is the owner requesting a residency preference? If yes, complete questions 1 through 5.
If no, proceed to Block 4b.

(1) Type

(2) Is the residency preference area:
The same as the AFHMP housing/expanded housing market area as identified in Block 1e?
The same as the residency preference area of the local PHA in whose jurisdiction the project is located?

(3) What is the geographic area for the residency preference?

(4) What is the reason for having a residency preference?

(5) How do you plan to periodically evaluate your residency preference to ensure that it is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a)?

Complete and submit Worksheet 2 when requesting a residency preference (see also 24 CFR 5.655(c)(1)) for residency preference requirements. The requirements in 24 CFR 5.655(c)(1) will be used by HUD as guidelines for evaluating residency preferences consistent with the applicable HUD program requirements. See also HUD Occupancy Handbook (4350.3) Chapter 4, Section 4.6 for additional guidance on preferences.

4b. Proposed Marketing Activities: Community Contacts
Complete and submit Worksheet 3 to describe your use of community contacts to market the project to those least likely to apply.

4c. Proposed Marketing Activities: Methods of Advertising
Complete and submit Worksheet 4 to describe your proposed methods of advertising that will be used to market to those least likely to apply. Attach copies of advertisements, radio and television scripts, Internet advertisements, websites, and brochures, etc.

5a. Fair Housing Poster

The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Check below all locations where the Poster will be displayed.

Rental Office Real Estate Office Model Unit Other (specify)

5b. Affirmative Fair Housing Marketing Plan

The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check below all locations where the AFHMP will be made available.

Rental Office Real Estate Office Model Unit Other (specify)

5c. Project Site Sign

Project Site Signs, if any, must display in a conspicuous position the HUD approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Check below all locations where the Project Site Sign will be displayed. Please submit photos of Project signs.

Rental Office Real Estate Office Model Unit Entrance to Project Other (specify)

The size of the Project Site Sign will be " x "

The Equal Housing Opportunity logo or slogan or statement will be " x "

Project signs are approximately 8" x 10", contain the name of the building, and note that the property is owned and managed by the St. Paul Public Housing Agency. The signs also feature the PHA logo as well as a 2" x 2" sticker with the Equal Housing Opportunity logo placed conspicuously to the right of the PHA's logo. The signs are located at the entry way to each of the PHA's hi-rise buildings and family site management office locations.

6. Evaluation of Marketing Activities

Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting individuals least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process.

See Exhibit A attached.

7a. Marketing Staff

What staff positions are/will be responsible for affirmative marketing?

Resident Services Director
Rental Administrator
Housing Policy Director

7b. Staff Training and Assessment: AFHMP

- (1) Has staff been trained on the AFHMP? Yes
- (2) Has staff been instructed in writing and orally on non-discrimination and fair housing policies as required by 24 CFR 200.620(c)? Yes
- (3) If yes, who provides instruction on the AFHMP and Fair Housing Act, and how frequently?

Human Resources together with the PHA's Legal Department conducts staff training on fair housing, non-discrimination, and other associated topics on an annual basis. In addition, newly-hired staff receive training on fair housing and non-discrimination during their orientation.

- (4) Do you periodically assess staff skills on the use of the AFHMP and the application of the Fair Housing Act? Yes
- (5) If yes, how and how often?

Staff skills are assessed at least annually as part of their performance evaluation process. Supervisors evaluate staff proficiency in areas including use of the AFHMP (or equivalent) and compliance with the Fair Housing Act.

7c. Tenant Selection Training/Staff

- (1) Has staff been trained on tenant selection in accordance with the project's occupancy policy, including any residency preferences?

Yes

- (2) What staff positions are/will be responsible for tenant selection?

Rental Office Administrator and designated Rental Office staff

7d. Staff Instruction/Training:

Describe AFHM/Fair Housing Act staff training, already provided or to be provided, to whom it was/will be provided, content of training, and the dates of past and anticipated training. Please include copies of any AFHM/Fair Housing staff training materials.

See Exhibit B attached.

8. Additional Considerations Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to those least likely to apply for housing in your project? Please attach additional sheets, as needed.

The PHA is committed to complying with both the letter and the spirit of the Fair Housing Act in all of the housing programs it administers. The PHA will bring the same commitment to Fair Housing in its new PBRA program as it has done so successfully in its Section 8 and Public Housing programs. The PHA intends to meet and exceed the requirements of the marketing plan while finding new and more effective ways to achieve its mission:

"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."

9. Review and Update

By signing this form, the applicant/respondent agrees to implement its AFHMP, and to review and update its AFHMP in accordance with the instructions to item 9 of this form in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M). I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Name (type or print)

Jon Gutzmann

Title & Name of Company

Executive Director, Public Housing Agency of the City of Saint Paul

For HUD-Office of Housing Use Only

Reviewing Official:

For HUD-Office of Fair Housing and Equal Opportunity Use Only

Approval

Disapproval

Signature & Date (mm/dd/yyyy)

Signature & Date (mm/dd/yyyy)

Name (type or print)

[Empty box for Name]

Title

[Empty box for Title]

Name (type or print)

[Empty box for Name]

Title

[Empty box for Title]

Public reporting burden for this collection of information is estimated to average six (6) hours per initial response, and four (4) hours for updated plans, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget (OMB) control number.

Purpose of Form: All applicants for participation in FHA subsidized and unsubsidized multifamily housing programs with five or more units (see 24 CFR 200.615) must complete this Affirmative Fair Housing Marketing Plan (AFHMP) form as specified in 24 CFR 200.625, and in accordance with the requirements in 24 CFR 200.620. The purpose of this AFHMP is to help applicants offer equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability. The AFHMP helps owners/agents (respondents) effectively market the availability of housing opportunities to individuals of both minority and non-minority groups that are least likely to apply for occupancy. Affirmative fair housing marketing and planning should be part of all new construction, substantial rehabilitation, and existing project marketing and advertising activities.

An AFHM program, as specified in this Plan, shall be in effect for each multifamily project throughout the life of the mortgage (24 CFR 200.620(a)). The AFHMP, once approved by HUD, must be made available for public inspection at the sales or rental offices of the respondent (24 CFR 200.625) and may not be revised without HUD approval. This form contains no questions of a confidential nature.

Applicability: The form and worksheets must be completed and submitted by all FHA subsidized and unsubsidized multifamily housing program applicants.

INSTRUCTIONS:

Send completed form and worksheets to your local HUD Office, Attention: Director, Office of Housing

Part 1: Applicant/Respondent and Project Identification. Blocks 1a, 1b, 1c, 1g, 1h, and 1i are self-explanatory.

Block 1d- Respondents may obtain the Census tract number from the U.S. Census Bureau (<http://factfinder2.census.gov/main.html>) when completing Worksheet One.

Block 1e- Respondents should identify both the housing market area and the expanded housing market area for their multifamily housing projects. Use abbreviations if necessary. A **housing market area** is the area from which a multifamily housing project owner/agent may reasonably expect to draw a substantial number of its tenants. This could be a county or Metropolitan Division. The U.S. Census Bureau provides a range of levels to draw from.

An **expanded housing market area** is a larger geographic area, such as a Metropolitan Division or a Metropolitan Statistical Area, which may provide additional demographic diversity in terms of race, color, national origin, religion, sex, familial status, or disability.

Block 1f- The applicant should complete this block only if a Managing Agent (the agent cannot be the applicant) is implementing the AFHMP.

Part 2: Type of AFHMP

Block 2a- Respondents should indicate the status of the AFHMP, i.e., initial or updated, as well as the date of the first approved AFHMP. Respondents should also provide the reason (s) for the current update, whether the update is based on the five-year review or due to significant changes in project or local demographics (See instructions for Part 9).

Block 2b- Respondents should identify all groups HUD has approved for occupancy in the subject project, in accordance with the contract, grant, etc.

Block 2c- Respondents should specify the date the project was/will be first occupied.

Block 2d- For new construction and substantial rehabilitation projects, advertising must begin at least 90 days prior to initial occupancy. In the case of existing projects, respondents should indicate whether the advertising will be used to fill existing vacancies, to place individuals on the project's waiting list, or to re-open a closed waiting list. Please indicate how many people are on the waiting list when advertising begins.

Part 3 Demographics and Marketing Area.

"Least likely to apply" means that there is an identifiable presence of a specific demographic group in the housing market area, but members of that group are not likely to apply for the housing without targeted outreach, including marketing materials in other languages for limited English proficient individuals, and alternative formats for persons with disabilities. Reasons for not applying may include, but are not limited to, insufficient information about housing opportunities, language barriers, or transportation impediments.

Block 3a - Using Worksheet 1, the respondent should indicate the demographic composition of the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area. The applicable housing market area and expanded housing market area should be indicated in Block 1e. Compare groups within rows/across columns on Worksheet 1 to identify any under-represented group(s) relative to the surrounding housing market area and expanded housing market area, i.e., those group(s) "least likely to apply" for the housing without targeted outreach and marketing. If there is a particular group or subgroup with members of a protected class that has an identifiable presence in the housing market area, but is not included in Worksheet 1, please specify under "Other."

Respondents should use the most current demographic data from the U.S. Census or another official source such as a local government planning office. Please indicate the source of your data in Part 8 of this form.

Block 3b - Using the information from the completed Worksheet 1, respondents should identify the demographic group(s) least likely to apply for the housing without special outreach efforts by checking all that apply.

Part 4 - Marketing Program and Residency Preference (if any).

Block 4a - A residency preference is a preference for admission of persons who reside or work in a specified geographic area (see 24 CFR 5.655(c)(1)(ii)). Respondents should indicate whether a residency preference is being utilized, and if so, respondents should specify if it is new, revised, or continuing. If a respondent wishes to utilize a residency preference, it must state the preference area (and provide a map delineating the precise area) and state the reason for having such a preference. The respondent must ensure that the preference is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a) (see 24 CFR 5.655(c)(1)).

Respondents should use Worksheet 2 to show how the percentage of the eligible population living or working in the residency preference area compares to that of residents of the project, project applicant data, census tract, housing market area, and expanded housing market area. The percentages would be the same as shown on completed Worksheet 1.

Block 4b - Using Worksheet 3, respondents should describe their use of community contacts to help market the project to those least likely to apply. This table should include the name of a contact person, his/her address, telephone number, previous experience working with the target population(s), the approximate date contact was/will be initiated, and the specific role the community contact will play in assisting with affirmative fair housing marketing or outreach.

Block 4c - Using Worksheet 4, respondents should describe their proposed method(s) of advertising to market to those least likely to apply. This table should identify each media option, the reason for choosing this media, and the language of the advertisement. Alternative format(s) that will be used to reach persons with disabilities, and logo(s) that will appear on the various materials (as well as their size) should be described. **Please attach a copy of the advertising or marketing material.**

Part 5 - Availability of the Fair Housing Poster, AFHMP, and Project Site Sign.

Block 5a - The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Respondents should indicate all locations where the Fair Housing Poster will be displayed.

Block 5b - The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check all of the locations where the AFHMP will be available.

Block 5c - The Project Site Sign must display in a conspicuous position the HUD-approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Respondents should indicate where the Project Site Sign will be displayed, as well as the size of the Sign and the size of the logo, slogan, or statement. **Please submit photographs of project site signs.**

Part 9 - Review and Update.

Part 6 - Evaluation of Marketing Activities.

Respondents should explain the evaluation process to be used to determine if they have been successful in attracting those individuals identified as least likely to apply. Respondents should also explain how they will make decisions about future marketing activities based on the evaluations.

Part 7 - Marketing Staff and Training.

Block 7a - Respondents should identify staff positions that are/will be responsible for affirmative marketing.

Block 7b - Respondents should indicate whether staff has been trained on the AFHMP and Fair Housing Act. Please indicate who provides the training and how frequently. In addition, respondents should specify whether they periodically assess staff members' skills in using the AFHMP and in applying the Fair Housing Act. They should state how often they assess employee skills and how they conduct the assessment.

Block 7c - Respondents should indicate whether staff has been trained on tenant selection in accordance with the project's occupancy policy, including residency preferences (if any). Respondents should also identify those staff positions that are/will be responsible for tenant selection.

Block 7d - Respondents should include copies of any written materials related to staff training, and identify the dates of past and anticipated training.

Part 8 - Additional Considerations.

Respondents should describe their efforts not previously mentioned that were/are planned to attract those individuals least likely to apply for the subject housing.

By signing the respondent assumes responsibility for implementing the AFHMP. Respondents must review their AFHMP every five years or when the local Community Development jurisdiction's Consolidated Plan is updated, or when there are significant changes in the demographics of the project or the local housing market area. When reviewing the plan, the respondent should consider the current demographics of the housing market area to determine if there have been demographic changes in the population in terms of race, color, national origin, religion, sex, familial status, or disability. The respondent will then determine if the population least likely to apply for the housing is still the population identified in the AFHMP, whether the advertising and publicity cited in the current AFHMP are still appropriate, or whether advertising sources should be modified or expanded. Even if the demographics of the housing market area have not changed, the respondent should determine if the outreach currently being performed is reaching those it is intended to reach as measured by project occupancy and applicant data. If not, the AFHMP should be updated. The revised AFHMP must be submitted to HUD for approval. HUD may review whether the affirmative marketing is actually being performed in accordance with the AFHMP. If based on their review, respondents determine the AFHMP does not need to be revised, they should maintain a file documenting what was reviewed, what was found as a result of the review, and why no changes were required. HUD may review this documentation.

Notification of Intent to Begin Marketing.

No later than 90 days prior to the initiation of rental marketing activities, the respondent must submit notification of intent to begin marketing. The notification is required by the AFHMP Compliance Regulations (24 CFR 108.15). The Notification is submitted to the Office of Housing in the HUD Office servicing the locality in which the proposed housing will be located. Upon receipt of the Notification of Intent to Begin Marketing from the applicant, the monitoring office will review any previously approved plan and may schedule a pre-occupancy conference. Such conference will be held prior to initiation of sales/rental marketing activities. At this conference, the previously approved AFHMP will be reviewed with the applicant to determine if the plan, and/or its proposed implementation, requires modification prior to initiation of marketing in order to achieve the objectives of the AFHM regulation and the plan.

OMB approval of the AFHMP includes approval of this notification procedure as part of the AFHMP. The burden hours for such notification are included in the total designated for this AFHMP form.

Worksheet 1: Determining Demographic Groups Least Likely to Apply for Housing Opportunities
(See AFHMP, Block 3b)

In the respective columns below, indicate the percentage of demographic groups among the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area (See instructions to Block 1e). If you are a new construction or substantial rehabilitation project and do not have residents or project applicant data, only report information for census tract, housing market area, and expanded market area. The purpose of this information is to identify any under-representation of certain demographic groups in terms of race, color, national origin, religion, sex, familial status, or disability. If there is significant under-representation of any demographic group among project residents or current applicants in relation to the housing/expanded housing market area, then targeted outreach and marketing should be directed towards these individuals least likely to apply. Please indicate under-represented groups in Block 3b of the AFHMP. **Please attach maps showing both the housing market area and the expanded housing market area.** See Maps in Exhibit C

Demographic Characteristics	Project's Residents	Project's Applicant Data	Census Tract	Housing Market Area	Expanded Housing Market Area
% White	5.60	23.30	34.49	68.34	80.28
% Black or African American	37.20	57.90	28.18	11.21	7.77
% Hispanic or Latino	2.70	6.00	19.17	7.33	5.61
% Asian	55.30	10.20	24.39	13.59	6.22
% American Indian or Alaskan Native	0.90	2.90	2.33	0.64	0.58
% Native Hawaiian or Pacific Islander	0.10	0.40	0	0.03	0.03
% Persons with Disabilities	20.90		14.53	11.47	9.61
% Families with Children under the age of 18	45.00		48.33	27.68	30.57
Other (specify)					

Worksheet 2: Establishing a Residency Preference Area (See AFHMP, Block 4a)

Complete this Worksheet if you wish to continue, revise, or add a residency preference, which is a preference for admission of persons who reside or work in a specified geographic area (see 24 CFR 5.655(c)(1)(ii)). If a residency preference is utilized, the preference must be in accordance with the non-discrimination and equal opportunity requirements contained in 24 CFR 5.105(a). This Worksheet will help show how the percentage of the population in the residency preference area compares to the demographics of the project's residents, applicant data, census tract, housing market area, and expanded housing market area. **Please attach a map clearly delineating the residency preference geographical area. See Map in Exhibit D**

Demographic Characteristics	Project's Residents (as determined in Worksheet 1)	Project's Applicant Data (as determined in Worksheet 1)	Census Tract (as determined in Worksheet 1)	Housing Market Area (as determined in Worksheet 1)	Expanded Housing Market Area (as determined in Worksheet 1)	Residency Preference Area (if applicable)
% White	5.60	23.30	34.49	68.34	80.28	54.2
% Black or African American	37.20	57.90	28.18	11.21	7.77	15.1
% Hispanic or Latino	2.70	6.00	19.17	7.33	5.61	9.5
% Asian	55.30	10.20	24.39	13.59	6.22	16.5
% American Indian or Alaskan Native	0.90	2.90	2.33	0.64	0.58	0.6
% Native Hawaiian or Pacific Islander	0.10	0.40	0	0.03	0.03	0.0
% Persons with Disabilities	20.90		14.53	11.47	9.61	
% Families with Children under the age of 18	20.40		48.33	27.68	30.57	
Other (specify)						

Worksheet 3: Proposed Marketing Activities –Community Contacts (See AFHMP, Block 4b)

For each targeted marketing population designated as least likely to apply in Block 3b, identify at least one community contact organization you will use to facilitate outreach to the particular population group. This could be a social service agency, religious body, advocacy group, community center, etc. State the names of contact persons, their addresses, their telephone numbers, their previous experience working with the target population, the approximate date contact was/will be initiated, and the specific role they will play in assisting with the affirmative fair housing marketing. Please attach additional pages if necessary.

See additional community contact information in Exhibit E

Targeted Population(s)	Community Contact(s), including required information noted above.
Asian	Hmong American Partnership (HAP), 1075 Arcade Street, St. Paul, MN 55106 651-495-1557, baov@hmong.org
Asian	Vietnamese Social Services of Minnesota, 277 University Ave. W, St. Paul, MN 55103 651-635-8927, huetpham@vssmn.org, info@vssmn.org
Hispanic or Latino	Casa de Esperanza, P.O. Box 40115, St. Paul, MN 55104 651-646-5553, ptototzintle@casadeesperanza.org; info@casadeesperanza.org
All Groups	HousingLink, 275 Market St., Ste 275, Minneapolis, MN 55405 612-522-2500, info@housinglink.org
All Groups	Southern Minnesota Regional Legal Services (SMRLS), 450 N Syndicate St., Ste. 285, St. Paul, MN 55104 651-222-4731, jennifer.stohl@smrls.org

Worksheet 4: Proposed Marketing Activities – Methods of Advertising (See AFHMP, Block 4c)

Complete the following table by identifying your targeted marketing population(s), as indicated in Block 3b, as well as the methods of advertising that will be used to market to that population. For each targeted population, state the means of advertising that you will use as applicable to that group and the reason for choosing this media. In each block, in addition to specifying the media that will be used (e.g., name of newspaper, television station, website, location of bulletin board, etc.) state any language(s) in which the material will be provided, identify any alternative format(s) to be used (e.g. Braille, large print, etc.), and specify the logo(s) (as well as size) that will appear on the various materials. Attach additional pages, if necessary, for further explanation. Please attach a copy of the advertising or marketing material. **See marketing materials and notice templates in Exhibit F**

Targeted Population(s) → Methods of Advertising ↓	Targeted Population: All Groups	Targeted Population: Asian	Targeted Population: Hispanic/Latino
Newspaper(s)	St. Paul Pioneer Press (local newspaper)		
Radio Station(s)			
TV Station(s)			
Electronic Media	PHA Website www.stpha.org		
Bulletin Boards	HousingLink Available in English, Hmong, Somali, Spanish		
Brochures, Notices, Flyers	Waitlist Opening and Closing Notices (see email list)	Hmong American Partnership (HAP) - Waitlist updates and other notices	Casa de Esperanza - Waitlist updates and other notices
Other (specify)	Twin Cities Senior Housing Guide - www.seniorhousingguide.u	Vietnamese Social Services of MN - Waitlist updates and other notices	

Addendum to the HAP Contract—Labor Standards

This addendum is used for both the Project-Based Voucher HAP Contract and the Project-Based Rental Assistance (“PBRA”) HAP Contract under the Rental Assistance Demonstration and is applicable for all construction or repair work on projects that are initiated within eighteen (18) months after the effective date of the HAP contract. For PBRA HAP Contracts, it is “Exhibit 3” to the HAP Contract.

1. HUD-FEDERAL LABOR STANDARDS PROVISIONS

The owner is responsible for inserting the entire text of section 1 of this Addendum in all construction contracts for construction or repair work on the project that is initiated within eighteen (18) months of the effective date of the HAP contract and, if the owner performs any rehabilitation work on the project, the owner must comply with all provisions of section 1. (Note: Sections 1(b) and (c) apply only when the amount of the prime contract exceeds \$ 100,000.)

(a)(1)(i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project) will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made part hereof regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's [12514] payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321)) shall be posted at all times by the contractor and its

subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii)(A) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met: (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; (2) The classification is utilized in the area by the construction industry; and (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (a)(1)(ii)(B) or (C) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determinations or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably

anticipated in providing bona fide fringe benefits under a plan or program: Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractors under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due.

(3)(i) Payrolls and Basic Records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the

registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not

be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit them to the applicant, sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sponsoring government agency (or the applicant, sponsor, or owner).

(B) Each payroll submitted shall be accompanied by a "Statement of compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following: (1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5 (a)(3)(i), and that such information is correct and complete; (2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the [12515] payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3; (3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of Title 18 and section 3801 et seq. of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4)(i) Apprentices and Trainees. Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions

of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal Employment Opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act Requirements. The contractor shall comply with the requirements of 29 CFR part 3 which are incorporated by reference in this Addendum.

(6) Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in section 1(a)(1) through (11) and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this section 1(a).

(7) Contract Terminations; Debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes Concerning Labor Standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

(10)(i) Certification of Eligibility. By entering into this Addendum, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24.

(ii) No part of this Contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24. [12516]

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Addendum are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Addendum to his employer.

(b) Contract Work Hours and Safety Standards Act. The provisions of this paragraph (b) are applicable only where the amount of the prime contract exceeds \$ 100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime Requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages.

Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$ 10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for Unpaid Wages and Liquidated Damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraphs (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

(c) Health and Safety. The provisions of this paragraph (c) are applicable only where the amount of the prime contract exceeds \$ 100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his or her health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The contractor shall comply with all regulations issued by the Secretary of Labor pursuant to 29 CFR part 1926, and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, 40 U.S.C. 3701 et seq.

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

2. WAGE AND CLAIMS ADJUSTMENTS

The owner shall be responsible for the correction of all violations under section 1 of this Addendum, including violations committed by other contractors. In cases where there is evidence of underpayment of salaries or wages to any laborers or mechanics (including apprentices and trainees) by the owner or other contractor or a failure by the owner or other contractor to submit payrolls and related reports, the owner shall be required to place an amount in escrow, as determined by HUD sufficient to pay persons employed on the work covered by the Addendum the difference between the salaries or wages actually paid such employees for the total number of hours worked and the full amount of wages required under this Addendum, as well as an amount determined by HUD to be sufficient to satisfy any liability of the owner or other contractor for liquidated damages pursuant to section 1 of this Addendum. The amounts withheld may be disbursed by HUD for and on account of the owner or other contractor to the respective employees to whom they are due, and to the Federal Government in satisfaction of liquidated damages under section 1.

3. EVIDENCE OF UNIT(S) COMPLETION; ESCROW

(a) The owner shall evidence the completion of the unit(s) by furnishing the Contract Administrator a certification of compliance with the provisions of sections 1 and 2 of this Addendum, and that to the best of the owner's knowledge and belief there are no claims of underpayment to laborers or mechanics in alleged violation of these provisions of the Addendum. In the event there are any such pending claims to the knowledge of the owner, the Contract Administrator, or HUD, the owner will place a sufficient amount in escrow, as directed by the Contract Administrator or HUD, to assure such payments.

(b) The escrows required under this section and section 2 of this Addendum shall be paid to HUD, as escrowee, or to an escrowee designated by HUD, and the conditions and manner of releasing and approving such escrows shall be approved by HUD.

Part II
PBRA Housing Assistance Payments
Contract Rental Assistance
Demonstration (RAD)
for the Conversion of Public Housing to
Project-Based Section 8 (Component 1)

U.S. Department of Housing and
Urban Development
Office of Multifamily Housing Programs

Section 8 Project Number: MN46RD00005	FHA Project Number (if applicable):
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2.1 OWNER'S WARRANTIES.

- (a) **Legal Capacity.** The Owner warrants that it has the legal right to execute this HAP Contract and to lease dwelling units covered by this HAP Contract.
- (b) **Condition of Property.** The Owner warrants that the rental units to be leased by the Owner under the HAP Contract are in decent, safe and sanitary condition (as defined and determined in accordance with HUD regulations and procedures) or will be in such condition no later than the date of completion of the Work (including any environmental mitigation measures), as indicated in Exhibit D to the RAD Conversion Commitment (RCC), which will be on _____. The Owner further warrants that it will remedy any defects or omissions covered by this warranty if called to its attention within 12 months of the date of completion of Work indicated in the previous sentence.
- (c) **Labor Standards.** By execution of the HAP Contract, the Owner warrants that construction or repair work on the project that is initiated within eighteen (18) months of the effective date of the HAP Contract shall be in compliance with applicable labor standards, including Davis-Bacon wage requirements as stated in Exhibit 4: Addendum to the HAP Contract – Labor Standards.

2.2 FAMILIES TO BE HOUSED; WAITING LIST; CONTRACT ADMINISTRATOR (CA) ASSISTANCE.

- (a) **Families to Be Housed.** The Contract Units are to be leased by the Owner to eligible Low-Income Families (Families) for occupancy by such Families solely as private dwellings and as their principal place of residence. (See also section 2.11.)
- (b) **Waiting List.** The Owner shall establish the waiting list for the project in accordance with the provisions of the RAD Notice governing the establishment of the waiting list for conversions from public housing to Section 8 Project-Based Rental Assistance (i.e., Notice PIH 2012-32 (HA), REV-2, section 1.7.C.3. or successor provision).
- (c) **CA Assistance.**
 - (1) The CA hereby agrees to make housing assistance payments on behalf of Families for the Contract Units, to enable the Families to lease decent, safe, and sanitary housing pursuant to section 8 of the Act.
 - (2) If there is a Utility Allowance and if the Allowance exceeds the total Family contribution, the Owner shall pay the Family the amount of the excess. The CA will pay funds to the Owner in trust solely for the purpose of making this payment. Any pledge by the Owner of payments properly payable under this HAP Contract shall not be construed to include payments covered by this paragraph (c)(2). (See 24 C.F.R. § 880.501(e).)

2.3 RESIDENT PROCEDURAL RIGHTS; GRIEVANCE PROCESS. The Owner agrees to comply with the provisions of the RAD Notice governing resident procedural rights including the grievance process, for conversions from public housing to Section 8 Project-Based Rental Assistance (i.e., Notice PIH 2012-32 (HA), REV-2, section 1.7.B.6., including section 1.7.B.6.ii., or successor provision).

2.4 RESIDENT PARTICIPATION AND FUNDING. In accordance with the Attachment to the RAD Notice, captioned "PBRA: Resident Participation and Funding" (i.e., Notice PIH 2012-32 (HA), REV-2, Attachment 1B.2A or successor attachment or provision), families in projects that convert to assistance under this HAP Contract have the right to establish and operate a resident organization in accordance with 24 C.F.R. Part 245. The Attachment details all of the requirements governing Resident Participation and Funding, with which the Owner must comply.

2.5 HOUSING ASSISTANCE PAYMENTS TO OWNER.

(a) **Housing Assistance Payments on Behalf of Families.**

- (1) Housing assistance payments shall be paid to the Owner for units under lease for occupancy by Families in accordance with the HAP Contract. The housing assistance payment will cover the difference between the Contract Rent and that portion of the rent payable by the Family as determined in accordance with the HUD-established schedules and criteria. In the Year of Conversion (as defined in Section 1.1(c)), housing assistance payments shall equal amounts funded pursuant to Section 1.3(b)(1).
- (2) The amount of housing assistance payment payable on behalf of a Family and the amount of rent payable by the Family shall be subject to change by reason of changes in Family Income, Family composition, extent of exceptional medical or other unusual expenses or program rules in accordance with the HUD-established schedules and criteria; or by reason of a change in any applicable Utility Allowance approved or required by the CA. Any such change shall be effective as of the date stated in a notification of the change to the Family, which need not be at the end of the Lease Term.

(b) **RAD Rehab Assistance Payments.** For any unit (1) that is vacant at any time during the period of Work pursuant to the RCC; and (2) for which the Owner is not otherwise receiving housing assistance payments in accordance with section 2.5(a), 2.5(c), 2.5(d), or 2.5(e) of this HAP Contract; (, the Owner is entitled to receive a monthly RAD Rehab Assistance Payment calculated in accordance with the provision of the RAD Notice governing RAD Rehab Assistance Payments (i.e., Notice PIH 2012-32 (HA), REV-2, section 1.7.A.9. or successor provision), in the amount of \$ N/A per unit, as determined by HUD; shall apply to no more than N/A units in any given month; and shall commence upon the effective date of the HAP Contract, so long as the Owner is in compliance with the approved repair schedule as provided in the RCC. All RAD Rehab Assistance Payments shall end, and the Owner will cease to be entitled to any such payments, (1) on N/A; or (2) upon actual completion of the Work, if sooner. Provided, however, during the Year of Conversion (as defined in Section 1.1(c)), any RAD Rehab Assistance Payments shall not exceed amounts funded pursuant to Section 1.3(b)(1).

(c) **Vacancies During Rent-Up.** If a Contract Unit is not leased as of the effective date of the HAP Contract, the Owner is entitled to housing assistance payments in the amount of 80 percent of the HAP Contract Rent for the unit for a vacancy period not exceeding 60 days from the effective date of the HAP Contract, provided that the Owner (1) commenced marketing; (2) has taken and continues to take all feasible actions to fill the vacancy, including, but not limited to, contacting applicants on its waiting list, if any, and advertising the availability of the unit in a manner specifically designed to reach eligible Families; and (3) has not rejected any eligible applicant, except for good cause acceptable to the CA. Provided, however, that during the Year of Conversion (as defined in Section 1.1(c)), payments made to the Owner equal amounts funded pursuant to Section 1.3(b)(1).

(d) **Vacancies after Rent-Up.** Provided that, during the Year of Conversion (as defined in Section 1.1(c)), payments made to the Owner shall not exceed amounts funded pursuant to Section 1.3(b)(1), if an eligible

Family vacates a unit, the Owner is entitled to housing assistance payments in the amount of 80 percent of the Contract Rent for the first 60 days of vacancy if the Owner:

- (1) Certifies that it did not cause the vacancy by violating the lease, the HAP Contract or any applicable law or by moving a Family to another unit;
- (2) Notified the CA of the vacancy or prospective vacancy and the reasons for it immediately upon learning of the vacancy or prospective vacancy;
- (3) Has fulfilled and continues to fulfill the requirements specified in paragraphs (b)(1), (2), and (3) of this section; and
- (4) Certifies that any eviction resulting in a vacancy was carried out in compliance with section 2.10.

(e) **Vacancies for Longer than 60 Days.** If an assisted unit continues to be vacant after the period specified in paragraph (c) or (d) of this section, the Owner may apply to receive additional payments for the vacancy period in an amount equal to the principal and interest payments required to amortize that portion of the debt service attributable to the vacant unit (see Exhibit 2) for up to 12 additional months for the unit if:

- (1) The unit was in decent, safe and sanitary condition during the vacancy period for which payments are claimed;
- (2) The Owner has fulfilled and continues to fulfill the requirements specified in paragraph (b) or (c) of this section, as appropriate; and
- (3) The Owner has demonstrated to the satisfaction of HUD that:
 - (i) For the period of vacancy, the project is not providing the Owner with revenues at least equal to project expenses (exclusive of depreciation), and the amount of payments requested is not more than the portion of the deficiency attributable to the vacant unit; and
 - (ii) The project can achieve financial soundness within a reasonable time.

(f) **Prohibition of Double Compensation for Vacancies.** The Owner is not entitled to payments for vacant units to the extent it can collect for the vacancy from other sources (such as security deposits, other amounts collected from the Family, payments from the CA under section 2.9(b), and governmental payments under other programs). If the Owner collects any of the Family's share of the rent for a vacancy period in an amount which, when added to the vacancy payment, results in more than the Contract Rent, the excess must be reimbursed as HUD directs.

(g) **CA Not Obligated for Family Rent.** The CA has not assumed any obligation for the amount of rent payable by any Family or the satisfaction of any claim by the Owner against any Family other than in accordance with section 2.9(b) of this HAP Contract. The financial obligation of the CA is limited to making housing assistance payments on behalf of Families in accordance with this HAP Contract.

(h) **Owner's Monthly Requests for Payments.**

- (1) The Owner shall submit monthly requests to the CA or as directed by the CA for housing assistance payments. Each request shall set forth: (i) the name of each Family and the address and/or number of the unit leased by the Family; (ii) the address and/or the number of each unit, if any, not leased to Families for which the Owner is claiming payments; (iii) the Contract Rent as set forth in Exhibit 1 for each unit for which the Owner is claiming payments; (iv) the amount of rent payable by the Family leasing the unit (or, where applicable, the amount to be paid the Family in accordance with section 2.2(c)(2)); and (v) the total amount of housing assistance payments requested by the Owner.

- (2) Each of the Owner's monthly requests shall contain a certification by it that to the best of its knowledge and belief (i) the dwelling units are in decent, safe, and sanitary condition, (ii) all the other facts and data on which the request for funds is based are true and correct, (iii) the amount requested has been calculated in accordance with the provisions of this HAP Contract and is payable under the HAP Contract, (iv) none of the amount claimed has been previously claimed or paid under this HAP Contract, and (v) the Owner has not received and will not receive any payments or other consideration from the Family, the PHA (where the CA is a PHA), HUD, or any other public or private source for the unit beyond that authorized in this HAP Contract and the lease.
- (3) If the Owner has received an excessive payment, the CA, in addition to any other rights to recovery, may deduct the amount from any subsequent payment or payments.
- (4) The Owner's monthly requests for housing assistance payments are subject to penalty under 18 U.S.C. 1001, which provides, among other things, that whoever knowingly and willfully makes or uses any writing containing any materially false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of the executive branch of the Government of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

2.6 MAINTENANCE, OPERATION AND INSPECTION.

- (a) **Maintenance and Operation.** The Owner agrees to maintain and operate the Contract Units, unassisted units, if any, and related facilities to provide decent, safe, and sanitary housing, including the provision of all the services, maintenance and utilities set forth in section 1.4(c), in accordance with HUD's Uniform Physical Condition Standards and inspection Requirements, currently codified in 24 C.F.R. Part 5 Subpart G, and HUD's Uniform Physical Condition Standards for Multifamily Properties, currently codified in 24 C.F.R. Part 200 Subpart P. The Owner also agrees to comply with the lead-based paint regulations at 24 C.F.R. Part 35. If the CA determines that the Owner is not meeting one or more of these obligations, the CA shall have the right to take action under section 2.21(b).
- (b) **Inspection.**
 - (1) Prior to occupancy of any Contract Unit by a Family, the Owner and the Family shall inspect the unit and both shall certify that they have inspected the unit and have determined it to be decent, safe, and sanitary. The Owner shall keep copies of these reports on file for at least three years.
 - (2) The CA shall inspect or cause to be inspected the Contract Units and related facilities at least annually, or as otherwise directed by HUD, and at such other times (including prior to initial occupancy and re-renting of any unit) as may be necessary to ensure that the Owner is meeting its obligation to maintain the units in decent, safe, and sanitary condition including the provision of the agreed-upon utilities and other services. The CA shall take into account complaints by occupants and any other information coming to its attention in scheduling inspections and shall notify the Owner and the Family of its determination.
- (c) **Units Not Decent, Safe, and Sanitary.**
 - (1) If the CA notifies the Owner that it has failed to maintain a dwelling unit in decent, safe, and sanitary condition and the Owner fails to take corrective action within the time prescribed in the notification, the CA may exercise any of its rights or remedies under the HAP Contract, including reduction or suspension of housing assistance payments, even if the Family continues to occupy the unit. If, however, the Family wishes to be rehoused in another dwelling unit with section 8 assistance and the CA does not have other section 8 funds for such purposes, the CA may use the abated housing assistance payments for the purpose of rehousing the Family in another dwelling unit. If the Family continues to occupy the unit, it will do so in accordance with the terms of its lease, including the termination date and amount of rent payable by the Family.

- (2) The foregoing provision, section 2.6(c)(1), shall be construed and applied in accordance with section 2.1(b) of the HAP Contract.
- (d) **Notification of Abatement.** Any reduction or suspension of housing assistance payments shall be effective as provided in written notification to the Owner. The Owner shall promptly notify the Family of any such abatement.
- (e) **Overcrowded and Underoccupied Units.** Where the CA determines a unit is larger or smaller than appropriate for an eligible Family, the Owner agrees to correct the situation in accordance with HUD regulations and requirements in effect at the time of the determination.

2.7 FINANCIAL REQUIREMENTS.

(a) Submission of Financial and Operating Statements.

The Owner agrees to comply with HUD's Uniform Financial Reporting Standards, currently codified in 24 C.F.R. Part 5 Subpart H.

(b) Use of Project Funds.

- (1) Project funds must be used for the benefit of the project, to make mortgage payments, to pay operating expenses, to make required deposits to the replacement reserve in accordance with section 2.7(c) of the HAP Contract, and to provide distributions to the Owner as provided in section 2.7(b)(2) of the HAP Contract.
- (2) For the life of the HAP Contract, Surplus Cash may be distributed to the Owner only at the end of each fiscal year of project operation following the effective date of the HAP Contract after all project expenses have been paid, or funds have been set aside for payment, and all reserve requirements have been met.

(c) Replacement Reserve.

- (1) The Owner shall establish and maintain a replacement reserve in an interest-bearing account to aid in funding extraordinary maintenance and repair and replacement of capital items in accordance with the RCC.
- (i) The obligation of the Owner to deposit into the replacement reserve shall commence in accordance with the RCC. In accordance with 24 CFR 880.602(a)(1)(ii), the amount of the deposit to the replacement reserve will be adjusted each year at least by the amount of the automatic annual adjustment factor (see 24 C.F.R. Part 888) and may be increased by such additional amounts as required in connection with HUD-approved financing.
- (ii) The reserve must be built up to and maintained at a level determined by HUD to be sufficient to meet projected requirements. Should the reserve achieve that level, the rate of deposit to the reserve may be reduced with the approval of HUD.
- (iii) All earnings including interest on the reserve must be added to the reserve.
- (iv) Funds will be held by the mortgagee and may be drawn from the reserve account and used only in accordance with HUD guidelines and with the approval of, or as directed by, HUD.
- (v) In the event the project is not subject to any financing, funds will be held by the Owner, and may be drawn from the reserve account and used only in accordance with HUD guidelines and with the approval of, or as directed by, HUD.

- (vi) The Owner shall not fund extraordinary maintenance and repair and/or replacement of capital items out of project funds without the prior written consent of HUD.
- (2) In the case of HUD-insured projects, the provisions of this paragraph (c) will apply instead of the otherwise applicable mortgage insurance requirements.

2.8 RENT ADJUSTMENTS.

- (a) **Operating Cost Adjustment Factor.** Contract Rents will be adjusted annually by HUD's Operating Cost Adjustment Factor (OCAF) at each Anniversary of the HAP Contract, subject to the availability of appropriations for each year of the HAP Contract term and provided that the OCAF-adjusted rent potential shall not exceed the Maximum Rent. The Maximum Rent is equal to the greater of (i) 140% of the Fair Market Rent (FMR) potential based on the FMRs in effect at such time for the FMR area in which the project is located, less Utility Allowances; or (ii) the comparable market rent potential for the market area, as demonstrated by a Rent Comparability Study (RCS) prepared in accordance with HUD requirements and procured and paid for by the Owner. If the Maximum Rent exceeds the OCAF-adjusted rent potential, the Contract Rents shall be adjusted by the OCAF. If the OCAF-adjusted rent potential exceeds the Maximum Rent, the adjusted rents shall be limited by the Maximum Rent.
- (b) **Exception to Application of Maximum Rent.** When an RCS has been used to establish the initial Contract Rents or to justify an OCAF-adjusted rent potential in excess of 140% of the Fair Market Rent potential any time during the term of the HAP Contract, for the next four annual rent adjustments, the Maximum Rent shall not apply and the Contract Rents shall be adjusted by the OCAF.
- (c) **Terminology.** For purposes of this section 2.8, the term "OCAF-adjusted rent potential" means the sum of all OCAF-adjusted Contract Rents for all units under the HAP Contract; the term "Fair Market Rent potential" means the sum of all fair market rents for all units under the HAP Contract; and the term "comparable market rent potential" means the sum of all comparable market rents for all units under the HAP Contract.

2.9 MARKETING AND LEASING OF UNITS.

- (a) **Compliance with Equal Opportunity Requirements.** Marketing of units and selection of Families by the Owner shall be in accordance with the Owner's HUD-approved Affirmative Fair Housing Marketing Plan (Exhibit 3 to this HAP Contract) and with all regulations relating to fair housing advertising. Projects shall be managed and operated without regard to race, color, religion, sex, disability, familial status or national origin.
- (b) **Security Deposits.** The Owner agrees to comply with applicable section 8 regulations and other requirements, as revised from time to time, regarding security deposits and to comply with all State and local law.
- (c) **Eligibility, Selection and Admission of Families.**
 - (1) The Owner shall be responsible for determination of eligibility of applicants, selection of Families from among those determined to be eligible, computation of the amount of housing assistance payments on behalf of each selected Family and of total Family contributions and recordkeeping in accordance with applicable HUD regulations and requirements.
 - (2) The Owner shall not charge any applicant or assisted Family any amount in excess of the total Family contribution except as authorized by HUD.
 - (3) Except for initial residents at the time of conversion, in the renting of the Contract Units, the Owner must comply with the income eligibility requirements of section 16(c)(1) of the Act [42 U.S.C. § 1437n(c)(1)] and 24 C.F.R. § 5.653(d)(1). The Owner must further comply with the income targeting requirements of section 16(c)(3) of the Act [42 U.S.C. § 1437n(c)(3)] and 24 C.F.R. § 5.653(c). Sections 16(c)(4) – (6) of the Act [42 U.S.C. § 1437n(c)(4) – (6)] shall also apply.

- (4) The Lease entered into between the Owner and each selected Family shall be on the form of Lease approved by HUD.
- (5) (i) The Owner shall make a reexamination of Family income, composition, and the extent of medical or other unusual expenses incurred by the Family at least as often as required by HUD regulations or other requirements, and appropriate redeterminations shall be made by the Owner of the amount of Family contribution and the amount of housing assistance payment, all in accordance with applicable HUD regulations and requirements.
- (ii) If a Family reports a change in income or other circumstances that would result in a decrease of total Family contribution between regularly scheduled reexaminations, the Owner, upon receipt of verification of the change, must promptly make appropriate adjustments in the total Family contribution. The Owner may require in its lease that Families report increases in income or other changes between scheduled reexaminations.
- (iii) A Family's eligibility for housing assistance payments continues until the total Family contribution equals the total housing expense for the unit it occupies. The termination of eligibility at this point will not affect the Family's other rights under the lease nor preclude resumption of payments as a result of later changes in income or other circumstances during the term of this HAP Contract.
- (6) Where fewer than 100 percent of the units in the project are covered by this HAP Contract, assisted Families shall be dispersed throughout. At initial rent-up, the Owner shall lease the units identified in Exhibit 1 to eligible Families. Thereafter, the Owner may lease other units of appropriate size and type to eligible Families in accordance with Exhibit 1.
- (7) The Owner shall maintain as confidential all information relating to section 8 applicants and assisted Families, the disclosure of which would constitute an unwarranted invasion of personal privacy.
- (8) The project's Affirmative Fair Housing Marketing Plan (Exhibit 3) including any admissions preferences for which applicable guidance or regulations require prior HUD approval (e.g., residency preferences, marketing and outreach policies and strategies) must be approved by HUD before they are implemented.
- (d) **Rent Redetermination after Adjustment in Utility Allowance.** In the event that the Owner is notified of a CA determination approving or requiring an adjustment in the Utility Allowance applicable to any of the Contract Units, the Owner shall promptly make a corresponding adjustment in the amount of rent to be paid by the affected Families and the amount of housing assistance payments.
- (e) **Processing of Applications and Complaints.** The Owner shall process applications for admission, notifications to applicants, and complaints by applicants in accordance with applicable HUD and PHA regulations (where the CA is a PHA), and requirements and shall maintain records and furnish such copies or other information as may be required by HUD or the PHA.
- (f) **Review: Incorrect Payments.** In making housing assistance payments to Owners, the PHA (where the CA is a PHA) or HUD will review the Owner's determinations under this section. If, as a result of this review, or other reviews, audits or information received by the PHA or HUD at any time, it is determined that the Owner has received improper or excessive housing assistance payments, the PHA or HUD shall have the right to deduct the amount of such overpayments from any amounts otherwise due the Owner, or otherwise effect recovery.

2.10 Termination of Tenancy or Section 8 Assistance by the Owner. The Owner agrees not to terminate any tenancy of or assistance on behalf of an assisted Family except in accordance with all HUD regulations and other requirements in effect at the time of the termination, including the provisions of the RAD Notice governing termination notification (i.e., Notice PIH 2012-32 (HA), REV-2, section 1.7.B.6.i. or successor provision), and any State and local law.

2.11 Reduction of Number of Units for Failure to Lease to Eligible Families.

- (a) **Limitation on Leasing to Ineligible Families.** The Owner may not at any time during the term of this HAP Contract lease more than 10 percent of the assisted units in the project to families which are ineligible under section 8 requirements at initial occupancy without the prior written approval of HUD. Failure on the part of the Owner to comply with this prohibition is a violation of the HAP Contract and grounds for all available legal remedies, including specific performance of the HAP Contract, suspension or debarment from HUD programs and reduction of the number of units under the HAP Contract, as set forth in paragraph (b) of this section. (See also section 2.21.)
- (b) **Reduction for Failure to Lease to Eligible Families.** If, at any time beginning six months after the effective date of the HAP Contract, the Owner fails for a continuous period of six months to have at least 90 percent of the assisted units leased or available for leasing by Families eligible under section 8 requirements at initial occupancy, HUD (or the PHA at the direction of HUD, as appropriate) may, on at least 30 days' notice, reduce the number of units covered by the HAP Contract. HUD or the PHA may reduce the number of units to the number of units actually leased or available for leasing plus 10 percent (rounded up). This reduction, however, will not be made if the failure to lease units to eligible Families is permitted in writing by HUD under paragraph (a) of this section.
- (c) **Restoration.** HUD will agree to an amendment of the ACC or the HAP Contract, as appropriate, to provide for subsequent restoration of any reduction made pursuant to paragraph (b) of this section if:
- (1) HUD determines that the restoration is justified by demand,
 - (2) The Owner otherwise has a record of compliance with its obligations under the HAP Contract, and
 - (3) Sufficient appropriations are available to support the funding of the units to be restored.

2.12 NONDISCRIMINATION.

- (a) **General.** The Owner shall operate the project in a manner consistent with all applicable nondiscrimination, equal opportunity, and equal access requirements, including but not limited to the requirements in this section 2.12 of the HAP Contract.
- (b) **Equal Access Rule.** The Owner shall make residential housing in the project available without regard to sexual orientation, gender identification, or marital status in accordance with 24 C.F.R. 5.105(a)(2).
- (c) **The Fair Housing Act.** The Owner shall comply with all applicable requirements imposed by the Fair Housing Act and HUD's implementing regulations at 24 C.F.R. Parts 100, 108, 110, 121, and 200 which, among other requirements, prohibit discrimination in the sale, rental, financing, and advertising of housing on the basis of race, color, national origin, religion, sex, disability, and familial status, and require the Owner to affirmatively further fair housing in the operation of the project.
- (d) **Title VI of the Civil Rights Act of 1964 and Executive Order 11063.** The Owner shall comply with all requirements imposed by Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d. et seq.; the HUD Regulations issued thereunder, 24 C.F.R. Part 1; the HUD requirements pursuant to these regulations; and Executive Order 11063 and the regulations and requirements issued thereunder at 24 C.F.R. Part 107 to the end that, in accordance with that Act, Executive Order 11063, and the regulations and requirements of HUD, no person in the United States shall, on the grounds of race, color, religion (creed), sex, or national origin, be excluded from participation in, or be denied the benefits of, the Section 8 Program, or be otherwise subjected to discrimination. This provision is included pursuant to HUD's implementing regulations for Title VI at 24 C.F.R. Part 1, the implementing regulations for Executive Order 11063 at 24 C.F.R. Part 107, and the HUD requirements pursuant to the regulations. The obligation of the Owner to comply therewith inures to the benefit of the United States of America, HUD, and the PHA (where the CA is a PHA), any of which

shall be entitled to invoke any remedies available by law to redress any breach or to compel compliance by the Owner.

- (e) **Section 504 of the Rehabilitation Act of 1973 and Other Accessibility Requirements.** The Owner shall comply with all the requirements imposed by section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794 et seq., and HUD regulations issued thereunder at 24 C.F.R. Part 8. Section 504 applies design standards on housing that receives Federal financial assistance and, more generally, provides that no qualified individual with a disability shall, on the basis of disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from Federal financial assistance. Accordingly, the Owner (1) shall not discriminate against any qualified individual with a disability on the basis of disability, and (2) shall cause to be incorporated into all contracts executed in connection with this project a provision requiring compliance with rules and regulations issued pursuant to section 504. The Owner shall comply, as applicable, with accessible design and operations requirements under the Fair Housing Act and implementing regulations at 24 C.F.R. Part 100, and Title II and III of the Americans with Disabilities Act and implementing regulations at 28 C.F.R. Parts 35 and 36, respectively.
- (f) **Section 3 of the Housing and Urban Development Act of 1968.** Section 3 and its implementing regulations at 24 CFR Part 135 ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns that provide economic opportunities to low- and very low-income persons. The Owner shall comply with Section 3, in accordance with 24 CFR Part 135, as applicable.
- (g) **Employees of Owner.**
- (1) In carrying out the obligations under this HAP Contract, the Owner will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, disability, familial status, or national origin. The Owner will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, creed, religion, sex, disability, familial status, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
 - (2) The Owner agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by HUD setting forth the provisions of this nondiscrimination clause. The Owner will in all solicitations or advertisements for employees placed by or on behalf of the Owner state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, disability, familial status, or national origin. The Owner will incorporate the foregoing requirements of this paragraph in all of its contracts for project work, except contracts for standard commercial supplies or raw materials, and will require all of its contractors for such work to incorporate such requirements in all subcontracts for project work.
- (h) **Age Discrimination Act of 1975.** The Owner shall comply with any rules and regulations issued or adopted by HUD under the Age Discrimination Act of 1975, 42 U.S.C. 6101 et seq. at 24 C.F.R. Part 146, which prohibits discrimination on the basis of age in programs and activities receiving Federal financial assistance.

2.13 COOPERATION IN EQUAL OPPORTUNITY COMPLIANCE REVIEWS. The Owner and the PHA (where the CA is a PHA) agree to cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to or permitted by all applicable civil rights statutes, Executive Orders, and rules and regulations.

2.14 PROPERTY AND LIABILITY INSURANCE. The Owner agrees that the project shall be covered at all times by commercially available property and liability insurance to protect the project from financial loss. To the

extent insurance proceeds permit, and as determined feasible by any first mortgage lender (determination of infeasibility shall be subject to HUD approval), the Owner agrees to promptly restore, reconstruct, and/or repair any damaged or destroyed property of a project.

2.15 FLOOD INSURANCE. (See section 1.8 of the HAP Contract for applicability.) The Owner agrees that the project will be covered, during the life of the property, regardless of transfer of ownership, by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less.

2.16 REPORTS AND ACCESS TO PREMISES AND RECORDS.

- (a) The Owner shall furnish any information and reports pertinent to this HAP Contract as reasonably may be required from time to time by HUD and the PHA (where the CA is a PHA).
- (b) The Owner shall permit HUD and the PHA (where the CA is a PHA) or any of their duly authorized representatives to have access to the premises and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the Owner that are pertinent to compliance with this HAP Contract, including the verification of information pertinent to the housing assistance payments.

2.17 DISPUTES.

(a) **Projects for which a PHA is the CA.**

- (1) Any dispute concerning a question of fact arising under this HAP Contract which cannot be resolved by the PHA (where the CA is a PHA) and the Owner may be submitted by either party to the HUD Field Office, which will promptly make a decision and furnish a written copy to the Owner and the PHA.
- (2) The decision of the Field Office will not be reviewable unless, within 30 calendar days from the date of receipt of the Field Office's determination, either party mails or otherwise furnishes to HUD a written appeal with written justification addressed to the Secretary of Housing and Urban Development. Both parties shall proceed diligently with the performance of the HAP Contract and in accordance with the decision of the Field Office pending resolution of the appeal.

- (b) **Projects for which HUD is the CA.** Any dispute concerning a question of fact arising under this HAP Contract which cannot be resolved by agreement between the HUD Field Office and the Owner may be submitted by the Owner to the Secretary of Housing and Urban Development. Both parties shall proceed diligently with the performance of the HAP Contract and in accordance with the decision of the Field Office, pending resolution of the appeal.

2.18 INTEREST OF MEMBERS, OFFICERS, OR EMPLOYEES OF PHA, MEMBERS OF LOCAL GOVERNING BODY, OR OTHER PUBLIC OFFICIALS.

- (a) No person or entity in the following clauses shall have an interest, direct or indirect, in this HAP Contract or in any proceeds or benefits arising from it, during his or her tenure or for one year thereafter.
 - (1) any member or officer of the PHA (where it is the CA or the Owner), except where his or her interest is as a tenant;
 - (2) (i) any employee of the PHA (where it is the CA or the Owner) who formulates policy or influences decisions with respect to the section 8 project;
 - (ii) any other employee of the PHA (where it is the CA or the Owner), except where his or her interest is as a tenant;

- (3) any member of the governing body or the executive officer of the locality (city or county) in which the project is situated;
 - (4) any member of the governing body or executive officer of the locality (city or county) in which the PHA (where it is the CA or the Owner) was activated;
 - (5) any other State or local public official (including State legislators), who exercise any functions or responsibilities with respect to the section 8 project;
 - (6) any PHA (which is not the CA), where any of its members, officers, or employees has a personal interest in the project, including an interest by reason of membership on the board of the PHA which is the CA (except an employee who does not formulate policy or influence decisions with respect to the section 8 project may have an interest as a tenant).
- (b) Members of the classes described in paragraph (a) who involuntarily acquire an interest in the section 8 program or in a section 8 project, or who had acquired prior to the beginning of their tenure any such interest, must disclose any interest or perspective interest to the PHA (where it is the CA or the Owner) and the HUD Field Office, and may, with appropriate justification, if consistent with State law, apply to the HUD Field Office (through the PHA where it is the CA) for a waiver. Any other requests for waivers of paragraph (a) must be referred to HUD Headquarters, with appropriate recommendations from the Field Office, for a determination of whether a waiver will be granted.
 - (c) No person to whom a waiver is granted shall be permitted (in his or her capacity as member of a class described in paragraph (a)) to exercise responsibilities or functions with respect to a HAP Contract executed, or to be executed, on his or her behalf, or with respect to a HAP Contract to which this person is a party.
 - (d) The Owner shall insert in all contracts, subcontracts, and arrangements entered into in connection with the project or any property included or planned to be included in the project, and shall require its contractors and subcontractors to insert in each of the subcontracts, the provisions of paragraphs (a) through (d).
 - (e) The provisions of paragraphs (a) through (d) of this section shall not apply to a utility service if the rates are fixed or controlled by a governmental agency or applicable to the Depositary Agreement.

2.19 INTEREST OF MEMBER OR DELEGATE TO CONGRESS. No member of or delegate to the Congress of the United States or resident commissioner shall be admitted to any share or part of this HAP Contract or to any benefits which may arise from it.

2.20 ASSIGNMENT, SALE, FORECLOSURE, OR DEED IN LIEU OF FORECLOSURE.

- (a) Except as permitted in sections 2.24 and 2.25 of this HAP Contract, the Owner agrees that it has not made and will not make any sale, assignment, or conveyance or transfer in any fashion of this HAP Contract or the project, or of any part of the HAP Contract or the project, or any of the Owner's interest in the HAP Contract or the project, without the prior written consent of HUD.
- (b) The Owner agrees to notify HUD (and the PHA where it is the CA) promptly of any proposed action covered by paragraph (a) of this section. The Owner further agrees to request the prior written consent of HUD for any such proposed action.
- (c) The Owner agrees that HUD may condition any prior written consent required under section 2.20(a) of this HAP Contract on any reasonable requirements related to the effective administration of the HAP Contract, as determined by HUD.
- (d) For purposes of this section, a sale, assignment, conveyance, or transfer includes but is not limited to one or more of the following:

- (i) A transfer by the Owner, in whole or in part,
 - (ii) A transfer by a party having a controlling interest in the Owner,
 - (iii) Transfers by more than one party of interests aggregating a controlling interest in the Owner, and
 - (iv) The creation of any lien, including pursuant to any refinancing, or any restructuring of permanent debt by the Owner of the project, including any loan modification, except to such extent permitted pursuant to the Use Agreement entered into in connection with this project.
- (e) If such assignment is made in connection with any HUD-approved financing for the project, including without limitation low-income housing tax credits, subject to the provisions of 2.25, HUD hereby consents to:
- (1) an assignment by the Owner of an interest in the project or in this HAP Contract to one of its members, partners or shareholders; or
 - (2) an assignment by the general partner or managing member of Owner of its interest to a limited partner or other member of Owner, respectively.
- (f) The term "controlling interest" means the interest of any general partner, managing member, or other organization or entity that controls the day-to-day operations of the Owner.
- (g) Limited consent to collateral assignment of this HAP Contract is provided in section 2.24.
- (h) The Owner and the party signing this HAP Contract on behalf of the Owner represent that they have the authority of all of the parties having ownership interests in the Owner to agree to this provision on their behalf and to bind them with respect to it.
- (i) Except where otherwise approved by HUD, this HAP Contract, and the ACC (if applicable) shall continue in effect and housing assistance payments will continue in accordance with the terms of the HAP Contract in the event:
- (1) Of assignment, sale, or other disposition of the project or this HAP Contract, or the ACC,
 - (2) Of foreclosure, including foreclosure by HUD,
 - (3) Of assignment of the mortgage or deed in lieu of foreclosure,
 - (4) The PHA or HUD takes over possession, operation or ownership,
 - (5) The Owner prepays the mortgage.

2.21 DEFAULTS BY PHA (if a PHA is the CA) AND/OR OWNER.

(a) Rights of Owner if PHA (where the CA is a PHA) Defaults under HAP Contract.

- (1) Events of Default. The occurrence of any of the following events, if the Owner is not in default, is defined as a default under the ACC:
- (i) If the PHA (where the CA is a PHA) fails to perform or observe any term or condition of this HAP Contract;
 - (ii) If the HAP Contract is held to be void, voidable, or ultra vires;
 - (iii) If the power or right of the PHA (where the CA is a PHA) to enter into the HAP Contract is drawn into question in any legal proceeding; or

- (iv) If the PHA (where the CA is a PHA) asserts or claims that the HAP Contract is not binding upon the PHA for any such reason.
- (2) Owner Request for HUD Determination of Default. If the Owner believes that an event as specified in paragraph (a)(1) has occurred, and the Owner is not in default, the Owner may, within 30 days of the initial occurrence of the event:
- (i) Notify HUD of the occurrence of the event;
 - (ii) Provide supporting evidence of the default and of the fact that the Owner is not in default; and
 - (iii) Request HUD to determine whether there has been a default.
- (3) HUD Determination of Default and Curing of Default. HUD, after notice to the PHA (where the CA is a PHA) giving it a reasonable opportunity to take corrective action, or to demonstrate that it is not in default, shall make a determination whether the PHA is in default and whether the Owner is not in default. If HUD determines that the PHA is in default and that the Owner is not, HUD shall take appropriate action to require the PHA to cure the default. If necessary for the prompt continuation of the project, HUD shall assume the PHA's rights and obligations under the HAP Contract, including any funds. HUD shall continue to pay annual contributions with respect to the units covered by this HAP Contract in accordance with the ACC and this HAP Contract until reassigned to the PHA. All rights and obligations of the PHA assumed by HUD will be returned as constituted at the time of the return: (i) when HUD is satisfied that all defaults have been cured and that the project will thereafter be administered in accordance with all applicable requirements, or (ii) when the HAP Contract is at an end, whichever occurs sooner.
- (4) Enforcement by Owner. The provisions of this paragraph (a) are made for the benefit of the Owner, the lender, the PHA where it is the lender and then only in its capacity as lender, and the Owner's other assignees, if any, who have been specifically approved by HUD prior to the assignment. These provisions shall be enforceable by these parties against HUD by suit at law or in equity.
- (b) Rights of PHA (where the CA is a PHA) and HUD if Owner Defaults under HAP Contract.
- (1) Events of Default. A default by the Owner under this HAP Contract shall result if:
- (i) The Owner has violated or failed to comply with any provision of, or obligation under, this HAP Contract or of any Lease, including failure to correct any deficiencies identified by the CA in connection with any annual or other inspection; or
 - (ii) The Owner has asserted or demonstrated an intention not to perform some or all of its obligations under this HAP Contract or under any Lease; or
 - (iii) For projects with mortgages insured by HUD or loans made by HUD, the Owner has violated or failed to comply with the regulations for the applicable insurance or loan program, with the insured mortgage, or with the regulatory agreement; or the Owner has filed any false statement or misrepresentation with HUD in connection with the mortgage insurance or loan.
- (2) CA Determination of Default. Upon a determination by the CA that a default has occurred, the CA shall notify the Owner and the lender, with a copy to HUD (where the CA is a PHA), of
- (i) The nature of the default;
 - (ii) The actions required to be taken and the remedies to be applied on account of the default (including actions by the Owner and/or the lender to cure the default); and

(iii) The time within which the Owner and/or the lender shall respond with a showing that all the required actions have been taken.

If the Owner and/or lender fail to respond or take action to the satisfaction of the CA (and HUD, where the CA is a PHA), the CA shall have the right to take corrective action to achieve compliance in accordance with paragraph (b)(3), or to terminate this HAP Contract with HUD approval (where the CA is a PHA), in whole or in part, or to take other corrective action to achieve compliance in the CA's discretion, or as directed by HUD (where the CA is a PHA).

(3) Corrective Actions. Pursuant to paragraph (b)(2) of this section, the CA, in its discretion or as directed by HUD (where the CA is a PHA), may take the following corrective actions either directly or in conjunction with or acting through a PHA:

(i) Take possession of the project, bring any action necessary to enforce any rights of the Owner growing out of the project operation, and operate the project in accordance with the terms of this HAP Contract until such time as HUD determines that the Owner is again in a position to operate the project in accordance with this HAP Contract. If the CA takes possession, housing assistance payments shall continue in accordance with the HAP Contract.

(ii) Collect all rents and charges in connection with the operation of the project and use these funds to pay the necessary expenses of preserving the property and operating the project and to pay the Owner's obligations under the note and mortgage or other loan documents.

(iii) Apply to any court, State or Federal, for specific performance of this HAP Contract, for an injunction against any violation of the HAP Contract, for the appointment of a receiver to take over and operate the project in accordance with the HAP Contract, or for such other relief as may be appropriate. These remedies are appropriate since the injury to the PHA (where the CA is a PHA) and/or HUD arising from a default under any of the terms of this HAP Contract could be irreparable and the amount of damage would be difficult to ascertain.

(iv) Reduce or suspend housing assistance payments.

(v) Recover any overpayments.

(4) HUD Rights.

(i) Notwithstanding any other provisions of this HAP Contract, in the event HUD determines that the Owner is in default of its obligations under the HAP Contract, HUD shall have the right, after notice to the Owner, the trustee, if any, and the PHA (where the CA is a PHA) giving them a reasonable opportunity to take corrective action, to proceed in accordance with paragraph (b)(3).

(ii) In the event HUD takes any action under this section, the Owner and the PHA hereby expressly agree to recognize the rights of HUD to the same extent as if the action were taken by the PHA. HUD shall not have the right to terminate the HAP Contract except by proceeding in accordance with paragraphs (b)(1), (2), and (3) of this section and with the ACC.

(c) Remedies Not Exclusive and Non-Waiver of Remedies. The availability of any remedy under this HAP Contract or the ACC, where applicable, shall not preclude the exercise of any other remedy under this HAP Contract or the ACC or under any provisions of law, nor shall any action taken in the exercise of any remedy be considered a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

2.22 EXCLUSION OF THIRD PARTY RIGHTS.

- (a) A Family that is eligible for housing assistance under the HAP Contract is not a party to or a third party beneficiary of the HAP Contract.
- (b) Nothing in the HAP Contract shall be construed as creating any right of any third party to enforce any provision of the HAP Contract, or to assert any claim against HUD or the PHA (where the CA is a PHA), under the HAP Contract.

2.23 NO AGENCY RELATIONSHIP BETWEEN HUD AND THE PHA (WHERE THE CA IS A PHA). If the CA is a PHA under ACC with HUD, the PHA is not the agent of HUD, and the HAP Contract does not create any relationship between HUD and any suppliers, employees, contractors, or subcontractors used by the PHA to carry out functions or responsibilities in connection with administration of the HAP Contract under the ACC.

2.24 LENDER PROVISIONS. Notwithstanding anything else in this HAP Contract:

- (a) The holder of any HUD-approved mortgage encumbering the property on which the project is located may take action against the Owner and the project that results in the holder of the mortgage or its designee (either referred to herein as "Lender Temporary Custodian") coming into ownership of the project or assuming the role of "Owner" under this HAP Contract. Transfer of the project or the HAP Contract from the Owner is grounds for termination of the HAP Contract assistance unless otherwise approved by HUD. HUD hereby consents to a collateral assignment of this HAP Contract to any Lender Temporary Custodian and pre-approves any Lender Temporary Custodian as a temporary custodian of the project and as a new "Owner" pursuant to this HAP Contract, and continued assistance to the project pursuant to this HAP Contract, subject to the following conditions:
 - (1) HUD must receive thirty (30) days prior written notice of the transfer of the project to the Lender Temporary Custodian and the form of the documents necessary to effect such transfer.
 - (2) In connection with the transfer, Lender Temporary Custodian must execute and deliver to HUD an assumption of the HAP Contract, in such form as acceptable to HUD.
 - (3) Such approval and consent to continue assistance pursuant to this HAP Contract is expressly limited to a period of only 90 days that commences the date of such transfer of the project, provided that HUD in its sole discretion may extend such 90-day period by an additional 30 days, or for so long as HUD deems reasonably necessary for Lender to find a permanent replacement owner. Consistent with Public Law 112-55, in the event that the Lender Temporary Custodian assumes the role of "Owner" under the HAP Contract, the Lender Temporary Custodian shall use such interim period to identify a proposed permanent Owner determined by HUD to be capable of abiding by the HAP Contract, Use Agreement, and any and all applicable RAD program requirements. The provision of housing assistance payments to any proposed permanent replacement Owner is subject to HUD's consent.
 - (4) Prior to a transfer of the project to a Lender Temporary Custodian, HUD may at any time by written notice to a Lender Temporary Custodian revoke the approvals given herein if HUD becomes aware of any conditions or circumstances (by way of illustration and not limitation, such conditions or circumstances may include debarment, suspension or limited denial of participation) that would disqualify or compromise the ability of Lender Temporary Custodian from acting as an interim custodian of the project pursuant to the HAP Contract.

2.25 LOW-INCOME HOUSING TAX CREDIT PROVISIONS. Notwithstanding anything else in the HAP Contract:

- (a) **Notice.** As long as the equity investor identified below ("Equity Investor") is a partner or member of Owner, HUD shall endeavor as a courtesy to Equity Investor to deliver to Equity Investor a copy of any notice of default that is delivered to Owner under the terms of the HAP Contract, Use Agreement or RCC. Equity Investor's address for such notice purposes is:

N/A

- (b) **Right to Cure.** Any cure of any default by Owner under the HAP Contract, Use Agreement or RCC offered by Equity Investor shall be treated the same as if offered by Owner.
- (c) **Transfer of Investor Members/Partners.** Equity Investor, and each successor member or partner in Owner, may transfer its interest in the Owner without prior written consent of HUD if:
- (1) HUD receives prior written notice of such transfer; and
 - (2) HUD receives executed copies of any and all documents necessary to effect such transfer, including any and all amendments to Owner's organizational documents.
- (d) **Removal of General Partner/Managing Member.**
- (1) HUD has pre-approved the replacement of the Owner's general partner or managing member with an affiliate of Equity Investor, or any successor equity investor ("Interim Replacement GP/MM") as a temporary replacement general partner/managing member of Owner, in the event Owner's general partner or managing member is removed for cause in accordance with Owner's organizational documents.
 - (2) Interim Replacement GP/MM may remove Owner's general partner or managing member in accordance with the Owner's organizational documents without further written consent from HUD and HUD shall continue assistance to the project in accordance with the HAP Contract, provided that Interim Replacement GP/MM provide HUD with prior written notice of such replacement and HUD receives executed copies of any and all documents necessary to effect such replacement.
 - (3) Such approval of such Interim Replacement GP/MM is expressly limited to a period of only 90 days that commences the date of such removal, provided that HUD in its sole discretion may extend such 90-day period by an additional 30 days, or for so long as HUD deems reasonably necessary to provide for a permanent replacement of the general partner or managing member. After such interim period, any proposed permanent replacement for the Owner's general partner or managing member is subject to HUD's consent.
 - (4) HUD may at any time by written notice to Equity Investor or any successor revoke the approvals given herein if HUD becomes aware of any conditions or circumstances that would disqualify or compromise the ability of Interim Replacement GP/MM from acting as an interim general partner/managing member pursuant to this HAP Contract.

Declarations of Trust,
Declarations of Restrictive Covenants,
and Other Encumbrances

**Closing Document
No. 7**

INDEX

<u>Document No.</u>	<u>Type of Instrument</u>
740499	Quit Claim Deed
1850052	Quit Claim Deed (For Reference Only - Deed out portion of original deed)
539179	Easement
296276	Declaration
285249	State Deed
314286	Easement
534689	Release (Partial)
534690	Quit Claim Deed - Easement
664960	Certificate
664961	Vacation
1716307	Easement
1836695	Permit
2213675	Resolution
2519570	Mortgage
2519571	Assignment of Leases and/or Rents
2519572	Declaration of Covenants (with MHFA)
2611244	Request for Notice
2613362	Declaration of Trust
TBD	Declaration of Covenants—Amended (with MHFA)
545921	Certificate of Title

RELEASE OF DECLARATIONS OF TRUST

KNOW ALL BY THESE PRESENTS, that the United States of America, through the Secretary of the Department of Housing and Urban Development, by its duly authorized Director, Office of Public Housing, for good and valuable consideration, received to its full satisfaction from the Public Housing Agency of the City of Saint Paul, a body corporate and politic, does hereby release from the operation and effect of a certain Declaration of Trust from the Public Housing Agency of the City of Saint Paul, dated on July 3, 1951, and recorded in the Office of County Record, County of Ramsey, State of Minnesota, on August 17, 1951, as Document Number 296276, and the Declaration of Trust dated on April 25, 2018, and recorded in the Office of County Record, County of Ramsey, State of Minnesota, on May 3, 2018, as Document Number 2613362, the following described real estate described in said Declarations of Trust as part of the premises described as Project Number MN001000004, and being more particularly described on Exhibit A.

Pursuant to that certain Rental Assistance Demonstration ("RAD") Conversion Commitment ("RCC"), dated July 26, 2019, as amended, HUD has authorized the conversion (the "RAD conversion") of the Project described on the attached Exhibit A (the "RAD Property") from public housing to Section 8 assistance under the RAD program and the execution and recordation of a RAD Use Agreement. To accomplish the RAD conversion, HUD

has authorized the release of certain land, as described on Exhibit A attached hereto and buildings erected thereon from the Existing Instruments of certain land and buildings located thereon which comprise all of current PIC Development Number MN001000004 on the attached Exhibit A.

The aforementioned Existing Instruments are hereby modified to delete from their terms the real property listed and described on Exhibit A attached hereto.

WITNESS THE EXECUTION HEREOF, this the ____ day of _____, 2019.

UNITED STATES OF AMERICA
SECRETARY OF HOUSING AND
URBAN DEVELOPMENT

By: _____
Dominique G. Blom

Its: General Deputy Assistant Secretary for
Public and Indian Housing

WASHINGTON)
DISTRICT OF COLUMBIA)

On this the ____ day of _____, 2019, before me, the undersigned officer, personally appeared Dominique G. Blom, General Deputy Assistant Secretary for Public and Indian Housing, who acknowledged herself to be the Authorized Agent for the Secretary of the United States Department of Housing and Urban Development, and that such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained as her free act and deed and the free act and deed of the Secretary of the United States Department of Housing and Urban Development, by signing the name of the said General Deputy Assistant Secretary for Public and Indian Housing by herself as such officer.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my seal on the date and year first above written, _____

Notary Printed Name: _____
My Commission Expires: _____

[SEAL]

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY: Blocks 1, 2, 3 and 4 Franklin D. Roosevelt Homes Addition, including that portion of adjoining Supornick Lane, vacated, lying between the extensions across it of the North and South lines of said Block 2 and together with that portion of adjoining Jessamine Lane, vacated, lying easterly of the East line of Hazelwood Avenue and northwesterly of the northwesterly lines of Ames Avenue.

That part of Block 5, Franklin D. Roosevelt Homes Addition, lying Easterly and Northerly of the following described line:

Commencing at the Northwest corner of said Block 5; thence North 63 degrees 14 minutes 50 seconds East (assumed bearing) along the South line of Ames Avenue, 33.57 feet to the point of beginning of said line to be herein described; thence South 0 degrees 04 minutes 33 seconds East, 176.47 feet; thence North 89 degrees 38 minutes 30 seconds East, 85.89 feet; thence North 79 degrees 12 minutes 19 seconds East 39.74 feet; thence North 82 degrees 20 minutes 13 seconds East, 146.18 feet; thence North 89 degrees 38 minutes 30 seconds East, 328.97 feet to a point on the West line of Germain Street and there terminating said point of termination being 269.44 feet North of the point of intersection of the South line of said Block 5 and the West line of Germain Street as measured along the West line of Germain Street. Subject to easements of record, if any.

Torrens Property

Being registered land as is evidenced by Certificate of Title No. 545921.

First American Title Insurance Company

701 Xenia Avenue South, Ste 450
Golden Valley, MN 55416
(763)852-3800
(877)483-0310
mproduction@firstam.com

TITLE REPORT

APPARENT OWNER(S): Public Housing Agency of the City of Saint Paul, a Minnesota Corporation

LEGAL DESCRIPTION OF PROPERTY: Blocks 1, 2, 3 and 4 Franklin D. Roosevelt Homes Addition, including that portion of adjoining Supornick Lane, vacated, lying between the extensions across it of the North and South lines of said Block 2.

That part of Block 5, Franklin D. Roosevelt Homes Addition, lying Easterly and Northerly of the following described line:

Commencing at the Northwest corner of said Block 5; thence North 63 degrees 14 minutes 50 seconds East (assumed bearing) along the South line of Ames Avenue, 33.57 feet to the point of beginning of said line to be herein described; thence South 0 degrees 04 minutes 33 seconds East, 176.47 feet; thence North 89 degrees 38 minutes 30 seconds East, 85.89 feet; thence North 79 degrees 12 minutes 19 seconds East 39.74 feet; thence North 82 degrees 20 minutes 13 seconds East, 146.18 feet; thence North 89 degrees 38 minutes 30 seconds East, 328.97 feet to a point on the West line of Germain Street and there terminating said point of termination being 269.44 feet North of the point of intersection of the South line of said Block 5 and the West line of Germain Street as measured along the West line of Germain Street. Subject to easements of record, if any. Subject to the easements, conditions and reservations as set forth in Document No. 539179 as to said portion of Supornick Lane.

Subject to Reserving to the State of Minnesota in trust for the taxing districts concerned, of all minerals and mineral rights as provided by law, in all portions of the premises except the premises formerly described (prior to the platting of Franklin B. Roosevelt Homes Addition) as Lots 3, 4, 5, 6 and 7, Block 2, Hillside Park Addition, said premises being those described in Certificate of Title No. 131392.

Subject to the sewer and water easements set forth on the plat of Franklin D. Roosevelt Homes Addition and contained in the dedication clause.

Subject to Declaration of Trust running in favor of the Public Housing Administration, Document Number 296276.

PROPERTY IS: Torrens - Certificate of Title 545921 PROPERTY.

The following documents have been filed for record in the Office of the Ramsey County Recorder (See copies attached hereto):

DOCUMENT NUMBER

740499
1850052

539179
296276
285249
314286
534689
534690

TYPE OF INSTRUMENT

Quit Claim Deed
Quit Claim Deed (For Reference Only - Deed out portion of original deed)
Easement
Declaration
State Deed
Easement
Release (Partial)
Quit Claim Deed - Easement

664960
664961
1716307
1836695
2213675
2519570
2519571
2519572

Certificate
Vacation
Easement
Permit
Resolution
Mortgage
Assignment of Leases and/or Rents
Declaration

2611244
2613362

Request for Notice
Declaration

Further certifies:

1. That there are no unsatisfied judgments docketed in District Court, Ramsey County, Minnesota, against the names of the persons or legal entities shown below between the dates set opposite their respective names, except as follows: None
2. That there are no Bankruptcy proceedings initiated, or no unsatisfied Notices of Federal, State or County Tax Liens, filed in the office of County Recorder, Ramsey County, Minnesota, against the names of the persons or legal entities shown below between the dates set opposite their respective names, except as follows: None
 - o Note: The Bankruptcy searches are limited to parties that held an interest of record in the land during the preceding two years from the date of this Certificate.
 - o Note: The Bankruptcy searches do not reflect dismissals, discharges or other disposition after the initial filing of the bankruptcy petition, which information must be obtained from the bankruptcy court.
 - o Note: The Federal Tax Lien searches have been extended to cover the period of time commencing eleven years prior to the date of this Certificate.
3. That there are no unsatisfied Federal Court Judgment Liens in favor of the United States or a re-filing of any said lien if found, filed in the office of the County Recorder, Ramsey County, Minnesota, against the names of the persons or legal entities shown below for the period commencing 20 years preceding the date of this Certificate and up to the "To Date" opposite their respective names, except as follows: None
4. For properties located in Hennepin, Ramsey, St. Louis or Ottertail Counties:
No unsatisfied judgments were docketed in United States District Court, District of Minnesota, against the names of the persons or legal entities shown below between the dates set opposite their respective names, except as follows:None

Name Searched:

From Date:

To Date:

Public Housing Agency of the City of Saint Paul, a Minnesota Corporation
September 6, 2007

September 6, 2018

- o Note: Dates are as of 7:00 A.M.
- o Note: There has been no search conducted in the Office of the Clerk of the United

States Bankruptcy, District of Minnesota, unless separately attached hereto. A search for Bankruptcy proceedings in said office will only be conducted if there has been a foreclosure, cancellation of contract for deed, decree issued in marriage dissolution proceeding or other involuntary transfer of the land under examination within the two years preceding the date of certification.

Note: Names listed above are full given names as shown of record. Where an individual is identified of record by variation in his, her, or its name searches have been made as to all such names appearing of record. Searches performed include idem sonans names, common abbreviations, accepted derivatives and nicknames. However no search is made as to any name having a middle initial different from that shown hereon.

TAX INFORMATION:

The County Tax Records indicate that the real estate taxes are:

Taxes currently due and payable in **2018**
Amount: \$ **0.00 Exempt Prop. Owned By Municipals**
PIN: **27.29.22.12.0052**
Homestead or non-homestead: **Exempt Properties**
Delinquent taxes: **None**
Address: **1554 Fellows Lane, St. Paul, MN**
Estimated Market Value: \$ **18,228,700000**

NO CERTIFICATION IS GIVEN AS TO MARKETABILITY OR STATUS OF TITLE.

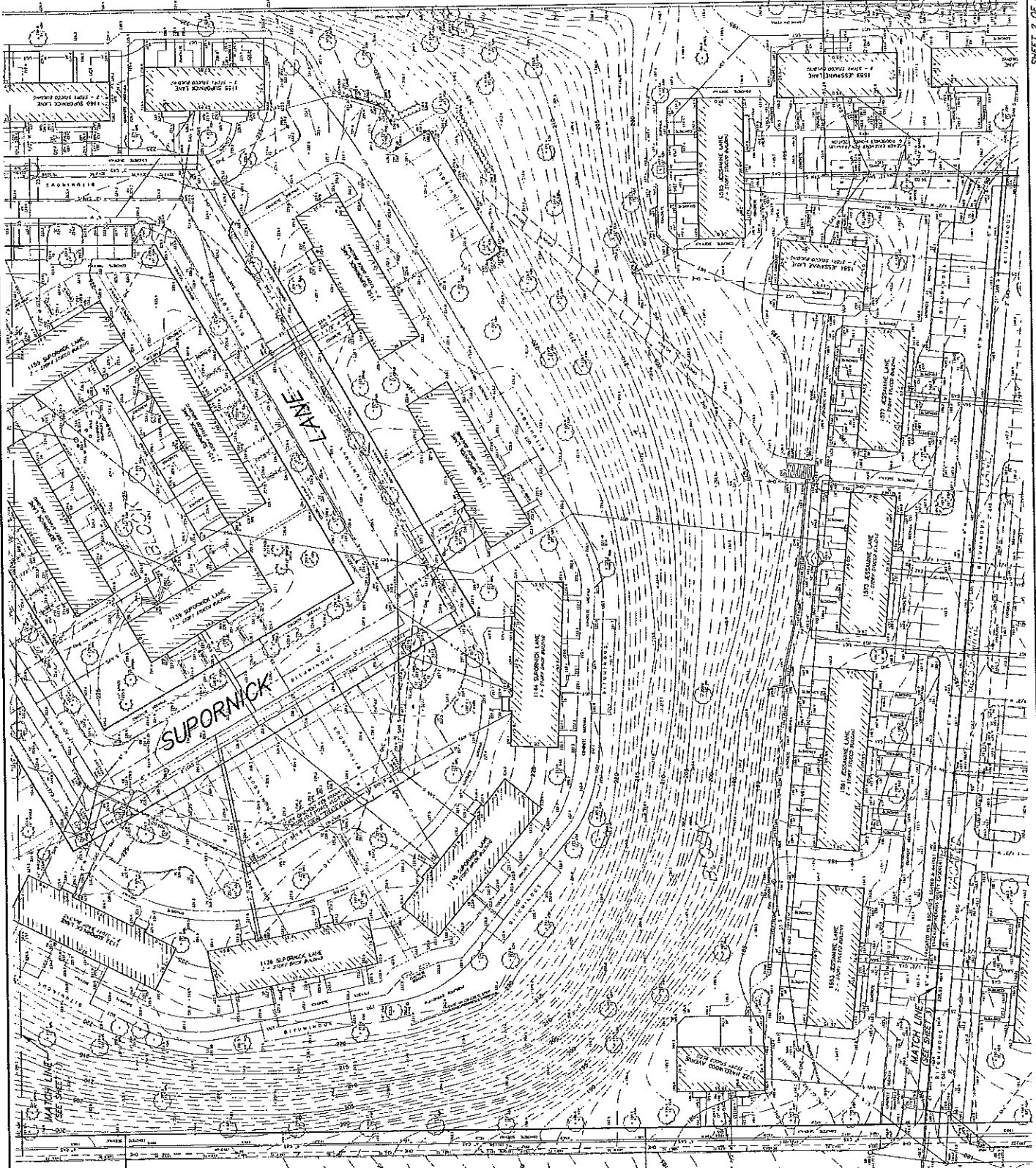
Limitation of Liability for Informational Report

IMPORTANT - READ CAREFULLY: THIS REPORT IS NOT AN INSURED PRODUCT OR SERVICE OR A REPRESENTATION OF THE CONDITION OF TITLE TO REAL PROPERTY. IT IS NOT AN ABSTRACT, LEGAL OPINION, OPINION OF TITLE, TITLE INSURANCE COMMITMENT OR PRELIMINARY REPORT, OR ANY FORM OF TITLE INSURANCE OR GUARANTY. THIS REPORT IS ISSUED EXCLUSIVELY FOR THE BENEFIT OF THE APPLICANT THEREFOR, AND MAY NOT BE USED OR RELIED UPON BY ANY OTHER PERSON. THIS REPORT MAY NOT BE REPRODUCED IN ANY MANNER WITHOUT FIRST AMERICAN'S PRIOR WRITTEN CONSENT. FIRST AMERICAN DOES NOT REPRESENT OR WARRANT THAT THE INFORMATION HEREIN IS COMPLETE OR FREE FROM ERROR, AND THE INFORMATION HEREIN IS PROVIDED WITHOUT ANY WARRANTIES OF ANY KIND, AS-IS, AND WITH ALL FAULTS. AS A MATERIAL PART OF THE CONSIDERATION GIVEN IN EXCHANGE FOR THE ISSUANCE OF THIS REPORT, RECIPIENT AGREES THAT FIRST AMERICAN'S SOLE LIABILITY FOR ANY LOSS OR DAMAGE CAUSED BY AN ERROR OR OMISSION DUE TO INACCURATE INFORMATION OR NEGLIGENCE IN PREPARING THIS REPORT SHALL BE LIMITED TO THE FEE CHARGED FOR THE REPORT. RECIPIENT ACCEPTS THIS REPORT WITH THIS LIMITATION AND AGREES THAT FIRST AMERICAN WOULD NOT HAVE ISSUED THIS REPORT BUT FOR THE LIMITATION OF LIABILITY DESCRIBED ABOVE. FIRST AMERICAN MAKES NO REPRESENTATION OR WARRANTY AS TO THE LEGALITY OR PROPRIETY OF RECIPIENT'S USE OF THE INFORMATION HEREIN.

Dated at Ramsey County, Minnesota, this 6th day of September, 2018 at 7:00 A.M.

File No. 1502828

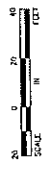
For: The exclusive use of: St. Paul Public Housing Authority



STREET 1066.20

HAZEL WOOD

NO. 04, 34 W.



Sunde Land Surveying Inc.
 4015 E. Broadway, Tacoma, WA 98403
 P.O. Box 100000, Tacoma, WA 98403
 (253) 733-2222, Fax (253) 733-2225

GERMAIN STREET

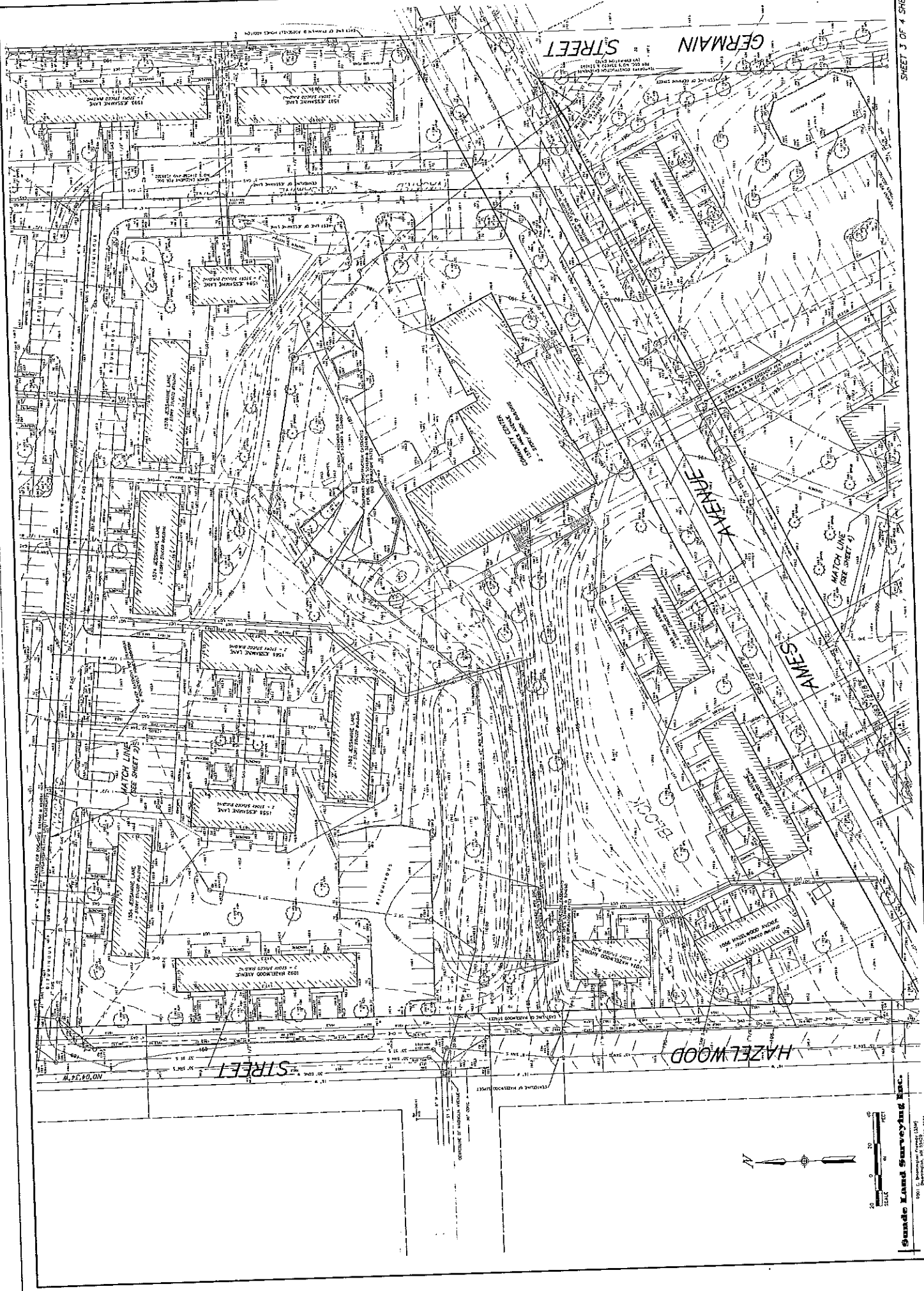
HAZELWOOD STREET

AVENUE

AVENUE

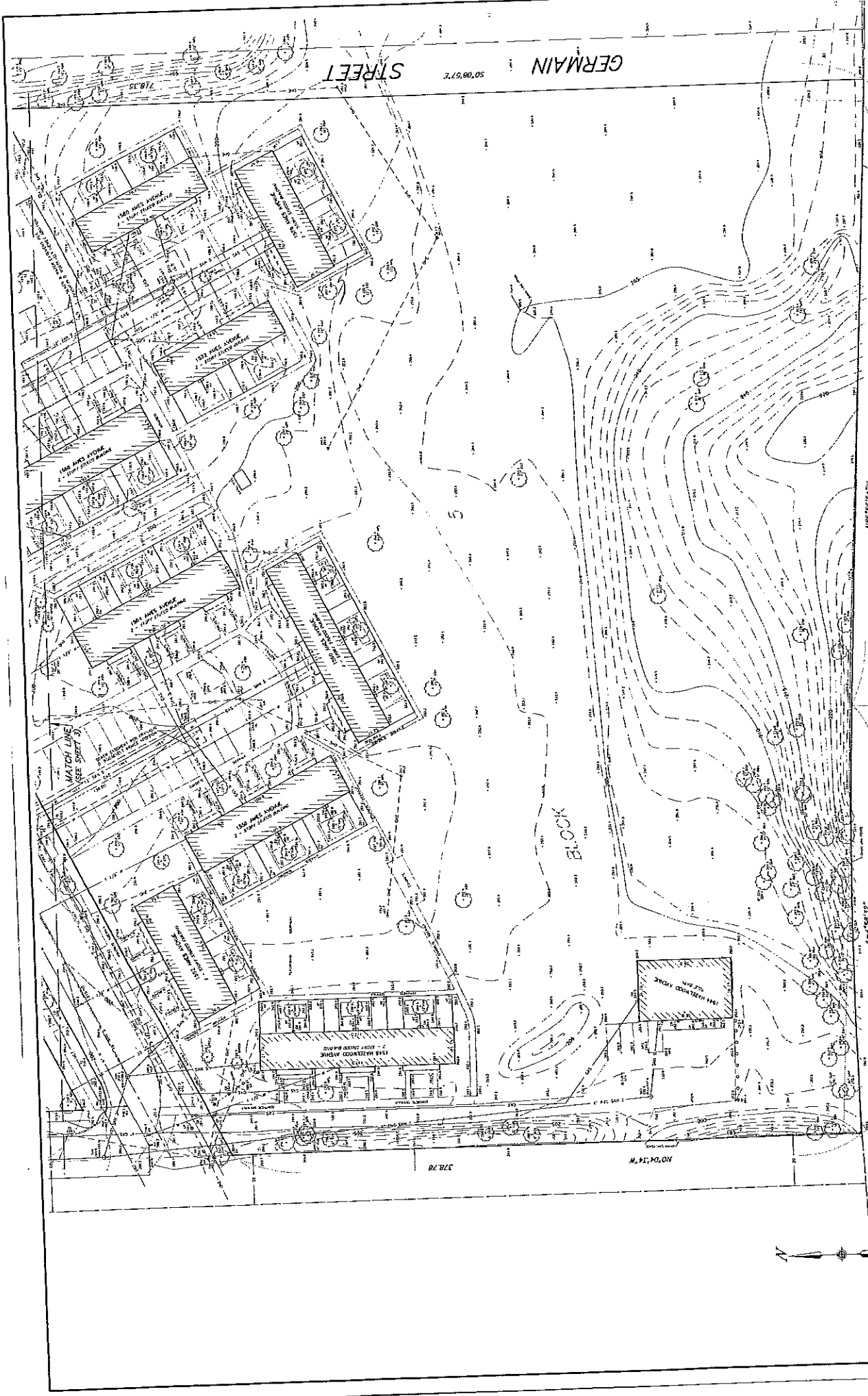
BLOCK

STREET



Grade Land Surveying Inc.

1001 E. Broadway, Suite 100
 Chicago, IL 60601
 (312) 467-7500 Fax (312) 467-7501
 www.grade.com



CHICAGO, ST. PAUL, MINNEAPOLIS & OMAHA RAILROAD



Sunde I and Surveying Inc.

1001 E. Broadway Avenue, L.P.A.
St. Paul, Minnesota 55102
Tel: 612-291-2222

Sources and Uses Report

PHA Name Public Housing Agency of the City of St Paul
 PIC Number MN001000004
 Transaction Log Last Modified: 07/15/2019

Property Name ROOSEVELT HOMES

Sources	
Hard Debt	\$0.00
Soft Debt	\$0.00
Grants	\$1,052,356.00
Public Housing Operating Reserves	\$917,356.00
Public Housing Capital Funds (inc DDTF)	\$135,000.00
Equity	\$0.00

Uses	\$0.00
Acquisition Costs	
Acquisition Land and Buildings	
Payoff Existing Loans and Payables	
Other Acquisition Costs	\$0.00
Hard Costs	
Demolition	
Construction/Rehabilitation	
General Requirements/Overhead/Profit	
Construction/Rehabilitation Contingency	
Builder's Risk Insurance	
Relocation Costs	\$0.00
Soft Costs	
Architectural Design Fee (Plans & Specs)	
Construction Management/Budget Planning Fee	
Engineering Fee	
Feasibility Studies	
Environmental Reports	
Appraisal/Market Study	
Accounting	
Survey	
eCNA Tool	
Title Insurance/Exam Fee, Closing Escrow	
Organizational Costs	
Recordation Fee	
Borrower's Legal Counsel	
Lender's Legal Counsel	
Consultants	
Other Professional Fees	
Other Loan Fees	
FHA Fees (MIP, Application, Inspection)	
Tax Credit Financing Fees	
Prepayment Penalty/Premium	
Payables	
Construction Interest (Not Deferred)	
Construction Loan Fees	
Bond Issuance Cost and Fees	
Permits	
Investor's Legal Counsel	
Bond Legal Counsel	
Permanent Financing Fees	
Furniture, Fixtures & Equipment	
Marketing & Lease Up	\$1,052,356.00
Reserves	\$135,000.00
Initial Deposit to Replacement Reserve	\$135,000.00
Initial Operating Deficit Escrow	
Operating Reserve	\$917,356.00
Tax and Insurance Escrow	
Lease-Up Reserve	
Other Reserves:	
Developer Fees	

TOTAL SOURCES: \$1,052,356.00

TOTAL USES: \$1,052,356.00

PHA CONSOLIDATED OWNER CERTIFICATION - RENTAL ASSISTANCE DEMONSTRATION

The Public Housing Agency of the City of Saint Paul ("PHA"), as the Owner of the Converting Project, to the best of its knowledge and belief, hereby assures and certifies that it will comply with respect to the following.

1. Post Closing Docket Submission

- a. Parties have appointed Angela Holm of the Public Housing Agency of the City of Saint Paul to serve as the primary contact responsible for assembling and submitting the closing dockets. Contact information follows: (651) 292-6159; angela.holm@stpha.org.
- b. Closing dockets, including final executed versions of all documents submitted to HUD for this transaction, will be submitted to HUD per HUD's instructions following the RAD closing.

2. Project Financial Condition.

- a. Fire and other property insurance as required under applicable HUD requirements are and shall be maintained in full force and effect.
- b. All ordinary and necessary operating expenses under Applicable HUD Requirements of the Project are and shall be paid
- c. The Converting Project remains in compliance with applicable HUD requirements including without limitation all requirements related to the physical condition of the Converting Project and any remedial agreements between HUD and the PHA and remedial judicial or administrative orders, except as expressly modified by the RAD Conversion Commitment and/or the Closing Documents.

3. Project Physical Condition.

- a. During the period beginning with the date of the RAD Conversion Commitment through the Closing Date, the PHA shall continue to maintain the physical condition of the Project in accordance with all applicable HUD regulations and requirements and all applicable local codes.

4. Third Party Consents.

- a. Parties have received any and all consents required in order to consummate the Transaction. This may include the consent of any party whose consent is required pursuant to the organizational documents or applicable law, and any other parties that have contracts or agreements that may be modified, breached, or terminated as a result of the Transaction. These consents must be contained at the cost and expense of the applicable parties.

5. Truth and Accuracy

- a. The PHA certifies that information provided to HUD is true and accurate, to the best of its knowledge.

6. Accounts Payable (Check a or b as applicable)

- a. The PHA certifies that there are no outstanding past due accounts payable or other liabilities and if the Converting Project were to issue audited financial statements as of the date of this certification, such statements would reflect positive surplus cash.
- b. The PHA certifies that there are outstanding past due accounts payable or other liabilities ("excess liabilities") that exceed the balances in all non-restricted cash accounts. These excess liabilities will be paid off as part of the closing of the RAD conversion. The PHA understands that closing cannot be held until the PHA has cleared all excess liabilities.

PHA CONSOLIDATED OWNER CERTIFICATION – RENTAL ASSISTANCE DEMONSTRATION

7. **Resident Meeting & Notification**
a. The PHA certifies that all applicable meetings with residents have occurred since CHAP issuance as outlined in Section 1.8, Resident Notification, in the RAD Notice, REV-3.
8. **Completion of Repairs Before Closing (check if applicable).**
a. Pursuant to the terms of the RAD Conversion Commitment (RCC), the PHA is obligated to complete certain repairs with respect to the Project as described in the RCC prior to closing. The PHA hereby certifies that all repairs have been completed in a good and workmanlike manner.
9. **New Construction or Repairs (check if applicable).**
a. The Construction or Repairs identified in the RAD Conversion Commitment will be managed in accordance with all applicable requirements of the RAD Program.
10. **PBRA Conversion – PIC Removal (check if applicable).**
The PHA will fulfill its obligation to remove **320** units from **Roosevelt Homes** in the Inventory Management System/PIH Information Center (IMS/PIC) which are being converted to Project Based Rental Assistance. These units are made up of the following: **63** one bedroom units, **167** two bedroom units, **68** three bedroom units, and **22** four bedroom units. The PHA acknowledges that the removal of the identified units from the IMS/PIC is a material requirement and condition of HUD's approval of its Rental Assistance Demonstration (RAD) application for the project.
11. **PBV Conversion – PIC Removal (check if applicable).**
The PHA will fulfill its obligation to remove ___ units from _____ in the Inventory Management System/PIH Information Center (IMS/PIC) which are being converted to Project Based Vouchers. These units are made up of the following: ___ one bedroom units, ___ two bedroom units (*repeat as necessary for all bedroom types*). The PHA acknowledges that the removal of the identified units from the IMS/PIC is a material requirement and condition of HUD's approval of its Rental Assistance Demonstration (RAD) application for the project.
12. **Resident Notification of Lease Termination and New Lease Execution (check if applicable)**
a. The PHA will provide 30-day advance notification to all public housing residents at the property converting to RAD that their public housing lease will be terminated at the effective date of the new HAP contract.
b. All new tenant leases have been signed or will be signed prior to the effective date of the new HAP contract.
13. **PHA fully converting all of its Public Housing units to RAD through the current transaction (check if applicable)**
a. Upon completion of this RAD conversion for which this PHA has an RCC, the PHA will no longer have residential units in its public housing portfolio. The PHA agrees to comply with PIH Notice 2016-23 regarding the close-out of its residential public housing portfolio. PHA acknowledges that failure to comply with HUD instructions may result in withholding Section 8 or other cash payments pending cure of such violation to HUD's satisfaction.

PHA CONSOLIDATED OWNER CERTIFICATION - RENTAL ASSISTANCE DEMONSTRATION

- 14. PHA fully converting all of its Public Housing units to RAD in subsequent transaction(s) (check if applicable)**
- a. Upon completion of this RAD conversion and the other RAD conversions for which this PHA has an RCC and/or CHAP, the PHA will no longer have residential units in its public housing portfolio. The PHA agrees to comply with PIH Notice 2016-23 regarding the close-out of its residential public housing portfolio. PHA acknowledges that failure to comply with HUD instructions may result in withholding Section 8 or other cash payments pending cure of such violation to HUD's satisfaction.

PHA CONSOLIDATED OWNER CERTIFICATION - RENTAL ASSISTANCE DEMONSTRATION

Signature Page

ACCEPTED AND AGREED TO:

PHA:

By: _____

Name: Jon Gutzmann

Title: Executive Director

Date: _____

EXISTING OWNERSHIP ENTITY (if not the PHA):

By: _____

Name:

Title:

Date:

PROJECT OWNER (after closing, if different than above):

By: _____

Name:

Title:

Date:

WARNING: HUD will prosecute false claims and statements. Convictions may result in criminal and/or civil penalties (18 U.S.C. 1001,1010,1012; 31 U.S.C. 3729/FS3802).

PHA Certification and Assurances

Re: Project Name: Roosevelt Homes
 Location: St. Paul, MN
 Owner/PHA: Public Housing Agency of the City of St. Paul

The PHA certifies to HUD that:

1. The following documents were submitted to HUD for review through October 3, 2019 in connection with the above-referenced RAD transaction converting public housing units to Section 8 assistance (collectively, the “**RAD Project Documents**”):

1. Closing Contact List
2. Fully Executed RAD Conversion Commitment (with RAD PBRA Closing Checklist)
3. Lead Based Paint (LBP) Operations & Maintenance (O&M) Plan
4. Updated PCA Narrative
5. RAD Use Agreement
6. Exhibit A to RAD Use Agreement – Legal Description of Property
7. RAD PBRA HAP Contract, Part 1 (HUD Form 52620)
8. Exhibit 2 to RAD PBRA HAP Contract, Part 1 – Affirmative Fair Housing Marketing Plan (AFHMP)
9. Exhibit 3 to RAD PBRA HAP Contract, Part 1 – Labor Standards Addendum
10. RAD PBRA HAP Contract, Part 2 (HUD Form 52618)
11. Quit Claim Deed – Doc. No. 740499
12. Quit Claim Deed (for reference) – Doc. No.1850052
13. Easement – Doc. No. 539179
14. Declaration of Trust (with St. Paul HRA) – Doc. No.296276
15. State Deed – Doc. No.285249
16. Easement – Doc. No. 314286
17. Partial Release of Declaration of Trust – Doc. No. 534689
18. Quit Claim Deed – Easement – Doc. No. 534690
19. Certificate – Doc. No. 664960
20. Vacation – Doc. No. 664961
21. Easement – Doc. No. 1716307
22. Permit – Doc. No. 1836695
23. Resolution – Doc. No. 2213675
24. Mortgage – Doc. No. 2519570
25. Assignment of Leases and/or Rents – Doc. No. 2519571
26. Declaration of Covenants – Doc. No. 2519572
27. Request for Notice – Doc. No. 2611244
28. Declaration of Trust (with HUD) – Doc. No. 2613362
29. Release of Declarations of Trust (with HUD)
30. Title Report (by First American Title Insurance Company)
31. Site Surveys for Roosevelt Homes
32. Sources and Uses
33. Consolidated Owner Certification

34. Certification and Assurances
 35. Opinion of PHA Counsel
 36. Rent Schedule (HUD Form 92458)
 37. Project Owner's Certification (HUD Form 9839-A)
 38. Management Entity Profile (Form HUD-9832)
 39. Exhibit A to Management Entity Profile – Response to Question #13
 40. Proof of Commercial Crime Insurance (Fidelity)
 41. Proof of Property Insurance
 42. Proof of General Liability Insurance (Hazard)
 43. Model Lease for Subsidized Programs (Form HUD-90105a)
 44. Family Site House Rules
 45. VAWA Lease Addendum (Form HUD-91067)
 46. Live-In Aide Addendum
 47. Agreement to Subordinate to RAD Use Agreement (with MHFA)
 48. Fully Executed General Depository Agreement (HUD Form 51999)
 49. HUD Forms 50075.1 – HUD RHF
 50. HUD Forms 50075.1 – HUD 718
 51. HUD Forms 50075.1 – HUD 719
2. The final executed RAD Project Documents conform to the drafts submitted to HUD for review and have not been changed or modified in any manner except (a) to accept and incorporate outstanding HUD comments or (b) as fully identified and approved by HUD as evidenced in the attached documentation, if any. It is understood that changes and modifications do not include (1) the insertion or correction of execution dates, typed names/addresses, formatting, typographical corrections, cross-reference information and similar non-substantive additions and corrections, or (2) attachment of approved exhibits or riders or making changes authorized by HUD. Changes or modifications made to the RAD Project Documents unrelated to the RAD required provisions after HUD review are shown on the blacklined pages attached at Exhibit A of this Certification and Assurances.
 3. Nothing has been added to the title of the property that adversely affects the RAD Use Agreement since HUD has reviewed the last version of the title report or proforma title policy. The order of recording is as follows:
 - 1) Full Release of Declaration of Trust
 - 2) RAD Use Agreement
 - 3) MHFA Declaration of Restrictive Covenants
 - 4) Subordination Agreements
 4. Should an error or omission be found in such RAD Project Documents or recording order the undersigned shall correct such error or omission and arrange for the re-execution and, if necessary, re-recording of such document at the expense of the Owner and PHA and without the use of Federal funds or Federal restricted funds.
 5. If a change is made to any Closing Document or the Project's financing without HUD's written approval, or if HUD's Escrow Instructions are not complied with, HUD reserves the

right, in its sole discretion, to take any actions that it deems necessary to address the change or protect its interests. If as a result of an unapproved change or non-compliance with HUD's Escrow Instructions, HUD decides to void its conversion approval including termination of the Housing Assistance Payment Contract, the parties will follow HUD's instructions and immediately undertake all necessary actions to unwind the conversion.

WARNING: It is a crime to knowingly make false statements to a federal agency. Penalties upon conviction can include a fine and imprisonment. See Criminal Codes 18 U.S. Code Sections 1001 and 1010.

PHA

Jon Gutzmann
Executive Director

Date

PHA Counsel

Louise T. Seeba
General Counsel

Date

#15

OFFICE OF THE CITY ATTORNEY
Lyndsey M. Olson, City Attorney



CITY OF SAINT PAUL
Mayor Melvin Carter

*Civil Division
400 City Hall and Court House
15 West Kellogg Boulevard
Saint Paul, Minnesota 55102*

*Telephone: 651 266-8710
Facsimile: 651 298-5619*

August 23, 2019

U.S. Department of Housing
and Urban Development
451 Seventh Street SW
Washington, D.C. 20410

Re: Roosevelt Homes, MN46RD00005

Ladies and Gentleman:

We represent the Public Housing Agency of the City of Saint Paul ("PHA"), a public body corporate and politic, organized and existing under the laws of Minnesota and in connection with the conversion of assistance pursuant to the Rental Assistance Demonstration ("RAD") and provision of rental assistance to the project located at 1575 Ames Avenue St. Paul, MN 55106, and commonly known as Roosevelt Homes (the "Covered Project").

We have been requested by the PHA to deliver this opinion in accordance with and pursuant to RAD requirements by the United States Department of Housing and Urban Development ("HUD") and the associated RAD Conversion Commitment entered into by and between HUD, PHA and the Public Housing Agency of the City of Saint Paul (said document is hereafter referred to as the "RCC").

Instruments and Loan Documents Examined

In preparing this opinion, we have prepared or reviewed executed originals or true and complete copies of the instruments and documents, all of which are dated the date hereof (unless otherwise indicated), as set forth in Schedule 1 attached hereto and incorporated herein by this reference. Items under Heading A of Schedule 1 are collectively referred to as the "PHA Documents" and all of the items listed on Schedule 1 are collectively referred to as the "Documents." The Documents represent all of the material, legally binding agreements entered into by PHA in association with the RAD conversion of public housing units approved by HUD pursuant to its execution of the RCC.

Assumptions

The Opinions expressed herein are subject to the following assumptions, in addition to the assumptions and qualifications set forth elsewhere herein:

The Saint Paul City Attorney's Office does not discriminate based on race, color, national origin, religion, sex/gender, disability, sexual orientation, gender identity, age, or veteran status in the delivery of services or employment practices.

1. All Documents submitted to us as originals are authentic, and all copies of the Documents, and all records and letters examined by us are accurate, true, complete, and correct copies of the originals thereof and all factual warranties, representations, and statements made by the parties in the Documents are accurate, true, and correct.
2. Each of the individuals executing the PHA Documents has the requisite legal capacity and all the signatures, other than those of the PHA on PHA Documents, are genuine.
3. The PHA Documents have been duly authorized, executed, and delivered by all parties other than the PHA and constitute legal, valid, and binding obligations of each such other party enforceable in accordance with their terms.
4. Each party to any of the PHA Documents, other than the PHA, is a duly organized corporation, general partnership, limited partnership, limited liability company, national banking association, authority, agent, public body, branch of the government of the United States of America, or other duly organized entity, as the case may be, under and pursuant to the laws of each such party's organizational jurisdiction and, to the extent necessary for the delivery of the opinions set forth herein, is in good standing under the laws of, and authorized to transact business in, the state or commonwealth in which the Covered Project is located ("State").
5. Each party to any of the PHA Documents, other than the PHA, has all requisite certifications of authority, licenses, permits, consents, qualifications, and documentation, and all requisite organizational power and authority, to execute such of the PHA Documents to which it is a party, to perform its obligations under such of the PHA Documents to which it is a party, and to enforce such of the PHA Documents to which it is a party.
6. There are no oral or written modifications or amendments to the Documents and there has been no waiver of any of the provisions of the Documents by actions or conduct of the parties or otherwise.

We have made no investigation of the facts of law underlying the foregoing assumptions but nothing has come to our attention that would provide us with knowledge that we are not justified in making such assumptions. We have made no investigation regarding the accuracy or completeness of any documents, records, instruments, letters, or other writings examined by us, or the accuracy of any warranties, representations, and statements of fact contained therein, and we express no opinion regarding the same. No opinion is expressed regarding the existence or nonexistence of, or the effect of, any form of fraud, misrepresentation, mistake duress, or criminal activity upon the legality, validity, binding effect, or enforceability of any of the PHA Documents, and we have made no investigation of the facts or law pertaining to such conduct, but nothing has come to our attention which would provide us with actual knowledge of the existence of any such conduct.

Opinions

Based upon, and subject to, the assumptions set forth above and subject to the assumptions, qualifications, exceptions, and limitations set forth in this opinion, we are of the opinion that:

1. The PHA is a Minnesota public body, corporate and politic. The PHA has the requisite power and authority to execute and deliver the PHA Documents and to perform its obligations thereunder.
2. The PHA Documents have been duly executed and delivered by the PHA. In addition, those parties executing the PHA Documents on behalf of the PHA, and the consummation by the PHA of the transactions contemplated thereby, have been duly authorized by all necessary corporate or organizational actions, as applicable.
3. Based upon the certification of the PHA attached hereto as Exhibit A, there is no litigation or other claim pending or threatened against the PHA or the Covered Project other than as disclosed to and consented to by HUD. The resolution of any litigation or other claim disclosed to HUD would not have a materially adverse effect on PHA's ability to comply with the RAD requirements, including those set forth in the RCC.
4. The RAD Use Agreement is superior to any other lien and/or encumbrance relating to the Covered Project, except as otherwise reflected in the title report issued or to be issued by First American Title Company and reviewed and approved by HUD. To our knowledge, we have no reason to believe that the title report issued will differ substantively with respect to the listing of liens and/or encumbrances from the pro forma reviewed and approved by HUD or that the documents will be recorded in an order different than the recording order previously submitted to HUD for review.
5. The PHA Documents constitute valid and legally enforceable agreements and/or contracts of the PHA, enforceable in accordance with their respective terms under the laws of the State and local law, subject to the qualifications that the enforceability of any PHA Document may be limited or affected by customary principles governing equitable relief generally and by bankruptcy, insolvency, reorganization, rearrangement, moratorium, liquidation, fraudulent conveyance, receivership, conservatorship, and other laws affecting the rights of creditors or the collection of debtors' obligations generally and a court may refuse to grant an order for specific performance or any other principles of equity which may limit the availability of certain equitable remedies.
6. Based on the foregoing and subject to the assumptions and qualifications set forth in this letter, it is our opinion that each of the PHA Documents conforms to the legal requirements of the RCC and that there is nothing in any of such PHA Documents that conflicts with, or is inconsistent with, the legal requirements of the RCC or exhibits thereto.

Qualifications

The Foregoing opinion is subject to the following qualifications:

1. We express no opinion as to the truth or accuracy of any warranties, representations, or statements of fact contained in any documents examined by us, including, but not limited to, the PHA Documents listed in Heading A of Schedule 1.
2. We express no opinion as to:
 - (a) the effect of bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent transfer, conveyance, and other similar laws affecting the rights and remedies of creditors generally; or
 - (b) the effect of general principles of equity, whether applied by a court of law or equity.
3. We express no opinion as to the enforceability of any provisions in any of the Documents purporting to:
 - (a) preclude the modification thereof through conduct, custom or course of performance, action, or dealing;
 - (b) waive equitable, statutory, or constitutional rights or remedies;
 - (c) require the payment or reimbursement of fees, costs, expenses or other amount which are unreasonable in nature or amount;
 - (d) limit the liability of the recipient of this opinion, or require indemnification of recipient of this opinion, for its own action or inaction; or
 - (e) specify the forum or venue where disputes shall be settled
4. No opinion is given herein as to any laws regulating the business of any the parties other than the PHA, including without limitation: (a) the types of investments that can be made by any of the parties other than the PHA; or (b) the legal lending limit of any of the parties other than the PHA.
5. Whenever our opinion herein is qualified by the phrases "to our knowledge," "known to us," "our attention," or words of similar import, it is intended to indicate that the current actual knowledge of the attorneys within this firm engaged in the representations of the PHA (and not to the knowledge of the firm generally) is not inconsistent with that portion of the opinion which such phrases qualify. We have made no independent investigation with respect to such matters.
6. The opinions set forth are based solely upon the laws and regulations of the State and federal law, and the state of facts in effect on the date hereof. Nothing herein shall be construed to be an opinion as to the applicability or effect of the laws of any other jurisdiction.
7. This opinion speaks only as of the date of its delivery. We have no obligation to advise the recipients of this opinion, or anyone else, of any matter of fact or law thereafter occurring, whether or not brought to our attention, even though that matter affects any analysis or conclusion of this opinion.

8. The opinion is limited to the matters expressly set forth herein, and no opinion is to be inferred or may be implied beyond the matters expressly so stated.

This opinion letter has been provided solely for the benefit of the addressee, at its request, and no other person or entity shall be entitled to rely hereon without the express written consent of the Saint Paul City Attorney's Office. This opinion letter shall not be quoted in whole or in part, used, published, or otherwise referred to or relied upon in any manner, including, without limitation, in any financial statement or other document.

Sincerely,

By: s/ Louise T. Seeba
LOUISE TOSCANO SEEBA
Assistant City Attorney and
General Counsel to the PHA
400 City Hall and Court House
15 West Kellogg Blvd.
Saint Paul, MN 55102
(651) 266-8772
Louise.seeba@ci.stpaul.mn.us

By: s/ Sean Whatley
SEAN WHATLEY
Assistant City Attorney and
Counsel to the PHA
400 City Hall and Court House
15 West Kellogg Blvd.
Saint Paul, MN 55102
(651) 266-8798
Sean.whatley@ci.stpaul.mn.us

By: s/ K. Meghan Kisch
K. MEGHAN KISCH
Assistant City Attorney and
Counsel to the PHA
400 City Hall and Court House
15 West Kellogg Blvd.
Saint Paul, MN 55102
(651) 266-8775
Meghan.kisch@ci.stpaul.mn.us

Schedule 1

In preparing this opinion, we have or reviewed executed originals or true and complete copies of the instruments and documents, all of which are dated the date hereof (unless otherwise indicated), as set forth in the Index to the PBRA RAD Conversion Closing Packet for AMP 4, including all documents listed in the PHA Certifications and Assurances. In addition, we have made such further investigations and examinations that we deemed necessary to render an informed opinion on the matter set forth.

A. PHA Documents:

1. RAD Conversion Commitment
2. RAD Use Agreement
3. RAD PBRA HAP Contract
4. Release of Declaration of Trust
5. All documents listed in the PBRA RAD Conversion Closing Packet and in the PHA Certification and Assurances

B. Other Documents

1. Title Reports
2. Certification and Assurances
3. Consolidated Owner's Certification
4. The following relevant organizational documents: The Laws of Minnesota for 1977, Chapter 228-H.F. No. 542 creating the Saint Paul Public Housing Agency, and By-laws of the Public Housing Agency of the City of Saint Paul [Revised October 24, 2003].

Exhibit A

CERTIFICATION OF PHA

This Certification of PHA ("Certification") is made the ___ day of _____, 2019, by PHA for reliance upon by Saint Paul City Attorney's Office ("Counsel") in connection with the issuance of an opinion letter dated of even date herewith as a condition for conversion of assistance pursuant to the Rental Assistance Demonstration by the Department of Housing and Urban Development ("HUD"). In connection with the opinion letter, PHA hereby certifies to the best of its knowledge to Counsel for its reliance, the truth, accuracy and completeness of the following matter:

- There is no litigation or other claim pending or threatened against PHA or the Covered Project, except for the items listed below as reported to the PHA's independent auditor on July 16, 2019, and updated on August 14, 2019 (excluding unasserted claims):
 - a. **A.T.B. v. PHA** - This is a discrimination complaint filed with HUD by a current participant in the Section 8 program.
 - b. **S.W. v. PHA**- This is a discrimination complaint filed with HUD by a current public housing tenant.
 - c. **M.S. v. PHA** - This is a discrimination complaint filed with the Minnesota Department of Human Rights (MDHR) by a former public housing tenant.
 - d. **F.K. v. PHA**- This is a HUD/FHEO Fair Housing discrimination complaint by a former voucher participant.
 - e. **C.J. v. PHA** - This is a lawsuit filed by a former Section 8 participant in federal court alleging violation of the Fair Housing Act and associated claims.
 - f. **L.M. v. PHA** - This is an appeal from a Section 8 termination case.
 - g. **P.N.H.** - This is a Section 8 participant who has made a report of alleged sexual harassment against a Section 8 inspector and has threatened a legal action against the PHA when it declined her demands for financial compensation and other relief.
- There is no OIG investigation or request for information pending or threatened against PHA or the Covered Project, except for the item listed:
 - h. **OIG Lead Paint** – On July 3, 2019, the OIG requested for information for lead paint data regarding a specific HCV unit. The PHA responded to the request on July 19, 2019.
- The resolution of any such pending or threatened litigation or claims will not have a materially adverse effect on the ability of PHA to comply with the RAD requirements, including those set forth in the RCC.

The PHA and its authorized representative who executes this Certification, each certifies that the statements and representations contained in this Certification and all supporting documentation hereto are true, accurate, and complete. This Certification has been made, presented, and delivered for the purpose of influencing an official action of HUD, and may be relied upon by HUD and Counsel as a true statement of the facts contained therein.

Ronald P. Moen
Finance Director/Controller

Part G – Information on Mortgagor Entity

Name of Entity

Public Housing Agency of the City of Saint Paul

Type of Entity

- Individual General Partnership Joint Tenancy/Tenants in Common Other (specify) Public Housing Agency
 Corporation Limited Partnership Trust

List all Principals Comprising Mortgagor Entity: provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:
• corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
• partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
• trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

Jon M Gutzmann, Executive Director

Name and Title

Thomas Reding, Chair

Name and Title

Kevin Lindsey, Vice Chair

Name and Title

Missy Staples Thompson, Treasurer

Name and Title

Pete Verdeja, Assistant Secretary

Name and Title

Yer Chang, Secretary

Name and Title

John Cardoza, Commissioner

Name and Title

Gy Chajili, Commissioner

Name and Title

Name and Title

Name and Title

Part H – Owner Certification

To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title

Jon Gutzmann
Executive Director

Authorized Official's Signature

Date (mm/dd/yyyy)

Part I – HUD/Lender Approval

Addendum Number

Branch Chief/Lender Official Signature

HAP Contract Number

Date (mm/dd/yyyy)

Exhibit Number

Director, Housing Management Division Signature

Loan Servicer Signature

Date (mm/dd/yyyy)

Date (mm/dd/yyyy)

Public reporting burden for this collection of information is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This collection of information is authorized under Section 207 of the National Housing Act. The information is necessary for the Department to ensure that project owners are not overcharging their tenants and to ensure that the rent levels approved by the Department are not exceeded. The Department uses this information to enforce rent regulations which otherwise would be difficult because there would be no clear record of the rents and charges that the Department had approved. In addition, the Department needs to periodically collect information regarding project principals, so unauthorized participation by previously excluded or otherwise undesirable owners can be detected. This information is required to obtain benefits. HUD may disclose certain information to Federal, State, and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as required and permitted by law.

Instructions

All project owners must submit the form HUD-92458 when requesting an adjustment to project rents. HUD establishes and approves rental charges and utility allowances on the Form. The owner is responsible for notifying tenants of the approved rents.

General. For projects with fully-insured or HUD-held mortgages, the owner/agent submits this Form to the HUD Field Office. For projects with coinsured mortgages, the owner/agent submits this Form to the lender.

Part A. If the monthly rent potential you are proposing is less than or equal to the Maximum Allowable Monthly Rent Potential approved by HUD/lender on your original Rent Formula or on your most recent Rent Computation Worksheet, complete all of Part A according to the instructions below. If the monthly rent potential you are requesting exceeds the Maximum Allowable Monthly Rent Potential approved by HUD/lender on your original Rent Formula or on your most recent Rent Computation Worksheet, complete only Columns 1 and 2 according to the instructions below. Show your proposed rents and monthly rent potential in the cover letter transmitting your rent increase request.

Column 1. Show each type of unit for which rents will vary. Show the number of bedrooms and bathrooms and other features that cause rents to vary (e.g., 2 BDM, 1 B, DA, KETTE, vs 2 BDM, 2B, DR, K). Use the following symbols:

BDM	- Bedroom	LR	- Living Room
B	- Bath	DR	- Dining Room
K	- Kitchen	DA	- Dining Alcove
KETTE	- Kitchenette		

Column 2. Show the number of units for each unit type. Include non-revenue producing units.

Column 3. For unsubsidized projects, show the rent you intend to charge for each unit type. For subsidized projects, show the contract rent (as defined in HUD Handbook 4350.3) for each unit type.

Column 4. For each line, multiply the contract rent in Column 3 by the number of units in Column 4. Add monthly contract rent potentials for each unit size to compute the total monthly contract rent potential. Multiply the monthly total by 12 to compute the annual contract rent potential.

Columns 5 and 6. Complete the Columns only if the project has a subsidy contract with HUD and some utilities are not included in the rent. In Column 5, show the utility allowance for each unit type. Compute the gross rent for each unit type by adding the contract rent in Column 3 and the utility allowance in Column 5. Show this amount in Column 6.

Columns 7 and 8. Complete these Columns only if the project is receiving Section 236 Interest Reduction Payments. In Column 7, show the market rent for each unit type. In Column 8, for each line multiply the market rent in Column 7 by the number of units in Column 2. Add the monthly market rent potentials for each unit size to compute the total monthly market rent potential. Multiply the monthly total by 12 to compute the annual market rent potential.

Parts B, C, D and E. Complete these Parts according to the instructions on the Rent Schedule.

Part F. Do not complete this Part. The HUD Field Office/lender will complete this Part.

Parts G and H. Complete these Parts according to the instructions on the Rent Schedule.

Part I. Do not complete this Part. The HUD Field Office/lender will complete this part.

Project Owner's Certification for Owner-Managed Multifamily Housing Projects

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0305
(exp. 11/30/2016)

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Owners of insured and assisted multifamily housing projects are required by HUD administrative guidelines as found in HUD Handbook 4381.5 REV-2, The Management Agent Handbook, to submit certain data for review by the local HUD office of approval of a new management agent. These requirements apply to insured multifamily projects or HUD-held mortgages and subsidized, non-insured projects that are not financed by State Agencies or the Rural Housing Service Agency.

Project name Roosevelt Homes	FHA project number	Date (mm/dd/yyyy)
City, State St. Paul, Minnesota	Section 8 number MN46RD00005	

Acting on behalf of the St Paul Public Housing Agency, the Project Owner, I make the following certifications and agreements to the United States Department of Housing and Urban Development (HUD) regarding management of the above project.

1. I certify that:

- a. I will comply with HUD requirements and contract obligations, execute an acceptable management agreement, and agree that no payments have been made to me (or agent thereof) in return for awarding the management contract; and, such payments will not be made in the future.
- b. No management agent will be hired without HUD's prior written approval. Changes in the fee will be implemented only in accordance with HUD's requirements.

(1) Fees:

- (a) 14.82 % of residential income collected;
- (b) _____ % of commercial income collected;
- (c) 14.82 % of miscellaneous income collected (This percentage must not exceed the percentage in (1)(a) above).
- (d) Special Fees No Yes If yes, describe in paragraph 4 of Attachment 1.

(2) Calculation of Estimated Yield (See Attachment 1.)

c. I will disburse management fees from project income only after:

- (1) We have submitted this Certification to HUD;
- (2) HUD has approved us to manage this project; and
- (3) HUD has approved the management fee (if required).

d. I understand that no fees may be earned or paid after HUD has terminated my management of the project.

e. If HUD notifies me of an excessive management fee, I will within 30 days of HUD's notice either:

- (1) Reduce the compensation to an amount HUD determines to be reasonable and
- (2) Require the administrator to refund to the project all excessive fees collected, or
- (3) Appeal HUD's decision and abide by the results of the appeal process, making any required reductions and refunds within 30 days after the date of this decision letter on the appeal.

f. If HUD holds the residential management fee yield harmless under the transition provisions of Chapter 3, Section 4 of HUD Handbook 4381.5,

- (1) I understand that HUD will adjust the management fee percentage each time HUD approves a rent increase.
- (2) I agree to be bound by that percentage until the next rent increase or until HUD approves a different fee, pursuant to my request.

2. I will, if the project is subsidized by HUD, select and admit tenants, compute tenant rents and assistance payments, recertify tenants and carry out other subsidy contract administration responsibilities in accordance with HUD Handbook 4350.3 and other HUD instructions.

3. I agree to:

- a. Comply with this project's Regulatory Agreement, Mortgage & Mortgage Note, and any subsidy contract or Workout/Modification Agreement.

b. Comply with HUD handbooks, notices or other policy directives that relate to the management of the project.

4. I agree to:

- a. Ensure that all expenses of the project are reasonable and necessary.
- b. Exert reasonable effort to maximize project income and to take advantage of discounts, rebates and similar money-saving techniques.
- c. Obtain contracts, materials, supplies and services, including the preparation of the annual audit, on terms most advantageous to the project.
- d. Credit the project with all discounts, rebates or commissions (including any sales or property tax relief granted by the state or local government) received.
- e. Obtain the necessary verbal or written cost estimates and document the reasons for accepting other than the lowest bid.
- f. Maintain copies of such documentation and make such documentation available for your inspection during normal business hours.
- g. Invest project funds that HUD policies require to be invested and take reasonable effort to invest other project funds.
- h. Comply with HUD requirements regarding payment and reasonableness of management fees and allocation of management costs between the management fee and the project account.
- i. Refrain from purchasing goods or services from entities that have identity-of-interest with us unless the costs are as low as or lower than arms-length, open-market purchases.

5. I certify that the types of insurance policies checked below are in force and will be maintained to the best of my ability at all times. Fidelity bonds and hazard insurance policies will name HUD as an additional payee in the event of a loss. Note: For any box not checked, attach an explanation as to why you cannot obtain that type of insurance. Such situations should be extremely rare.

- a. Fidelity bond or employee dishonesty coverage for
 - (1) all principals of the ownership entity and;
 - (2) all persons who participate directly or indirectly in the management and maintenance of the project and its assets, accounts and records. Coverage will be at least equal to the project's gross potential income for two (2) months.
- b. Hazard insurance coverage in an amount required by the project's Mortgage.
- c. Public liability coverage.

6. I agree to:

- a. Furnish a response to HUD's management review reports, physical inspection reports and written inquiries regarding the project's annual financial statements or monthly accounting reports within 30 days after receipt of the report or inquiry.
- b. Establish and maintain the project's accounts, books and records in accordance with:
 - (1) HUD's administrative requirements;
 - (2) generally accepted accounting principles; and
 - (3) in a condition that will facilitate audit.

7. I agree that:

- a. All records related to the operation of the project, regardless of where they are housed, shall be considered the property of the project.
- b. HUD, the General Accounting Office (GAO), and those agencies' representatives may inspect:

- (1) any records which relate to the project's purchase of goods or services;
- (2) the records of the owner and the agent; and,
- (3) the records of companies having an identity-of-interest with me.

c. The following clause will be included in any contract entered into with an identity-of-interest individual or business for the provision of goods or services to the project: "Upon request of HUD or (name of owner), (name of contractor or supplier) will make available to HUD, at a reasonable time and place, its records and records of identity-of-interest companies which relate to goods and services charged to the project. Records and information will be sufficient to permit HUD to determine the services performed, the dates the services were performed, the location at which the services were performed, the time consumed in providing the services, the charges made for materials, and the per-unit and total charges levied for said services." I agree to request such records within seven (7) days of receipt of HUD's request to do so.

8. I Understand that:

- a. HUD has the right to terminate this self-management arrangement for failure to comply with the provisions of this Certification, or other good cause, thirty days after HUD has mailed me a written notice of its desire to terminate my authority to manage the project.
- b. In the event of a default under the Mortgage, Note or Regulatory Agreement, HUD has the right to terminate my authority to manage the project immediately upon HUD's issuance of a notice of termination.
- c. If HUD exercises this right of termination, I agree to promptly select an agent that is acceptable to HUD.
- d. If there is a conflict between the Management Agreement & HUD's rights and requirements, HUD's rights & requirements will prevail.
- e. If my authority to manage the project is terminated, I agree to immediately turn over to the new agent all of the project's cash, trust accounts investments and records.

9. I agree to submit a new Management Certification to HUD before taking any of the following actions:

- a. Charge fees different from the percentage fees and any special fees specified in Paragraph 1 of this Certification;
- b. Permit an entity other than me to operate the project .
- c. Permit an entity other than me to collect a fee.

10. I agree to:

- a. Comply with all Federal, state, or local laws prohibiting discrimination against any persons on grounds of race, color, creed, familial status, handicap, sex or national origin, including Title VI of the Civil Rights Act of 1964, Fair Housing Act, Executive Order 11063 and all regulations implementing those laws.
- b. When the head or spouse is otherwise eligible, give families with children equal consideration for admission.
- c. Give handicapped persons priority for subsidized units that were built and equipped specifically for the handicapped.
- d. If the project receives any form of direct Federal financial assistance, comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975 and all regulations and administrative instructions implementing these laws. The owner understands that these laws and regulations prohibit discrimination against applicants or tenants who are handicapped or of a certain age.
- e. Furnish HUD's Office of Fair Housing and Equal Opportunity any reports and information required to monitor the project's compliance with HUD's fair housing and affirmative marketing requirements (including HUD Form 949, if applicable).
- f. Not discriminate against any employee, applicant for employment or contractor because of race, color, handicap, religion, sex or national origin.

g. Provide minorities, women and socially and economically disadvantaged firms equal opportunity to participate in the project's procurement and contracting activities.

h. If the project receives any form of direct Federal financial assistance, comply with Section 3 of the Housing and Urban Development Act of 1968 and its implementing regulations. I understand that this law and the regulations require the project to make training, employment and contracting opportunities available, to the greatest extent feasible, to lower-income project area residents and small businesses.

11. I certify that I have read and understand HUD's definition of "identity-of-interest" and that the statement(s) checked and information entered below are true. (Check box a or b.)

- a. No identity-of-interest exists among me and any individuals or companies that regularly do business with the project.
- b. Only those individuals and companies listed in Section 11a of the Management Entity Profile have an identity-of-interest with me.

12. I certify and agree:

- a. that the Management Entity Profile, dated (mm/dd/yyyy) 07/22/2019, is accurate and current as of the date of this Certification.
- b. To submit an updated profile whenever there is a significant change in the organization or operations of the management entity of the project.

13. The items checked below are attached:

- New Management Entity Profile
- Updated Management Entity Profile
- Attachment I, Calculation of Estimated Yields from Proposed Management Fees
- Other (Specify) _____

Warnings:

There are fines and imprisonment—\$10,000/5years—for anyone who makes false, fictitious, or fraudulent statements or entries in any matter within the jurisdiction of the Federal Government (18 U.S.C 1001).

There are fines and imprisonment—\$250,000/5years—for anyone who misuses rents & proceeds in violation of HUD regulations relative to this project. This applies when the mortgage note is in default or when the project is in a non-surplus cash position (12 U.S.C 1715z-9).

HUD may seek a "double damages" civil remedy for the use of assets or income in violation of any Regulatory Agreement or any applicable HUD regulations (12 U.S.C 1715z-4a).

HUD may seek additional civil money penalties to be paid by the mortgagor through personal funds for :

(1) Violation of an agreement with HUD to use nonproject funds for certain specified purposes as a condition of receiving transfers of physical assets, flexible subsidy loan, capital improvement loan, modification of mortgage terms or workout. The penalties could be as much as the HUD Secretary's loss at foreclosure sale or sale after foreclosure.

(2) Certain specific violations of the Regulatory Agreement, the penalties could be as much as \$25,000 per occurrence (12 U.S.C 1735f-15).

By Project Owner: Name

Jon Gutzmann

title

Executive Director

signature

date (mm/dd/yyyy)

Project Name Roosevelt Homes	FHA Project Number	Date (mm/dd/yyyy)
--	--------------------	-------------------

HUD Field Office Use Only (Check all boxes that apply)

An up-front review of the management fee was: Required Not required

- The management fees quoted in paragraph 1a and explained in Attachment 1 of this Certification are approved.
- The management fees quoted in Paragraph 1a and explained in Attachment 1 of this Certification are **not** approved. The attached letter, dated (mm/dd/yyyy) _____, explains the reasons for this disapproval and sets forth the allowable management fees.
- The residential management fee **Percentage** is held harmless at _____%.
- The residential management fee **Yield** is held capped at \$_____PUPM. Each time you approve a rent increase, adjust the management fee **Percentage** to maintain this yield and enter the information required below.

Effective Date (mm/dd/yyyy) of New Fee %*	Monthly Rent Potential	Collections % Assumed**	Adjusted Management Fee Percentage

* This should be the same date the rent increase is effective.
 ** 95% unless you approve a different percentage.

By Project Manager		By Supervisory Project Manager/Hub Director	
Signature	Date (mm/dd/yyyy)	Signature	Date (mm/dd/yyyy)
Name		Name	
Title		Title	

Attachment 1—Calculation of Estimated Yields from Proposed Management Fees

Project Name		FHA Project Number	Date (mm/dd/yyyy)
Roosevelt Homes			
1. Residential Fee		2. Commercial Fee (Describe commercial space, how it is used and what services management provides.)	
a. Monthly residential rent potential (from Part A of the most recent HUD-approved Rent Schedule)	\$ 260,530		
b. Line 1a times 0.95 *	\$ 247,504		
c. Percentage fee	1,482.000% %		
d. Monthly residential fee yield (Line 1b times 1c)	\$ 36,532		
e. Total number of residential units (include rent-free units.)	320 units		
f. Residential fee yield per unit per month (Line 1d divided by 1e.)	\$.114 PUPM		
* Note: Generally collections must be estimated at 95% of gross potential. If you use a lower percentage, attach an explanation for the collections percentage used. Make sure that any assumption of a lower collections base does not compensate the agent for services for which a special fee will be paid.		a. Monthly commercial rent potential (from Part E of the most recent HUD-approved Rent Schedule)	\$ 0
		b. Percentage fee	0.000%
		c. Commercial fee yield (Line 2a times 2b)	\$ 0
3. Miscellaneous Fee			
a. Percentage fee (not to exceed the residential income fee percentage in Line 1c)			1,482.00% %
b. List any miscellaneous income on which HUD allows a fee to be taken, but on which you have agreed a fee will not be paid.			

4. Special Fees

Show dollar amount(s), purpose(s) and time period(s) covered. Describe performance standards and target dates for accomplishment of special tasks. (Attach additional sheets, if needed.)

#18

Management Entity Profile

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0305
(exp 11/30/2016)

See Public Reporting and Privacy Act statements on last page before completing this form.

Instructions: The management entity may develop its own format for providing the information requested in this form. Independent fee managers and identity-of-interest management agents must provide all the information requested. Owner-managers and administrators of projects for the elderly must provide responses only to the asterisked items. They must also state whether they have previously managed insured and/or HUD-held projects and, if so, list such projects.

*1a. Name of Management Entity St. Paul Public Housing Agency	*1b. Management Entity Type <input checked="" type="checkbox"/> Owner/Manager <input type="checkbox"/> Independent Fee Agent <input type="checkbox"/> Identity-of-Interest Agent <input type="checkbox"/> Project Administrator
---	--

*1c. Employer Identification Number (EIN) 41-1309192	*1d. Organization Type <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Other (specify) Public Housing Agency
--	--

*2. Give names, titles and Social Security Numbers of firm's principals (e.g., general partner, president, treasurer, etc.)		Title	Social Security Number
Name	Jon Gulzmann	Executive Director	
Address	555 Wabasha Street N, Ste 400, St. Paul, MN 55102		
Phone	651-292-6172	Email:	jon.gulzmann@stpha.org
Name			
Address			
Phone		Email:	

3. Provide mailing addresses for the Company's home office and any branch offices involved in management of HUD-related multifamily projects. Specify the geographic area covered by each office.

*4. What year (yyyy) did the company begin managing:			5. Estimate what percent of company's activities involve management of:			
a. HUD-subsidized projects	b. HUD-related unsubsidized projects	c. Conventional projects	a. Conventional projects %	b. HUD-related projects %	c. Commercial space %	d. Other %
1977						
6a. How many of the following projects does the company manage? (Both rentals and cooperatives)			6b. How many of the projects included in 6a:			
HUD-unsubsidized projects	HUD-subsidized projects	HUD-owned projects	Have HUD-held mortgages	Are non-insured	Are subsidized co-ops	Are unsubsidized co-ops
units	units	units				
6c. Approximately what percent of the projects in 6a fall into the following categories:						
Elderly %	Family %	Owned by a non-profit or coop %	Core city %	Troubled neighborhood %	Suburban %	Rural area %

7. Indicate where each of the following activities are administered. Use the following codes: C = central office; R = regional office; P = project site							
Bookkeeping	Landscaping	Maintenance	Purchasing	Tenant application	Certifications/recertifications	Regular monthly subsidy billings	Special claims subsidy billings

*8. How many of the company's full-time employees serve in the following supervisory or advisory roles? (Owner-managers and administrators of projects for the elderly should provide this information on project employees.)							
Engineers	Maintenance supervisors	Occupancy supervisors	Training specialists	Social service coordinators	Regional property managers	How many are minorities	What percentage are minority %
	1				4	1	20 %

*9. Identify any professional memberships, licenses, certificates or accreditations which are related to property management activities and are held by the company, company executives, or the employees considered in Item 8. (attach additional page(s) if necessary)

- Nan McKay Certifications
- Nan McKay Rent Calculation Training
- Nan McKay Multifamily Housing Specialist Certification
- NAHRO Membership
- HDLI Membership

*10. Describe any purchasing procedures you have implemented to control or reduce costs (e.g., bulk purchasing, paying early to take advantage of discounts, cost comparisons or bids, etc.)

The St. Paul PHA has a robust Purchasing Procedure Manual that outlines several procedures we have implemented to control and reduce costs. These procedures include competitive bidding for construction and service contracts; capitalizing on bulk purchasing discounts on consumables, tools, office supplies, and equipment; and paying early to receive discounts on goods and services.

*11a. List any companies which regularly supply goods or services to your HUD-related projects and have an identity-of-interest with the management entity or its principals (e.g., officers, general partners). Specify the type of goods and services provided. (See paragraph 2 - 3D of HUD Handbook 4381.5 for a definition of the term "identity-of-interest.") If these companies do not provide goods/services to all your HUD-related projects, identify the projects that do not deal with these companies.

There are no companies that have an identity-of-interest with the St. Paul PHA or its principals.

*11b. Do any of the identity-of-interest companies listed in 11a. function as "pass-throughs" -- i.e., does the identity-of-interest company purchase goods or services from another party and pass those goods or services through to the project? For each pass-through arrangement:

- (1) Name the identity-of-interest company involved.
- (2) Explain how the identity-of-interest company's compensation is determined.
- (3) Explain why it is more advantageous for the project to use the pass-through arrangement than to purchase directly from the ultimate supplier.

There are no companies that have an identity-of-interest with the St. Paul PHA or its principals.

*12. What types of property management procedures or operating manuals are used by on-site or supervisory staff?

Tenant Selection Plan, HUD Handbook 4350.3, Nan McKay Rent Calculation, Nan McKay Multifamily Housing Specialist Handbooks, PHA Resident Services Handbook, Hi-Rise/Family Site Handbook.

*13. What types of recurring written reports are prepared on project operations (e.g., maintenance, move-in/outs, payables, comparisons of budgeted and actual expenses)? Specify who (by position title) prepares the report, frequency of the report, and who reviews the report.

See attached Exhibit A.

*14a. How frequently do company executives or supervisory staff visit the projects the company manages?

Supervisory staff visit projects daily to weekly.
Executive staff visit the projects monthly.

*14b. Specify who (by position title) conducts the on-site visits or reviews.

Housing Manager, Assistant Resident Services Senior Manager, Assistant Resident Services Director, Maintenance Manager, Assistant Maintenance Director, Maintenance Director

*15. If the company manages subsidized projects, identify by job title who prepares and reviews the HUD-required documents listed below. Specify the frequency of review.

	Prepares documents	Reviews documents	Frequency of review
a. Form HUD-50059, Initial Certifications	Rental Office Technician/Specialist	Administrative Support Technician	Always
b. Form HUD-50059, Recertifications	Re-Exam. Tech.	Assistant Housing Manager	Always
c. Regular Monthly Subsidy Billings	Re-Exam Tech., Housing Manager	Finance Staff	Monthly
d. Special Claims Subsidy Billings	Housing Manager	Finance Staff	Monthly
e. Proposals to terminate tenant assistance payments	Assistant Housing Manager	Housing Manager; Legal	Always
f. Proposals to evict	Assistant Housing Manager	Housing Manager; Legal	Always
g. Monthly Accounting Reports (Forms HUD-93479, 80, 81)	Assistant Controller	Finance Director	Monthly
h. Form HUD-949, Civil Rights Tenant Characteristics/Occupancy Reports			

16. If applicable, describe how the home office supervises supervisory staff (e.g., property managers, occupancy specialists, maintenance supervisors), who operate out of branch offices.

*17. Describe how the company trains its employees in the areas listed below. Discuss both on-going training and initial training provided when the employee is hired. Specify the frequency and duration of the training and who/what organization conducts the training. Discuss training for both supervisory and front-line staff.

a. Properly management practices.

Both supervisory and front-line new hires are trained in PHA properly management practices by their direct supervisors and peers in their work area. This occurs during the first two to four weeks on the job. These training sessions cover both PHA policies (Tenant Selection Plan, House Rules, position manuals, etc.) and applicable components of HUD Handbook 4350.3. Training sessions include shadowing existing staff in similar positions.

Ongoing training opportunities include internal sessions regarding new policies and procedures conducted by supervisory staff and the legal team, as well as opportunities to attend the Multifamily Housing Specialist certification training conducted by Nan McKay and Associates, Inc. Nearly all front-line and supervisory staff will have completed the Multifamily Housing Specialist certification prior to the RAD conversion.

b. Financial and recordkeeping requirements.

Internal training to both Accounting staff and staff members from other departments on financial and recordkeeping requirements. Training is provided to all departments on insurance reporting requirements, Tenants Accounts Receivable requirements, Accounts Payable processing, and Budgeting best practices. New accounting staff are provided on the job training for their respective job requirements by their supervisor(s). Training generally continues for at least one year, providing staff exposure to the entire accounting cycle. Staff are provided supplemental training to ensure the Agency remains in compliance with updated accounting standards as they are promulgated. Staff also attend external trainings on HUD accounting and reporting, which are conducted by industry groups or licensed CPA consultants.

c. Civil rights and fair housing laws.

All newly-hired employees receive introductory training on the subject of non-discrimination and fair housing. Staff members review the non-discrimination policies in the PHA's employee handbook and the Equal Opportunity Housing policies in Appendix C of the PHA's Admission and Occupancy Policies and the PHA's Tenant Selection Plan.

All PHA staff also receive periodic training on Reasonable Accommodations, VAWA, Non-Discrimination, and Limited English Proficiency (LEP). These trainings are conducted by the PHA's Legal Department and are held for all employees every 12-24 months. All properly managers are required to complete management training and certification, which includes a Fair Housing component. Relevant staff also attend annual training conferences and industry seminars including sessions related to Fair Housing, VAWA, Reasonable Accommodations, Non-Discrimination, LEP, and other subjects.

d. Occupancy requirements in HUD Handbook 4350.3, Occupancy Requirements of Subsidized Multifamily Housing Programs (if the company manages subsidized projects).

Multifamily Housing Specialist Training by Nan McKay, attended by all affected employees prior to RAD closing. Topics will be reviewed with new employees as they are hired and training will be renewed with all staff every 12-24 months post conversion.

Re-exam technicians and assistant housing managers will complete Rent Calculation Training conducted by Nan McKay in late 2019.

Affected staff will also attend Management Occupancy Review (MOR) training in late 2019 or early 2020, in advance of the PHA's first MOR.

*18. Has an owner of a HUD-related project, at any time during the past three years, cancelled a property management contract held by the company?

Yes No

During the past three years, how many HUD-related projects have not renewed their management contracts with the company?
(Number) _____

Explain the reasons for any cancellations or failure to renew and identify the projects involved.

19a. List all HUD Field Offices that have jurisdiction over the projects included in 6a. For companies that operate in more than five Field Office jurisdictions, identify the five jurisdictions where the greatest number of your HUD-related projects are located.

19b. List all State Agencies in whose jurisdiction you have managed or are managing State Agency-financed projects. For companies that operate in more than five States, identify the five where the greatest number of your State Agency projects are located.

19c. List all FmHA offices in whose jurisdiction you have managed or are managing FmHA projects. For companies that operate in more than five FmHA jurisdictions, identify the five where the greatest number of your FmHA projects are located.

Certification: The undersigned hereby certifies that the statements and information contained in this profile are true and correct.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signed by Management Entity Representative

Signature	Date (mm/dd/yyyy)
Print Name Jon Gutzmann	Title Executive Director

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number.

Owners of insured and assisted multifamily housing projects are required by HUD administrative guidelines as found in HUD Handbook 4381.5 REV-2, The Management Agent Handbook, to submit certain data for review by the local HUD office of approval of a new management agent. These requirements apply to insured multifamily projects or HUD-held mortgages and subsidized, non-insured projects that are not financed by State Agencies or the Rural Housing Service Agency.

Privacy Act Statement: The Department of Housing and Urban Development (HUD) is authorized to collect this information by the U.S. Housing Act of 1937, as amended, and the Social Security Numbers (SSN) by the Housing and Community Development Act of 1987, 42 U.S.C. 3543. The information concerning management documents for Multifamily Housing projects is being collected by HUD to: (1) determine the acceptability of proposed management agents, (2) ensure compliance with program requirements, (3) provide leverage for removing poor managers, and (4) recover excessive management fees. The information is being used as a management tool to avoid the misuse of HUD subsidies and defaults against the FHA insurance fund by management agents. Specifically, the information will provide for improved project management by ensuring that subsidy funds are administered in accordance with HUD rules, project expenses are reasonable, maintenance of documented records, and use of project funds only in accordance with HUD requirements. The SSN is used as a unique identifier. HUD may disclose this information to Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as permitted or required by law. Failure to provide the information could result in HUD's denial of proposed management or fees or cancellation of management contracts for noncompliance with HUD procedures. Providing the SSN is mandatory, and failure to provide it could affect your participation in HUD programs.

Exhibit A to HUD Form 9832 – Management Entity Profile

*13. What types of recurring written reports are prepared on project operations (e.g., maintenance, move-in/outs, payables, comparisons of budgeted and actual expenses)? Specify who (by position title) prepares the report, frequency of the report, and who reviews the report.

Maintenance and Maintenance Contracts

Report: Capital Fund Program Budget Evaluation
Prepared by: Construction Program Manager
Frequency: Monthly
Reviewed by: PHA Finance Department and funds verified in LOCCS

Report: Operating Budget Evaluation
Prepared by: Assistant Maintenance Director
Frequency: Ongoing as purchases are made
Reviewed by: Maintenance Director and PHA Finance Department

Report: Preventative Maintenance Report
Prepared by: Maintenance Managers and Support Services Technicians
Frequency: Monthly
Reviewed by: Maintenance Director and Assistant Maintenance Director

Report: Vacant Unit Turnover Report
Prepared by: Administrative Support Staff
Frequency: Monthly
Reviewed by: Maintenance Managers/Supervisors, Maintenance Director, Assistant Maintenance Director

Report: Building Inspection Reports
Prepared by: Resident Services and Maintenance Management
Frequency: Monthly
Reviewed by: Maintenance Managers/Supervisors, Maintenance Director, Assistant Maintenance Director, Resident Services Management

Report: Work Orders Open 20 Days and Older
Prepared by: Maintenance Support Services Technicians
Frequency: Weekly
Reviewed by: Maintenance Managers/Supervisors, Maintenance Director, Assistant Maintenance Director

Report: Resident Satisfaction Survey Report
Prepared by: Administrative Support Technicians
Frequency: Monthly
Reviewed by: Assistant Maintenance Director

Report: PHA-owned Vehicle Inspection Reports
Prepared by: Administrative Support, Maintenance Managers/Supervisors, Field Staff
Frequency: Weekly report, compiled monthly
Reviewed by: Administrative Support Technicians, Maintenance Managers/Supervisors,
Maintenance Director, Assistant Maintenance Director

Report: Labor Relations Report
Prepared by: Construction Program Manager
Frequency: Twice annually
Reviewed by: HUD

Report: Section 3 Contracting Report
Prepared by: Construction Program Manager
Frequency: Annually
Reviewed by: HUD

Report: Minority/Women/Disabled Owned Business Enterprise Report
Prepared by: Construction Program Manager
Frequency: Quarterly
Reviewed by: PHA Board of Commissioners

Report: Boiler Inspection Reports
Prepared by: Boiler Service and Inspection Contractor
Frequency: Weekly report compiled monthly
Reviewed by: Chief Operating Engineer, Maintenance Director, Assistant Maintenance Director

Report: Fire Alarm System Inspection Reports
Prepared by: Fire Alarm Service and Inspection Contractor
Frequency: Twice annually
Reviewed by: Construction Program Manager

Report: Fire Sprinkler System Inspection Reports
Prepared by: Fire Sprinkler Service and Inspection Contractor
Frequency: Twice annually
Reviewed by: Construction Program Manager

Report: Emergency Generator Inspection Reports
Prepared by: Emergency Generator Service and Inspection Contractor
Frequency: Monthly
Reviewed by: Construction Program Manager

Report: Elevator Inspection Reports
Prepared by: Elevator Service and Inspection Contractor
Frequency: Monthly
Reviewed by: Construction Project Leader

Resident Services

Report: Lease Terminations
Prepared by: Administrative Support Technicians
Frequency: Monthly
Reviewed by: Housing Manager

Report: Move In/Move Out
Prepared by: Administrative Support Technicians
Frequency: Monthly
Reviewed by: Housing Manager

Report: Property and Grounds Conditions
Prepared by: Administrative Support Technicians
Frequency: Monthly
Reviewed by: Housing Manager

Report: Inspections
Prepared by: Administrative Support Technicians
Frequency: Monthly
Reviewed by: Housing Manager

Report: Trespass Log
Prepared by: Administrative Support Technicians
Frequency: Monthly
Reviewed by: Housing Manager

Report: In-Process Annual Recertifications
Prepared by: Re-Examination Technician
Frequency: Monthly
Reviewed by: Housing Manager

Report: In-Process Interim Recertifications
Prepared by: Re-Examination Technician
Frequency: Monthly
Reviewed by: Housing Manager

Report: New Hires
Prepared by: Re-Examination Technician
Frequency: Monthly
Reviewed by: Housing Manager

Report: Income Discrepancy
Prepared by: Re-Examination Technician
Frequency: Monthly
Reviewed by: Housing Manager

Report: Multiple Subsidy
Prepared by: EIV Coordinator
Frequency: Monthly
Reviewed by: Housing Manager

Report: EIV Error Report
Prepared by: EIV Coordinator
Frequency: Monthly
Reviewed by: Housing Manager

Report: Mandatory Transfers
Prepared by: Housing Manager
Frequency: Monthly
Reviewed by: Assistant Housing Managers

Report: Residents Turning 18 Years-Old
Prepared by: Housing Manager
Frequency: Monthly
Reviewed by: Assistant Housing Managers

Report: Police Calls for Service
Prepared by: Housing Manager
Frequency: Monthly
Reviewed by: Assistant Housing Managers

Report: Zero Income Households
Prepared by: Housing Manager
Frequency: Quarterly
Reviewed by: Assistant Housing Managers

Report: Vacant Unit Report
Prepared by: Administrative Support Technician
Frequency: Weekly
Reviewed by: Housing Managers

Report: Work Order Not Completed Over 20 Days
Prepared by: Maintenance Support Technician
Frequency: Weekly
Reviewed by: Maintenance Supervisor

Report: Active Applicants by Tech
Prepared by: Assistant Rental Administrator
Frequency: Monthly
Reviewed by: Assistant Rental Administrator/Rental Administrator

Report: Intent to Vacate
Prepared by: Administrative Support Technician
Frequency: Weekly
Reviewed by: Assistant Rental Administrator/Rental Administrator

Report: Unit Offer Status Listing
Prepared by: Assistant Rental Administrator
Frequency: Weekly
Reviewed by: Assistant Rental Administrator/Rental Administrator

Report: Mod Vacant Report
Prepared by: Administrative Support Technician
Frequency: Monthly
Reviewed by: Assistant Rental Administrator/Rental Administrator

Finance

Report: Subsidy Tracking Reports
Prepared By: Assistant Controller
Frequency: Monthly (at least)
Reviewed by: Finance Director

Report: Review of Bills and Communications
Prepared By: Accounting Staff
Frequency: Monthly
Reviewed by: Board of Commissioners

Report: Quarterly Financial Reports
Prepared By: Assistant Controller
Frequency: Quarterly
Reviewed by: Board of Commissioners

Report: Comprehensive Annual Financial Statement
Prepared By: Accounting Staff
Frequency: Annually
Reviewed by: Finance Director, Executive Director, Board of Commissioners

Report: Collection Loss/Write-off Summary
Prepared By: TAR Accountant
Frequency: Quarterly
Reviewed by: Finance Director, Board of Commissioners

Report: Investment Report
Prepared By: Finance Director
Frequency: Quarterly
Reviewed by: Board of Commissioners

Report: Solar Garden Consumption Report
Prepared By: Finance Director
Frequency: Annually
Reviewed by: Board of Commissioners

Report: Workers Comp Audit
Prepared By: External reviewer
Frequency: Annually
Reviewed by: Finance Director, Board of Commissioners

Report: Special Purpose Refund Submission
Prepared By: Accounting Specialist
Frequency: Twice Annually
Reviewed by: Assistant Controller, MN Dept. of Revenue

Report: PILOT Reconciliation
Prepared By: Assistant Controller
Frequency: Yearly
Reviewed by: Finance Director

Report: Accounts Payable Reconciliation
Prepared By: Accounting Specialist
Frequency: Weekly
Reviewed by: Assistant Controller

Report: Hi Rise Water Consumption Tracking
Prepared By: Accounting Specialist
Frequency: Monthly
Reviewed by: Assistant Controller, Finance Director

Report: Travel/Training Expense Summary
Prepared By: Accounting Specialist
Frequency: Monthly
Reviewed by: Department Directors

Report: Payroll Expense Summary
Prepared By: Assistant Controller
Frequency: Monthly
Reviewed by: Department Directors

#20



Wrap+®
for Government Entities
**CRIME
DECLARATIONS**

Travelers Casualty and Surety Company of America
Hartford, Connecticut
(A Stock Insurance Company, herein called the Company)

ITEM 1	<p>NAMED INSURED:</p> <p>ST. PAUL PUBLIC HOUSING AGENCY</p> <p>D/B/A:</p> <p>Principal Address: 555 NORTH WABASHA STREET, SUITE 400 SAINT PAUL, MN 55102</p>
ITEM 2	<p>POLICY PERIOD:</p> <p>Inception Date: April 22, 2019 Expiration Date: April 22, 2022 12:01 A.M. standard time both dates at the Principal Address stated in ITEM 1.</p>
ITEM 3	<p>ALL NOTICES OF CLAIM OR LOSS MUST BE SENT TO THE COMPANY BY EMAIL, FACSIMILE, OR MAIL AS SET FORTH BELOW:</p> <p>Email: BS1claims@travelers.com Fax: (888) 460-6622</p> <p>Mail: Travelers Bond & Specialty Insurance Claim 385 Washington St. – Mail Code 9275-NB03F St Paul, MN 55102</p>
ITEM 4	<p>COVERAGE INCLUDED AS OF THE INCEPTION DATE IN ITEM 2:</p> <p>Crime</p>

ITEM 5

Insuring Agreement	CRIME	
	Single Loss Limit of Insurance	Single Loss Retention
A. Fidelity 1. Employee Theft 2. ERISA Fidelity 3. Employee Theft of Client Property	See Endorsement Not Covered Not Covered	
B. Forgery or Alteration	Not Covered	
C. On Premises	Not Covered	
D. In Transit	Not Covered	
E. Money Orders and Counterfeit Money	Not Covered	
F. Computer Crime 1. Computer Fraud 2. Computer Program and Electronic Data Restoration Expense	Not Covered Not Covered	
G. Funds Transfer Fraud	Not Covered	
H. Personal Accounts Protection 1. Personal Accounts Forgery or Alteration 2. Identity Fraud Expense Reimbursement	Not Covered Not Covered	
I. Claim Expense	\$5,000	\$0

**ITEM 5.
(Cont'd)**

If "Not Covered" is inserted above opposite any specified Insuring Agreement, or if no amount is included in the Limit of Insurance, such Insuring Agreement and any other reference thereto is deemed to be deleted from this **Crime Policy**.

Policy Aggregate Limit of Insurance: Applicable Not Applicable

If a Policy Aggregate Limit of Insurance is applicable, then the Policy Aggregate Limit of Insurance for each **Policy Period** for Insuring Agreements A through H, inclusive, is: **Not Applicable**

If a Policy Aggregate Limit of Insurance is not included, then this **Crime Policy** is not subject to a Policy Aggregate Limit of Insurance as set forth in Section V. **CONDITIONS B. PROVISIONS AFFECTING LOSS ADJUSTMENT AND SETTLEMENT 1. Limit of Insurance a. Policy Aggregate Limit of Insurance.**

Cancellation of Prior Insurance:

By acceptance of this **Crime Policy**, the **Insured** gives the Company notice canceling prior policies or bonds issued by the Company that are designated by policy or bond numbers **Not Applicable**, such cancellation to be effective at the time this **Crime Policy** becomes effective.

INSURED'S PREMISES COVERED:

All Premises of the Insured in the United States of America, its territories and possessions, Canada, or any other country throughout the world, except:

Not Applicable

ITEM 6

PREMIUM FOR THE POLICY PERIOD:

\$5,553.00 Policy Premium
N/A Annual Installment Premium

ITEM 7

FORMS AND ENDORSEMENTS ATTACHED AT ISSUANCE:

**ACF-7006-0511; CRI-3001-0109; CRI-7125-0109; CRI-19072-0315; CRI-19086-0516; CRI-19101-1117;
CRI-4010-0109; CRI-5024-0613; CRI-19097-0517**

THE DECLARATIONS, THE APPLICATION, THE CRIME TERMS AND CONDITIONS, ANY PURCHASED INSURING AGREEMENTS, AND ANY ENDORSEMENTS ATTACHED THERETO, CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE COMPANY AND THE NAMED INSURED.

Countersigned By

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its authorized officers.



Executive Vice President



Corporate Secretary

CRIME TERMS AND CONDITIONS

PLEASE READ ALL TERMS AND CONDITIONS CAREFULLY

CONSIDERATION CLAUSE

IN CONSIDERATION of the payment of the premium stated in the Declarations, and subject to the Declarations and pursuant to all the terms, conditions, exclusions and limitations of this **Crime Policy**, the Company will pay the **Insured** for direct loss that the **Insured** sustains which is directly caused by a **Single Loss** taking place at any time and which is **Discovered** by the **Insured** during the **Policy Period** or during the Extended Period to Discover Loss pursuant to the terms set forth in Section V. CONDITIONS A. GENERAL CONDITIONS 3. Extended Period to Discover Loss.

I. INSURING AGREEMENTS

This **Crime Policy** provides coverage under each of the following Insuring Agreements. Notwithstanding the aforesaid, if ITEM 5 of the Declarations indicates that any Insuring Agreement is "**Not Covered**," then such Insuring Agreement and any other reference thereto is deemed to be deleted from this **Crime Policy**.

A. FIDELITY

1. Employee Theft

The Company will pay the **Insured** for the **Insured's** direct loss of, or direct loss from damage to, **Money, Securities and Other Property** directly caused by **Theft or Forgery** committed by an **Employee**, whether identified or not, acting alone or in collusion with other persons.

2. ERISA Fidelity

The Company will pay the **Insured** for direct loss of, or direct loss from damage to, **Money, Securities and Other Property** that belongs to an **Employee Benefit Plan**, directly caused by **Theft or Forgery** committed by a **Fiduciary**, whether identified or not, acting alone or in collusion with other persons.

3. Employee Theft of Client Property

The Company will pay the **Insured** for direct loss of, or direct loss from damage to, **Money, Securities and Other Property** sustained by the **Insured's Client**, directly caused by **Theft or Forgery** committed by an identified **Employee**.

B. FORGERY OR ALTERATION

The Company will:

1. pay the **Insured** for the **Insured's** direct loss directly caused by **Forgery** or alteration of, on or in any written **Covered Instruments** that are:



EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

DATE (MM/DD/YYYY)
07/19/2019

THIS EVIDENCE OF COMMERCIAL PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

PRODUCER NAME, CONTACT PERSON AND ADDRESS Housing Insurance Services Inc. 189 Commerce Court - P. O. Box 189 Cheshire CT 06410	PHONE (A/C, No, Ext): (800) 873-0242	COMPANY NAME AND ADDRESS Housing Authority Property Insurance, A Mutual Company 189 Commerce Court - P.O. Box 189 Cheshire CT 06410	NAIC NO: 10069
FAX (A/C, No): (203) 272-1334	E-MAIL ADDRESS:	IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH	
CODE: 7916	SUB CODE:	POLICY TYPE Commercial Property	
AGENCY CUSTOMER ID #: 7916	NAMED INSURED AND ADDRESS Public Housing Agency of the City of St. Paul 555 North Wabasha Street, Suite 400 St. Paul MN 55102	LOAN NUMBER	POLICY NUMBER HAPI-277-186743-2018
ADDITIONAL NAMED INSURED(S)		EFFECTIVE DATE 12/01/2018	EXPIRATION DATE 12/01/2019
		CONTINUED UNTIL TERMINATED IF CHECKED <input type="checkbox"/>	
		THIS REPLACES PRIOR EVIDENCE DATED:	

PROPERTY INFORMATION (Use REMARKS on page 2, if more space is required) BUILDING OR BUSINESS PERSONAL PROPERTY

LOCATION / DESCRIPTION: See attached schedule - HACP 1052

If CHECKED, BPP LIMIT: \$5,430,124

THIS POLICY IS SUBJECT TO A \$150,000,000 CATASTROPHE LIMIT

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION	PERILS INSURED	BASIC	BROAD	SPECIAL	DED
COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE:					\$ 682,587,896
					DED: \$25,000
<input checked="" type="checkbox"/> BUSINESS INCOME <input type="checkbox"/> RENTAL VALUE		X			If YES, LIMIT: See HACP 1052
BLANKET COVERAGE			X		Actual Loss Sustained; # of months:
TERRORISM COVERAGE			X		If YES, indicate value(s) reported on property identified above: \$
IS THERE A TERRORISM-SPECIFIC EXCLUSION?		X			Attach Disclosure Notice / DEC
IS DOMESTIC TERRORISM EXCLUDED?		X			
LIMITED FUNGUS COVERAGE		X			If YES, LIMIT: \$15,000 DED: \$25,000
FUNGUS EXCLUSION (If "YES", specify organization's form used)		X			See Policy
REPLACEMENT COST		X			
AGREED VALUE		X			
COINSURANCE			X		If YES, % Equivalent to Agreed Value
EQUIPMENT BREAKDOWN (If Applicable)		X			If YES, LIMIT: DED:
ORDINANCE OR LAW - Coverage for loss to undamaged portion of bldg		X			If YES, LIMIT: Inc. in Building Limit DED: \$25,000
- Demolition Costs		X			If YES, LIMIT: Demo and Incr. Cost DED: \$25,000
- Incr. Cost of Construction		X			If YES, LIMIT: \$250,000 DED:
EARTH MOVEMENT (If Applicable)			X		If YES, LIMIT: DED:
FLOOD (If Applicable)		X			If YES, LIMIT: \$250,000 DED: \$25,000
WIND / HAIL (If Subject to Different Provisions)		X			If YES, LIMIT: DED: 1 %
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS					Waiver must be in writing prior to loss
Earthquake		X			If YES, LIMIT: \$1,000,000 DED: \$100,000

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

<input type="checkbox"/> MORTGAGEE	<input type="checkbox"/> CONTRACT OF SALE	LENDER SERVICING AGENT NAME AND ADDRESS
<input checked="" type="checkbox"/> LENDERS LOSS PAYABLE		
NAME AND ADDRESS Department of Housing and Urban Development 451 7th Street S.W. Washington DC 20410		AUTHORIZED REPRESENTATIVE <i>Rosent Stamaty</i>

EVIDENCE OF COMMERCIAL PROPERTY INSURANCE REMARKS - Including Special Conditions (Use only if more space is required)

Special Wording:

Coverage Section D: Public Officials Liability - Claims Made

Limits of Coverage

Per Wrongful Act: NOT COVERED
Aggregate: NOT COVERED
Retroactive Date:

Deductible -- Per Wrongful Act: NONE

Coverage Section E: Mold, Other Fungi or Bacteria Liability - Claims Made

Limits of Coverage

Limit of Coverage: \$100,000
Retroactive Date: 3/1/2004

Deductible -- Per Year: \$25,000

Coverage Section F: Non-Owned and Hired Auto Liability

Limits of Coverage

Per Accident: NOT COVERED

Deductible -- Per Accident: NONE

Coverage Section G: Employee Benefits Administration Liability - Claims Made

Limits of Coverage

Each Employee: NOT COVERED
Aggregate: NOT COVERED
Retroactive Date:

Deductible -- Each Employee: NONE

Coverage Section H: Lead-Based Paint Liability - Claims Made

Limits of Coverage

Limit of Coverage: \$500,000
Retroactive Date: 3/30/1995

Deductible -- Per Year: \$25,000

Coverage Section I: Third Party Discrimination - Claims Made

Limits of Coverage

Per Wrongful Act: \$500,000

Aggregate: \$500,000

Retroactive Date: 03/01/2018

Deductible -- Per Wrongful Act: \$25,000

These Declarations, together with the Coverage Form and Endorsement(s) complete the above numbered policy.

Jerry Williams

February 20, 2019

Housing Authority Risk Retention Group, Inc.

Date

PREMIUM: \$175,503



189 Commerce Court
PO Box 189
Cheshire, CT 06410-0189

203-272-3220 or 800-873-0242
fax 203-271-2265
www.housingcenter.com

July 19, 2019

Mr. Ron Moen
Finance Director/Controller
Public Housing Agency of the City of St. Paul
555 North Wabasha Street, Suite 400
St. Paul, MN 55102-

Re: Policy Change - HARRG Policy # HARRG-277-189297-2019

Dear Mr. Moen,

Enclosed please find Endorsement #01-10A-11-2019-17 amending the policy as described.

If you have any questions or concerns please contact me at (800) 873-0242 extension 422.

Sincerely,

A handwritten signature in cursive script that reads "Robert Stanczykiewicz".

Robert Stanczykiewicz
Senior Underwriter

Enclosures



Policy Change No. 01-10A-11-2019-17

Change Endorsement

Additional Insureds - Designated Person or Organization

Named Insured: Public Housing Agency of the City of St. Paul
Policy Number: HARRG-277-189297-2019
Policy Effective Date: 03/01/2019 - 03/01/2020
Issue Date: 07/19/2019
Premium:

Effective From: 03/01/2019 at the time of day the policy becomes effective.

Commercial Liability

The Insurance is Amended as follows:

Schedule:

Person or Organization designated as Additional Insured:
Department of Housing and Urban Development
451 6th St. S.W.
Washington, DC 20410

Operations/Premises:

This Endorsement modifies insurance provided under the following Coverage Section(s):

Bodily Injury and Property Damage Liability – Coverage Section A
Personal and Advertising Injury Liability – Coverage Section B

1. WHO IS AN INSURED (Section II.A.) is amended to include as an additional insured the person or organization shown in the Schedule, but only with respect to their liability for bodily injury, property damage or personal and advertising injury arising out of your acts or omissions or the acts or omissions of those acting on your behalf:

- a. in the performance of your ongoing operations; or
- b. in connection with premises owned by or rented to you;

However:

- a. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

This insurance does not apply to liability for bodily injury, property damage, or personal and advertising injury arising out of, in whole or in part, the acts or omissions of the additional insured or any person or organization acting on behalf of such additional insured.



Policy Change No. 01-10A-11-2019-17

Change Endorsement

Additional Insureds - Designated Person or Organization

2. With respect to the insurance afforded to these additional insureds, the following is added to II General Terms and Conditions B. General Aggregate:
If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the contract or agreement; or
- b. Available under the applicable Limits of Insurance shown in the Declarations,

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

All other terms and conditions contained in the policy remain in full force and effect.

Description: Department of Housing and Urban Development listing as additional insured per Endt No. 01-10A-11.



189 Commerce Court
PO Box 189
Cheshire, CT 06410-0189

203-272-8220 or 800-873-0242
fax 203-271-2265
www.housingcenter.com

CERTIFICATE OF INSURANCE

ID: 277, Endorsement: 01-10A-11-2019-17

Issue Date: 07/19/2019

Insured: Public Housing Agency of the City of St. Paul

Address: 555 North Wabasha Street, Suite 400
St. Paul, MN 55102-5102

Coverages

Type of Insurance	Policy Number	Limits
Commercial Liability	HARRG-277-189297-2019	General Aggregate: \$ 2,000,000
[X] CoverageA; Bodily Injury and Property Damage Liability: Occurrence	Effective Date: 03/01/2019 12:01 AM	Per Occurrence: \$ 2,000,000
[X] CoverageB: Personal and Advertising Injury Liability: Occurrence	Expiration Date: 03/01/2020 12:01 AM	Personal and Adv Inj: \$ 2,000,000
[X] CoverageE: Mold, Other Fungi or Bacteria Liability: Claims Made Retro Date: 3/1/04		Fire Damage Sub-Limit: \$ 50,000 Athletic Sport Sub-Limit Per Occurrence: \$ 250,000 Aggregate: \$ 250,000 Mold, Other Fungi or Bacteria: \$ 100,000

Description: Department of Housing and Urban Development listening as additional insured per Endt No. 01-10A-11.

Certificate Holder: Department of Housing and Urban Development
451 7th Street S.W.
Washington, DC 20410

Company: Housing Authority Risk Retention Group, Inc.

THIS IS TO CERTIFY THAT THE POLICIES LISTED ABOVE HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY CLAIMS PAID. THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES ABOVE.

Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 90 days written notice to the certificate holder named above, but failure to mail such notice shall impose no obligations or liability of any kind upon the company, its agents, or representatives.

Signature of Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES ENDORSEMENT

This endorsement modifies the following:

Crime

It is agreed that:

1. As of the Effective Date of this endorsement, the Declarations is amended, as indicated below by :

ITEM 1:

NAMED INSURED:

D/B/A:

Principal Address:

ITEM 2:

POLICY PERIOD:

Inception Date:

Expiration Date:

12:01 A.M. standard time both dates at the Principal Address stated in ITEM 1.

ITEM 5: (but only for direct loss that the Insured sustains which is directly caused by a **Single Loss Discovered** on or after the Effective Date of this endorsement)

CRIME		
	Single Loss Limit of Insurance	Single Loss Retention
<input checked="" type="checkbox"/> Insuring Agreement A. Fidelity 1. Employee Theft 2. ERISA Fidelity 3. Employee Theft of Client Property	See Endorsement Not Applicable Not Applicable	\$0
<input type="checkbox"/> Insuring Agreement B. Forgery or Alteration		
<input type="checkbox"/> Insuring Agreement C. On Premises		
<input type="checkbox"/> Insuring Agreement D.		

Issuing Company: Travelers Casualty and Surety Company of America

Effective Date: July 16, 2019

Policy Number: 105931038

CRI-7112 Rev. 12-14

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In Transit		
<input type="checkbox"/> Insuring Agreement E. Money Orders and Counterfeit Money		
<input type="checkbox"/> Insuring Agreement F. Computer Crime 1. Computer Fraud 2. Computer Program and Electronic Restoration Expense		
<input type="checkbox"/> Insuring Agreement G. Funds Transfer Fraud		
<input type="checkbox"/> Insuring Agreement H. Personal Accounts Protection 1. Personal Accounts Forgery or Alteration 2. Identity Fraud Expense Reimbursement		
<input type="checkbox"/> Insuring Agreement I. Claim Expense		

Policy Aggregate Limit of Insurance: Applicable Not Applicable

If a Policy Aggregate Limit of Insurance is applicable, then the Policy Aggregate Limit of Insurance for each Policy Period for Insuring Agreements A through H, inclusive, is:

If a Policy Aggregate Limit of Insurance is not included, then this Crime Policy is not subject to a Policy Aggregate Limit of Insurance as set forth in Section V. CONDITIONS B. PROVISIONS AFFECTING LOSS ADJUSTMENT AND SETTLEMENT 1. Limit of Insurance a. Policy Aggregate Limit of Insurance.

INSURED'S PREMISES COVERED: - All Premises of the Insured in the United States of America, its territories and possessions, Canada, or any other country throughout the world, except:

ITEM 6:
PREMIUM FOR THE POLICY PERIOD:
\$8,129.00 Policy Premium
Annual Installment Premium

2. As of the Effective Date of this endorsement, this policy is amended as indicated below by :

- Forms and endorsements added:
CRI-7019-0109
- Forms and endorsements deleted:
- Forms and endorsements amended:

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

JOINT LOSS PAYABLE ENDORSEMENT

This endorsement modifies the following coverage:

Crime

It is agreed that:

1. This endorsement modifies all Insuring Agreements forming part of this **Crime Policy**, unless specified below as indicated by the corresponding and then only to those so indicated:

- A. FIDELITY
 Employee Theft ERISA Fidelity Employee Theft of Client Property
 B. FORGERY OR ALTERATION
 C. ON PREMISES
 D. IN TRANSIT
 E. MONEY ORDERS AND COUNTERFEIT MONEY
 F. COMPUTER CRIME
 Computer Fraud Computer Program and Electronic Data Restoration Expense
 G. FUNDS TRANSFER FRAUD
 H. PERSONAL ACCOUNTS PROTECTION
 I. CLAIM EXPENSE

2. The **Insured** agrees that any loss payable under the Insuring Agreement(s) indicated above and involving **Money** or **Other Property** in which the designated Loss Payee has an interest shall be paid jointly to the **Named Insured** and to the Loss Payee designated below:

Loss Payee Name

Loss Payee Address

US Department of Housing and Urban
Development

451 7th Street SW, Washington, DC 20410

and any such payment shall constitute payment to the **Insured**. The Company agrees to make all such payments to the **Named Insured** and to the Loss Payee, and the Company will not make any payment solely to the **Named Insured** unless the Company receives a request in writing from the Loss Payee to make such payment solely to the **Insured**.

3. The **Company's** liability under the Insuring Agreement(s) indicated above as extended by this endorsement are not cumulative.
4. No rights or benefits are bestowed on the Loss Payee other than payment of the loss as set forth herein.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: Travelers Casualty and Surety Company of America
Policy Number: 105931038

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**GOVERNMENT ENTITY CRIME ENDORSEMENT EXCLUDING
COVERAGE FOR TREASURERS AND TAX COLLECTORS**

This endorsement modifies the following:

Crime

It is agreed that:

1. ITEM 5. of the *DECLARATIONS*, Insuring Agreement A. Fidelity is replaced with the following:

Insuring Agreement	Single Loss Limit of Insurance	Single Loss Retention
A. Fidelity		
1. Employee Theft – Per Loss Coverage	\$1,600,000	\$10,000
2. Employee Theft – Per Employee Coverage		

2. Section I. *INSURING AGREEMENTS*, A. FIDELITY is replaced with the following:

A. FIDELITY

1. Employee Theft – Per Loss Coverage

The Company will pay the Insured for the Insured's direct loss of, or direct loss from damage to, **Money, Securities and Other Property** directly caused by Theft or Forgery committed by an **Employee**, whether identified or not, acting alone or in collusion with other persons.

2. Employee Theft – Per Employee Coverage

The Company will pay the Insured for the Insured's direct loss of, or direct loss from damage to, **Money, Securities, and Other Property** directly caused by Theft or Forgery committed by each **Employee**, whether identified or not, acting alone or in collusion with other persons.

3. Section II. *GENERAL AGREEMENTS*, A. JOINT INSURED, 5. is replaced with the following:

5. Payment by the Company to the First Named Insured for loss sustained by any Insured fully releases the Company on account of such loss.

4. Section III. *DEFINITIONS* is amended as follows:

- A. Definition DD. Insured is replaced with the following:

DD. Insured means:

1. the First Named Insured,
2. any Sponsored Plan, or
3. any other entity listed in ITEM 1. of the Declarations.

Issuing Company: Travelers Casualty and Surety Company of America

Policy Number: 105931038

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

B. Paragraph 1. of Definition RR. **Single Loss** is replaced with the following:

RR. **Single Loss** means:

1. for purposes of Insuring Agreement A.1:
 - a. an individual act;
 - b. the combined total of all separate acts; or
 - c. a series of related acts;

committed by an **Employee** or committed by more than one **Employee** acting alone or in collusion with other persons both during and before the **Policy Period**; and

2. for purposes of Insuring Agreement A.2.:
 - a. an individual act;
 - b. the combined total of all separate acts; or
 - c. a series of related acts;

committed by each **Employee** acting alone or in collusion with other persons both during and before the **Policy Period**.

C. Paragraph 1. of Definition UU. **Theft** is deleted.

5. Section **IV. EXCLUSIONS** is amended as follows:

A. Exclusion C is replaced by the following:

C. This **Crime Policy** will not apply to loss resulting directly or indirectly from any fraudulent, dishonest or criminal act committed by the **Insured**, the **Insured's** natural person partners, any **LLC Member** or **Officer-Shareholder**, whether acting alone or in collusion with others.

B. References to Insuring Agreement A.3. are deleted from Exclusions D., E., F., G., H., O., P., W., and X.

C. Exclusion CC. is replaced by the following:

CC. This **Crime Policy** will not apply to loss sustained by the **Insured** or any **Subsidiary** to the extent it results in a benefit, gain or transfer to the **Insured** or any **Subsidiary**.

D. The following Exclusions are added:

DD. This **Crime Policy** will not apply to loss caused by any **Employee** required by law to be individually bonded.

EE. This **Crime Policy** will not apply to loss caused by any treasurer or tax collector by whatever name known.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

6. Section **V. CONDITIONS** is amended as follows:
- A. Section **A. GENERAL CONDITIONS**, 5. Ownership of Property; Interests Covered, b. is deleted.
 - B. The third paragraph, which reads, "The provisions of this Condition B.1.a will not be applicable to Insuring agreement A.2." is deleted from section **B. PROVISIONS AFFECTING LOSS ADJUSTMENT AND SETTLEMENT**, 1. Limit of Insurance, a. Policy Aggregate Limit of Insurance.
 - C. Section **B. PROVISIONS AFFECTING LOSS ADJUSTMENT AND SETTLEMENT**, 3. **The Insured's Duties in the Event of a Loss**, b. is replaced with the following:
 - b. notify law enforcement authorities if the **Insured** has reason to believe that any loss, except for loss covered under Insuring Agreements A.1., A.2, or F.2., involves a violation of law;
 - D. Section **C. EMPLOYEE BENEFIT PROVISIONS – INFLATION GUARD** is deleted.
 - E. Sections **D. CANCELLATION OR TERMINATION**, 3 b. and c. are replaced with the following:
 - b. In its entirety immediately upon exhaustion of the Policy Aggregate Limit of Insurance, if applicable;
 - c. in its entirety immediately upon the voluntary liquidation or dissolution of the **First Named Insured**;
7. The following Condition is added:

Indemnification

The Company will indemnify any of the **Insured's** officials who are required by law to give individual bonds for the faithful performance of their duties, against loss through **Theft** committed by **Employees** who serve under them, subject to the applicable Limit of Insurance. The provisions of this Condition apply to Insuring Agreement A only.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

**PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL
MODEL LEASE FOR SUBSIDIZED PROGRAMS**

1. **PARTIES AND DWELLING UNIT:** The parties to this Agreement are (A) the Public Housing Agency of the City of Saint Paul, referred to as the Landlord, and (B) _____, referred to as the Tenant. The Landlord leases to the Tenant(s) unit number (C) _____ located at (D) _____ in the project known as (E) _____.

2. **LENGTH OF TIME (TERM):** The initial term of this Agreement shall begin on (F) _____ and end after (G) _____. After the initial term ends, the Agreement will continue for successive terms of one (H) month each unless automatically terminated as permitted by paragraph 23 of this Agreement.

3. **RENT:** The Tenant agrees to pay (I)\$ _____ for the partial month ending on (J) _____. After that, Tenant agrees to pay a rent of (K)\$ _____ per month. This amount is due on the (L) the first day of the month at (M) _____. The Tenant understands that this monthly rent is less than the market (unsubsidized) rent due on this unit. This lower rent is available either because the mortgage on this project is subsidized by the Department of Housing and Urban Development (HUD) and/or because HUD makes monthly payments to the Landlord on behalf of the Tenant. The amount, if any, that HUD makes available monthly on behalf of the Tenant is called the tenant assistance payment and is shown on the "Assistance Payment" line of the Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures form which is Attachment No. 1 to this Agreement.

4. **CHANGES IN THE TENANT'S SHARE OF THE RENT:** The Tenant agrees that the amount of rent the Tenant pays and/or the amount of assistance that HUD pays on behalf of the Tenant may be changed during the term of this Agreement if:
 - A. HUD or the Contract Administrator (such as a Public Housing Agency) determines, in accordance with HUD procedures, that an increase in rents is needed;
 - B. HUD or the Contract Administrator changes any allowance for utilities or services considered in computing the Tenant's share of the rent;
 - C. the income, the number of persons in the Tenant's household or other factors considered in calculating the Tenant's rent change and HUD procedures provide that the Tenant's rent or assistance payment be adjusted to reflect the change;
 - D. changes in the Tenant's rent or assistance payment are required by HUD's recertification or subsidy termination procedures;
 - E. HUD's procedures for computing the Tenant's assistance payment or rent change; or
 - F. the Tenant fails to provide information on his/her income, family composition or other factors as required by the Landlord.

The Landlord agrees to implement changes in the Tenant's rent or tenant assistance payment only in accordance with the time frames and administrative procedures set forth in HUD's handbooks, instructions and regulations related to administration of multifamily subsidy programs. The Landlord agrees to give the Tenant at least 30 days advance written notice of any increase in the Tenant's rent except as noted in paragraphs 11, 15 or 17. The Notice will state the new amount the Tenant is required to pay, the date the new amount is effective, and the reasons for the change in rent. The Notice will also advise the Tenant that he/she may meet with the Landlord to discuss the rent change.

5. **CHARGES FOR LATE PAYMENTS AND RETURNED CHECKS:** If the Tenant does not pay the full amount of the rent shown in paragraph 3 by the end of the 5th day of the month, the Landlord may collect a fee of \$5 on the 6th day of the month. Thereafter, the Landlord may collect \$1 for each additional day the rent remains unpaid during the month it is due. The Landlord may not terminate this Agreement for failure to pay late charges, but may terminate this Agreement for non-payment of rent, as explained in paragraph 23. The Landlord may collect a fee of (N) **\$20.00** on the second or any additional time a check is not honored for payment (bounces). The charges discussed in this paragraph are in addition to the regular monthly rent payable by the Tenant.
6. **CONDITION OF DWELLING UNIT:** By signing this Agreement, the Tenant acknowledges that the unit is safe, clean and in good condition. The Tenant agrees that all appliances and equipment in the unit are in good working order, except as described on the Unit Inspection Report which is Attachment No. 2 to this Agreement. The Tenant also agrees that the Landlord has made no promises to decorate, alter, repair or improve the unit, except as listed on the Unit Inspection Report.
7. **CHARGES FOR UTILITIES AND SERVICES:** The following charts describe how the cost of utilities and services related to occupancy of the unit will be paid. The Tenant agrees that these charts accurately describe the utilities and services paid by the Landlord and those paid by the Tenant.
- A. The Tenant must pay for the utilities in column (1). Payments should be made directly to the appropriate utility company. The items in column (2) are included in the Tenant's rent.

(1) Put "x" by any Utility Tenant Pays Directly	Type of Utility	(2) Put "x" by any Utility Included in Tenant Rent
	Heat	
	Lights, Electric	
	Cooking	
	Water	
	Garbage	
	Other (Specify)	

- B. The Tenant agrees to pay the Landlord the amount shown in column (3) on the date the rent is due. The Landlord certifies that HUD has authorized him/her to collect the type of charges shown in column (3) and that the amounts shown in column (3) do not exceed the amounts authorized by HUD.

	(3) Show \$ Amount Tenant Pays to Landlord in Addition to Rent
Parking	\$
Other (Specify.)	\$
	\$

8. **SECURITY DEPOSITS:** The Tenant has deposited (P)\$_____ with the Landlord. The Landlord will hold this security deposit for the period the Tenant occupies the unit. After the Tenant has moved from the unit, the Landlord will determine whether the Tenant is eligible for a refund of any or all of the security deposit. The amount of the refund will be determined in accordance with the following conditions and procedures.
- A. The Tenant will be eligible for a refund of the security deposit only if the Tenant provided the Landlord with the 30-day written notice of intent to move required by paragraph 23, unless the Tenant was unable to give the notice for reasons beyond his/her control.
- B. After the Tenant has moved from the unit, the Landlord will inspect the unit and complete another Unit Inspection Report. The Landlord will permit the Tenant to participate in the inspection, if the Tenant so requests.
- C. The Landlord will refund to the Tenant the amount of the security deposit plus interest computed at (Q)_____ % beginning (R)_____, less any amount needed to pay the cost of:
- (1) unpaid rent;
 - (2) damages that are not due to normal wear and tear and are not listed on the Unit Inspection Report;
 - (3) charges for late payment of rent and returned checks, as described in paragraph 5; and
 - (4) charges for unreturned keys, as described in paragraph 9.
- D. The Landlord agrees to refund the amount computed in paragraph 8.C within (S) 21 days after the Tenant has permanently moved out of the unit, returned possession of the unit to the Landlord, and given his/her new address to the Landlord. The Landlord will also give the Tenant a written list of charges that were subtracted from the deposit. If the Tenant disagrees with the Landlord concerning the amounts deducted and asks to meet with the Landlord, the Landlord agrees to meet with the Tenant and informally discuss the disputed charges.
- E. If the unit is rented by more than one person, the Tenants agree that they will work out the details of dividing any refund among themselves. The Landlord may pay the refund to any Tenant identified in Paragraph 1 of this Agreement.
- F. The Tenant understands that the Landlord will not count the Security Deposit towards the last month's rent or towards repair charges owed by the Tenant in accordance with paragraph 11.
9. **KEYS AND LOCKS:** The Tenant agrees not to install additional or different locks or gates on any doors or windows of the unit without the written permission of the Landlord. If the Landlord approves the Tenant's request to install such locks, the Tenant agrees to provide the Landlord with a key for each lock. When this Agreement ends, the Tenant agrees to return all keys to the dwelling unit to the Landlord. The Landlord may charge the Tenant (T)\$_____ for each key not returned.
10. **MAINTENANCE:**
- A. The Landlord agrees to:
- (1) regularly clean all common areas of the project;
 - (2) maintain the common areas and facilities in a safe condition;
 - (3) arrange for collection and removal of trash and garbage;

- (4) maintain all equipment and appliances in safe and working order;
- (5) make necessary repairs with reasonable promptness;
- (6) maintain exterior lighting in good working order;
- (7) provide extermination services, as necessary; and
- (8) maintain grounds and shrubs.

B. The Tenant agrees to:

- (1) keep the unit clean;
- (2) use all appliances, fixtures and equipment in a safe manner and only for the purposes for which they are intended;
- (3) not litter the grounds or common areas of the project;
- (4) not destroy, deface, damage or remove any part of the unit, common areas, or project grounds;
- (5) give the Landlord prompt notice of any defects in the plumbing, fixtures, appliances, heating and cooling equipment or any other part of the unit or related facilities; and
- (6) remove garbage and other waste from the unit in a clean and safe manner.

11. **DAMAGES:** Whenever damage is caused by carelessness, misuse, or neglect on the part of the Tenant, his/her family or visitors, the Tenant agrees to pay:

- A. the cost of all repairs and do so within 30 days after receipt of the Landlord's demand for the repair charges; and
- B. rent for the period the unit is damaged whether or not the unit is habitable. The Tenant understands that HUD will not make assistance payments for any period in which the unit is not habitable. For any such period, the Tenant agrees to pay the HUD-approved market rent rather than the Tenant rent shown in paragraph 3 of this agreement.

12. **RESTRICTIONS ON ALTERATIONS:** No alteration, addition, or improvements shall be made in or to the premises without the prior consent of the Landlord in writing. The Landlord agrees to provide reasonable accommodation to an otherwise eligible tenant's disability, including making changes to rules, policies, or procedures, and making and paying for structural alterations to a unit or common areas. The Landlord is not required to provide accommodations that constitute a fundamental alteration to the Landlord's program or which would pose a substantial financial and administrative hardship. See the regulations at 24 CFR Part 8. In addition, if a requested structural modification does pose a substantial financial and administrative hardship, the Landlord must then allow the tenant to make and pay for the modification in accordance with the Fair Housing Act.

13. **GENERAL RESTRICTIONS:** The Tenant must live in the unit and the unit must be the Tenant's only place of residence. The Tenant shall use the premises only as a private dwelling for himself/herself and the individuals listed on the Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures, Attachment 1. The Tenant agrees to permit other individuals to reside in the unit only after obtaining the prior written approval of the Landlord. The Tenant agrees not to:

- A. sublet or assign the unit, or any part of the unit;
 - B. use the unit for unlawful purposes;
 - C. engage in or permit unlawful activities in the unit, in the common areas or on the project grounds;
 - D. have pets or animals of any kind in the unit without the prior written permission of the Landlord, but the landlord will allow the tenant to keep an animal needed as a reasonable accommodation to the tenant's disability, and will allow animals to accompany visitors with disabilities who need such animals as an accommodation to their disabilities; or
 - E. make or permit noises or acts that will disturb the rights or comfort of neighbors. The Tenant agrees to keep the volume of any radio, phonograph, television or musical instrument at a level which will not disturb the neighbors.
- 14. RULES:** The Tenant agrees to obey the House Rules which are Attachment No. 3 to this Agreement. The Tenant agrees to obey additional rules established after the effective date of this Agreement if:
- A. the rules are reasonably related to the safety, care and cleanliness of the building and the safety, comfort and convenience of the Tenants; and
 - B. the Tenant receives written notice of the proposed rule at least 30 days before the rule is enforced.
- 15. REGULARLY SCHEDULED RECERTIFICATIONS:** Every year around the (U)_____ day of (V)_____ the Landlord will request the Tenant to report the income and composition of the Tenant's household and to supply any other information required by HUD for the purposes of determining the Tenant's rent and assistance payment, if any. The Tenant agrees to provide accurate statements of this information and to do so by the date specified in the Landlord's request. The landlord will verify the information supplied by the Tenant and use the verified information to recomputed the amount of the Tenant's rent and assistance payment, if any.
- A. If the Tenant does not submit the required recertification information by the date specified in the Landlord's request, the Landlord may impose the following penalties. The Landlord may implement these penalties only in accordance with the administrative procedures and time frames specified in HUD's regulations, handbooks and instructions related to the administration of multifamily subsidy programs.
 - (1) Require the Tenant to pay the higher, HUD-approved market rent for the unit.
 - (2) Implement any increase in rent resulting from the recertification processing without providing the 30-day notice otherwise required by paragraph 4 of this Agreement.
 - B. The Tenant may request to meet with the Landlord to discuss any change in rent or assistance payment resulting from the recertification processing. If the Tenant requests such a meeting, the Landlord agrees to meet with the Tenant and discuss how the Tenant's rent and assistance payment, if any, were computed.
- 16. REPORTING CHANGES BETWEEN REGULARLY SCHEDULED RECERTIFICATIONS:**
- A. If any of the following changes occur, the Tenant agrees to advise the Landlord immediately.
 - (1) Any household member moves out of the unit.
 - (2) An adult member of the household who was reported as unemployed on the most recent certification or recertification obtains employment.

- (3) The household's income cumulatively increases by \$200 or more a month.
- B. The Tenant may report any decrease in income or any change in other factors considered in calculating the Tenant's rent. Unless the Landlord has confirmation that the decrease in income or change in other factors will last less than one month, the Landlord will verify the information and make the appropriate rent reduction. However, if the Tenant's income will be partially or fully restored within two months, the Landlord may delay the certification process until the new income is known, but the rent reduction will be retroactive and the Landlord may not evict the Tenant for nonpayment of rent due during the period of the reported decrease and the completion of the certification process. The Tenant has thirty days after receiving written notice of any rent due for the above described time period to pay or the Landlord can evict for nonpayment of rent.
- C. If the Tenant does not advise the Landlord of these interim changes, the Landlord may increase the Tenant's rent to the HUD-approved market rent. The Landlord may do so only in accordance with the time frames and administrative procedures set forth in HUD's regulations, handbooks and instructions on the administration of multifamily subsidy programs.
- D. The Tenant may request to meet with the Landlord to discuss how any change in income or other factors affected his/her rent or assistance payment, if any. If the Tenant requests such a meeting, the Landlord agrees to meet with the Tenant and explain how the Tenant's rent or assistance payment, if any, was computed.

17. REMOVAL OF SUBSIDY:

- A. The Tenant understands that assistance made available on his/her behalf may be terminated if events in either items 1 or 2 below occur. Termination of assistance means that the Landlord may make the assistance available to another Tenant and the Tenant's rent will be recomputed. In addition, if the Tenant's assistance is terminated because of criterion (1) below, the Tenant will be required to pay the HUD-approved market rent for the unit.
- (1) The Tenant does not provide the Landlord with the information or reports required by paragraph 15 or 16 within 10 calendar days after receipt of the Landlord's notice of intent to terminate the Tenant's assistance payment.
- (2) The amount the Tenant would be required to pay towards rent and utilities under HUD rules and regulations equals the Family Gross Rent shown on Attachment 1.
- B. The Landlord agrees to give the Tenant written notice of the proposed termination. The notice will advise the Tenant that, during the ten calendar days following the date of the notice, he/she may request to meet with the Landlord to discuss the proposed termination of assistance. If the Tenant requests a discussion of the proposed termination, the Landlord agrees to meet with the Tenant.
- C. Termination of assistance shall not affect the Tenant's other rights under this Agreement, including the right to occupy the unit. Assistance may subsequently be reinstated if the Tenant submits the income or other data required by HUD procedures, the Landlord determines the Tenant is eligible for assistance, and assistance is available.

18. **TENANT OBLIGATION TO REPAY:** If the tenant submits false information on any application, certification or request for interim adjustment or does not report interim changes in family income or other factors as required by paragraph 16 of this Agreement, and as a result, is charged a rent less than the amount required by HUD's rent formulas, the Tenant agrees to reimburse the Landlord for the difference between the rent he/she should have paid and the rent he/she was charged. The Tenant is not required to reimburse the Landlord for undercharges caused solely by the Landlord's failure to follow HUD's procedures for computing rent or assistance payments.

19. **SIZE OF DWELLING:** The Tenant understands that HUD requires the Landlord to assign units in accordance with the Landlord's written occupancy standards. These standards include consideration of unit size, relationship of family members, age and sex of family members and family preference. If the Tenant is or becomes eligible for a different size unit, and the required size unit becomes available, the Tenant agrees to:
- A. move within 30 days after the Landlord notifies him/her that unit of the required size is available; or
 - B. remain in the same unit and pay the HUD-approved market rent.
20. **ACCESS BY LANDLORD:**
- A. The Landlord agrees to enter the unit only during reasonable hours, to provide reasonable advance notice of his/her intent to enter the unit, and to enter the unit only after receiving the Tenant's consent to do so, except when urgency situations make such notices impossible or except under paragraph C below.
 - B. The Tenant consents in advance to the following entries into the unit:
 - (1) The tenant agrees to permit the Landlord, his/her agents or other persons, when authorized by the Landlord, to enter the unit for the purpose of making reasonable repairs and periodic inspections.
 - (2) After the Tenant has given a notice of intent to move, the Tenant agrees to permit the Landlord to show the unit to prospective tenants during reasonable hours.
 - C. If the Tenant moves before this Agreement ends, the Landlord may enter the unit to decorate, remodel, alter or otherwise prepare the unit for re-occupancy.
21. **DISCRIMINATION PROHIBITED:** The Landlord agrees not to discriminate based upon race, color, religion, creed, National origin, sex, age, familial status, and disability.
22. **CHANGE IN RENTAL AGREEMENT:** The Landlord may, with the prior approval of HUD, change the terms and conditions of this Agreement. Any changes will become effective only at the end of the initial term or a successive term. The Landlord must notify the Tenant of any change and must offer the Tenant a new Agreement or an amendment to the existing Agreement. The Tenant must receive the notice at least 60 days before the proposed effective date of the change. The Tenant may accept the changed terms and conditions by signing the new Agreement or the amendment to the existing Agreement and returning it to the Landlord. The Tenant may reject the changed terms and conditions by giving the Landlord written notice that he/she intends to terminate the tenancy. The Tenant must give such notice at least 30 days before the proposed change will go into effect. If the Tenant does not accept the amended agreement, the Landlord may require the Tenant to move from the project, as provided in paragraph 23.
23. **TERMINATION OF TENANCY:**
- A. To terminate this Agreement, the Tenant must give the Landlord 30-days written notice before moving from the unit.
 - B. Any termination of this Agreement by the Landlord must be carried out in accordance with HUD regulations, State and local law, and the terms of this Agreement.
 - C. The Landlord may terminate this Agreement for the following reasons:
 - (1) the Tenant's material noncompliance with the terms of this Agreement;

- (2) the Tenant's material failure to carry out obligations under any State Landlord and Tenant Act;
 - (3) drug related criminal activity engaged in on or near the premises, by any tenant, household member, or guest, and any such activity engaged in on the premises by any other person under the tenant's control;
 - (4) determination made by the Landlord that a household member is illegally using a drug;
 - (5) determination made by the Landlord that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents;
 - (6) criminal activity by a tenant, any member of the tenant's household, a guest or another person under the tenant's control:
 - (i) that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including property management staff residing on the premises); or
 - (ii) that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises;
 - (7) if the tenant is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that in the case of the State of New Jersey, is a high misdemeanor;
 - (8) if the tenant is violating a condition of probation or parole under Federal or State law;
 - (9) determination made by the Landlord that a household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents;
 - (10) if the Landlord determines that the tenant, any member of the tenant's household, a guest or another person under the tenant's control has engaged in the criminal activity, regardless of whether the tenant, any member of the tenant's household, a guest or another person under the tenant's control has been arrested or convicted for such activity.
- D. The Landlord may terminate this Agreement for other good cause, which includes, but is not limited to, the tenant's refusal to accept change to this agreement. Terminations for "other good cause" may only be effective as of the end of any initial or successive term.

The term "material noncompliance with the lease" includes: (1) one or more substantial violations of the lease; (2) repeated minor violations of the lease that: (i) disrupt the livability of the project; (ii) adversely affect the health or safety of any person or the right of any tenant to the quiet enjoyment to the leased premises and related project facilities, (iii) interfere with the management of the project, or (iv) have an adverse financial effect on the project; (3) failure of the tenant to timely supply all required information on the income and composition, or eligibility factors, of the tenant household (including, but not limited to, failure to meet the disclosure and verification requirements for Social Security Numbers, or failure to sign and submit consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies), and (4) Non-payment of rent or any other financial obligation due under the lease beyond any grace period permitted under State law. The payment of rent or any other financial obligation due under the lease after the due date but within the grace period permitted under State law constitutes a minor violation.

E. If the Landlord proposes to terminate this Agreement, the Landlord agrees to give the Tenant written notice and the grounds for the proposed termination. If the Landlord is terminating this agreement for "other good cause," the termination notice must be mailed to the Tenant and hand-delivered to the dwelling unit in the manner required by HUD at least 30 days before the date the Tenant will be required to move from the unit and in accordance with State law requirements. Notices of proposed termination for other reasons must be given in accordance with any time frames set forth in State and local law. Any HUD-required notice period may run concurrently with any notice period required by State or local law. All termination notices must:

- (1) specify the date this Agreement will be terminated;
- (2) state the grounds for termination with enough detail for the Tenant to prepare a defense;
- (3) advise the Tenant that he/she has 10 days within which to discuss the proposed termination of tenancy with the Landlord. The 10-day period will begin on the earlier of the date the notice was hand-delivered to the unit or the day after the date the notice is mailed. If the Tenant requests the meeting, the Landlord agrees to discuss the proposed termination with the Tenant; and
- (4) advise the Tenant of his/her right to defend the action in court.

F. If an eviction is initiated, the Landlord agrees to rely only upon those grounds cited in the termination notice required by paragraph E.

24. **HAZARDS:** The Tenant shall not undertake, or permit his/her family or guests to undertake, any hazardous acts or do anything that will increase the project's insurance premiums. Such action constitutes a material non-compliance. If the unit is damaged by fire, wind, or rain to the extent that the unit cannot be lived in and the damage is not caused or made worse by the Tenant, the Tenant will be responsible for rent only up to the date of the destruction. Additional rent will not accrue until the unit has been repaired to a livable condition.
25. **PENALTIES FOR SUBMITTING FALSE INFORMATION:** Knowingly giving the Landlord false information regarding income or other factors considered in determining Tenant's eligibility and rent is a material noncompliance with the lease subject to termination of tenancy. In addition, the Tenant could become subject to penalties available under Federal law. Those penalties include fines up to \$10,000 and imprisonment for up to five years.
26. **CONTENTS OF THIS AGREEMENT:** This Agreement and its Attachments make up the entire agreement between the Landlord and the Tenant regarding the unit. If any Court declares a particular provision of this Agreement to be invalid or illegal, all other terms of this Agreement will remain in effect and both the Landlord and the Tenant will continue to be bound by them.
27. **ATTACHMENTS TO THE AGREEMENT:** The Tenant certifies that he/she has received a copy of this Agreement and the following Attachments to this Agreement and understands that these Attachments are part of this Agreement.
- A. Attachment No. 1 – Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures, form HUD-50059.
 - B. Attachment No. 2 - Unit Inspection Report.
 - C. Attachment No. 3 - House Rules.

- 28. **TENANTS' RIGHTS TO ORGANIZE:** Landlord agrees to allow tenant and tenant organizers to conduct on the property the activities related to the establishment or operation of a tenant organization set out in accordance with HUD requirements.
- 29. **TENANT INCOME VERIFICATION:** The Tenant must promptly provide the Landlord with any letter or other notice by HUD to a member of the family that provides information concerning the amount or verification of family income in accordance with HUD requirements.
- 30. **RELATION TO HOUSING ASSISTANCE CONTRACT:** The lease agreement will terminate automatically if the Section 8 Housing Assistance contract terminates for any reason.
- 31. **SIGNATURES:**

**TENANT
BY:**

- 1. (W) _____ Date _____
- 2. _____ Date _____
- 3. _____ Date _____

**LANDLORD
BY:**

- 1. (W) _____ Date _____

Public reporting burden – HUD is not requesting approval of any burden hours for the model leases since use of leases are a standard business practice in the housing rental industry. This information is required to obtain benefits. The request and required supporting documentation are sent to HUD or the Contract Administrator (CA) for approval. The lease is a contract between the owner of the project and the tenant(s) that explains the terms for residing in the unit. Leases are a standard business practice in the housing rental industry. Owners are required to use the HUD model lease which includes terms normally covered by leases used in the housing rental industry plus terms required by HUD for the program under which the project was built and/or the program providing rental assistance to the tenants.

This information is authorized by 24 CFR 5.360, 236.750, 880.606, 883.701, 884.215, 886.127, 891.425, 891.625 and 891.765 cover lease requirements and provisions. This information is considered non-sensitive and does not require any special protection.

**PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL
FAMILY SITE HOUSE RULES**

The following House Rules have been established for all Public Housing Agency of the City of Saint Paul (PHA) Family Development properties being converted to the Rental Assistance Demonstration (RAD) Project Based Rental Assistance (PBRA) program. These House Rules are in addition to the requirements of the Multifamily HUD Model Lease (“Lease”) and any addenda to the Lease. The provisions in Section 10 of these House Rules are required by RAD and control over any conflicting provisions in the Lease. All other provisions of these House Rules are supplementary and are only effective to the extent they are consistent with the provisions of the Lease. Violations of these House Rules will be considered a serious violation of the Lease and shall be good cause for termination.

1. MEMBERS OF HOUSEHOLD

Only the following persons may reside in the dwelling unit with the named Tenant:

Name	Relationship	Gender	Date of Birth

The Tenant's household has the right to the exclusive use and occupancy of the unit, for use as the principal place of residence for Tenant’s household. This right includes having guests stay in the unit up to fifteen (15) days for each guest in a rolling twelve-month period, continuous or sporadic. Upon a showing of special circumstances or need, the PHA may extend this period for a reasonable additional time, not to exceed thirty (30) days. This limitation does not apply to live-in aides and foster children who may reside in the unit with the consent of the PHA.

2. RENT AND OTHER PAYMENTS

A. Rental Payments

1. Tenant understands that all rent payments, including minimum rent, are due on the first (1st) day of the month. Rent that is received by the PHA after the fifth (5th) day of the month is considered late. If Tenant does not pay the full amount of the rent owed by the end of the 5th day of the month it is due, the PHA may collect a fee of \$5 on the 6th day of the month. Thereafter, the PHA may collect \$1 for each additional day the rent remains unpaid during the month it is due. A \$20.00 fee will also be charged on the second or any additional time a check is returned for non-sufficient funds (NSF) or account closed.

2. Tenant understands that paying rent late four (4) or more times in a twelve-month period may lead to termination of the Lease. Tenant further understands that rent is considered paid when the PHA receives the payment.
3. If Tenant wants to end the Lease, Tenant must comply with all applicable notice provisions and continue to pay rent for at least thirty (30) days after Tenant has given written notice to Management of an intent to vacate. For any days after thirty (30) days, rent will be based on the monthly rate divided and charged on a daily basis. If Tenant wants to end this Lease but fails to give the PHA a written notice, rent will be charged for thirty (30) days from the day the PHA learns that Tenant has moved.
4. Acceptance of rent with knowledge of good cause for termination of the Lease shall not constitute a waiver of the PHA's right to terminate the Lease on the basis of such good cause nor of the PHA's right to assert such good cause in any legal action.

B. Security Deposit

The PHA requires tenants to pay security deposits at or before lease signing. The amount of security deposit is equal to the greater amount of \$50.00 or Tenant's monthly Total Tenant Payment (TTP) at move-in. The security deposit will be held by the PHA in accordance with the Lease, Tenant Selection Plan, Minnesota law, and federal regulations.

C. Other Charges Due

Tenant is responsible for paying charges for, but not limited to, maintenance and repair costs, late rent payment fees, retroactive rent (overpaid assistance), fees for returned checks, legally allowable court costs, and other charges in accordance with the current schedule of charges posted in the Management Office. Payment must be made to the PHA within thirty (30) days after the PHA gives written notice of the charges to Tenant.

3. PAYMENT OF UTILITIES

A. By the PHA

The PHA will pay the ordinary cost of water, garbage (trash) collection, sewer service, and will provide a range (stove) and refrigerator for the unit. Tenant may be charged for any additional fees or costs incurred by the PHA as a result of Tenant's excess use or consumption of these utilities.

B. By Tenant

1. Tenant is responsible for paying the full cost of gas, electricity, and heat directly to the utility provider. As part of the determination of the monthly rent, the PHA agrees to adjust the rent by the applicable utility allowance as stated in the Tenant Selection Plan.
2. Nonpayment of any Tenant-paid utilities that results in the disconnection of utility service for any length of time shall be grounds for termination of the Lease.

4. UNIT ASSIGNMENT & TRANSFER

A. Unit Assignment and Change of Unit

Tenants shall be assigned to units in accordance with the PHA's Occupancy Standards in the Tenant Selection Plan.

B. Mandatory Transfers

1. Types of Mandatory Transfers. Tenant will be required to move to another unit that is decent, safe, and sanitary and is of an appropriate size under the PHA's Occupancy Standards under the following circumstances:
 - a. *Occupancy Transfer*. Tenant may be required to move if the PHA determines that Tenant is living in a unit which is larger or smaller than the PHA's Occupancy Standards allow for the household size; or
 - b. *Need for Accessible Unit*. Tenant may be required to move if the PHA determines that the unit is otherwise inappropriate for the household size or composition, including, but not limited to, when a unit modified for a person(s) with disabilities and is being occupied by a household that does not include a person(s) with disabilities; or
 - c. *Maintenance Transfer*. Tenant may be required to move if the PHA determines that the unit requires substantial repairs, is scheduled for modernization, or is not in decent, safe, and sanitary condition. Maintenance transfers may be temporary or permanent, depending on the cause of the maintenance issue, the nature of the repair work, and the availability of temporary units.
2. If the current unit is habitable, Tenant must move to the new unit within thirty (30) days after the PHA notifies Tenant of the new unit's availability. If Tenant fails to move, Tenant shall remain in the current unit and pay the HUD-approved market rent for the unit effective the first of the month following the failure to move.
3. If/when Tenant's current unit is uninhabitable, or if substantial repair or modernization work is otherwise required, Tenant must move to a new unit immediately upon the PHA's request. If Tenant, a member of Tenant's household, a guest, or other person under Tenant's control caused the uninhabitable condition of the unit, Tenant shall pay all moving expenses and the cost of repair to the unit.
4. Number of Transfer Offers. Tenants subject to mandatory transfer will generally receive two (2) offers of alternative of housing unless the circumstances surrounding the transfer reasonably require a single unit offer. If Tenant rejects the first unit offer, Tenant must accept the second offer. Tenant's refusal to accept a second unit offer (or Tenant's refusal to accept the first offer in cases where only a single unit is offered) will result in Tenant being responsible for HUD-approved market rent for the unit and/or termination of the lease, depending on the nature of the mandatory transfer.

C. Voluntary Transfers

1. Transfer Eligibility. Tenants must generally be in good standing with the PHA to be eligible for a transfer. Tenant must not be under a pending termination or other adverse action based on circumstances including, but not limited to, poor housekeeping and nonpayment of rent or other charges.
2. Types of Voluntary Transfers. Tenant may request transfer to a different PBRA unit in the following circumstances:
 - a. *Discretionary Occupancy Transfer*. Tenants may request a transfer if the number of family members in Tenant's household does not exceed the maximum for Tenant's current unit size (number of bedrooms) but the household's composition

makes the family eligible for a unit that is larger than their current unit. Families will receive notice if they are eligible for transfer to a larger unit and must timely respond to such notice confirming their desire to transfer.

- b. *Reasonable Accommodation Transfer.* Tenants may request a transfer to another PBRA unit as a reasonable accommodation for a handicap or disability. The need for transfer and its relationship to a disability must be verified by a healthcare professional familiar with the resident's condition. The transfer request must be reviewed and approved by the PHA in accordance with the requirements governing requests for reasonable accommodations.
 - c. *VAWA Transfer.* In accordance with the Violence Against Women Act (VAWA) and associated regulations, tenants who are victims of domestic violence, dating violence, sexual assault, or stalking may request emergency transfer to a different PBRA unit or location if the tenant reasonably believes that there is a threat of imminent harm from further violence if Tenant remains within the same unit.
 - d. *Special Program Transfer.* Tenant may request a transfer to a different PBRA unit as necessary to facilitate moving into or out of a special PHA program that provides services at a particular PBRA unit or building. Such special programs include, but are not limited to, Congregate Housing Services Program (CHSP), Assisted Living Program (ALP), and Accessible Space Program (ASI).
 - e. *Tenant-Initiated Transfer.* A tenant in good standing may request transfer to a different PBRA unit for any one of the following reasons:
 - (i) To support current employment;
 - (ii) To support current education; or
 - (iii) To support a current health-related issue or preference (subject to verification from a healthcare professional documenting the health-related preference for the requested PBRA unit or location).
3. Number of Transfer Offers. Tenants approved for any type of voluntary transfer will receive only one (1) offer of alternative housing. Failure to accept the offered unit without good cause may result in the cancellation of Tenant's transfer request and removal from further consideration for a voluntary transfer in the future.

D. Transfer to a new unit under any circumstance does not remove, eliminate, or otherwise excuse prior or existing Lease violations and the PHA retains the right to terminate the new lease for violations that occurred while Tenant occupied the previous unit.

5. OBLIGATIONS OF TENANTS, MEMBERS OF HOUSEHOLD, AND GUESTS

Tenant agrees to obey the following rules. Tenant is also responsible for causing members of the household, guests, and other persons under Tenant's control to obey the following rules:

A. Tenant shall:

1. Pay rent on the first (1st) day of the month.
2. Meet with PHA staff at any reasonable time and place as the PHA requests and after reasonable notice, in order to discuss any matter affecting the Lease or Tenant's tenancy.
3. Pay reasonable charges, in accordance with the current schedule of charges posted in the Management Office, for the repair of damages beyond normal wear and tear to the

- unit, development buildings, facilities, or common areas, caused by the action (or inaction) of Tenant, members of the household, or guests.
4. Use the unit solely as a private place to live and principal residence for Tenant and members of Tenant's household as identified in Section 1, and not use the unit or permit its use for any other purpose.
 5. Promptly notify the PHA in writing if any family member no longer lives in the unit or otherwise establishes a principal place of residence elsewhere.
 6. Obtain the consent of the PHA before members of the household engage in profit making activities in the dwelling unit. The PHA must also decide whether such activities are legal and incidental to the primary use of the leased unit for residence by members of the household. Even if certain profit-making activities are approved, the PHA shall not be responsible for making any modifications or alterations to the unit in connection with those activities.
 7. Obey the written regulations, including, but not limited to, the requirements contained in the Family Handbook, which are posted in the Management Office. These rules, policies, and regulations are made a part of these House Rules by reference.
 8. Comply with all applicable federal, state, and local codes, ordinances, laws and regulations including but not limited to those relating to building, housing, health, sanitation, safety, and fire.
 9. Keep the unit in a clean and safe condition. Tenant shall maintain the unit in accordance with the PHA's Housekeeping Standards and shall allow PHA to conduct housekeeping inspections. The PHA's Housekeeping Standards are made a part of these House Rules by reference.
 10. Prepare the unit and otherwise comply with PHA employee or contractor instructions to facilitate pest treatment. Tenants shall immediately report any signs of pest infestation to the PHA and fully cooperate with the PHA in its attempts to treat any infestation. Tenant shall not place infested furniture or other items in common areas such as hallways or stairwells. Failure to report an infestation or cooperate with pest control measures will be deemed a substantial violation of the Lease and grounds for immediate termination.
 11. Dispose of all garbage, trash, rubbish, and other waste from the unit in a sanitary and safe manner.
 12. Use only in a reasonable manner all electrical, plumbing, heating, ventilating, air-conditioning, elevators and other facilities in the development buildings and common areas.
 13. Comply with the PHA's Parking Policies, which are a made a part of these House Rules by reference. Tenant shall park no more than one vehicle per licensed leaseholder in the designated parking areas (up to a maximum of two (2) vehicles for the household). Tenant must park a vehicle in a manner so that it will not obstruct traffic and may not allow any vehicles to remain in the parking area or other part of the housing development when such vehicle is unlicensed or no longer in operating condition. Tenant shall assure that the vehicle(s) on the premises have current license tabs, are insured, and are in compliance with applicable motor vehicle laws and ordinances. At Tenant's expense, the PHA may tow vehicles that are not in compliance with the Lease or the PHA's parking policy.

14. Immediately report to the Management Office any damage or vandalism to the premises.
15. Immediately report to the Maintenance Office any need for repair to the interior or exterior of the dwelling unit and any other area used by Tenant in connection with Tenant's occupancy of the unit.
16. Participate in a training program on housekeeping and home care skills if the PHA decides that the condition of the unit does not meet PHA Housekeeping Standards. Such training will be provided by the PHA.
17. Complete the required Admission Orientation Program no later than thirty (30) days from signing of the Lease. Such program will be provided by the PHA.
18. Comply with any community service or self-sufficiency requirements that may apply to RAD PBRA residents under Federal law and regulations.

B. Tenant shall not:

1. Assign or transfer the Lease or sublease the unit.
2. Provide housing for boarders or lodgers or other unauthorized persons.
3. Allow any person who has been trespassed by the PHA access to the unit, building common areas, or other PHA property. Tenant understands that the PHA has the right to trespass any non-tenant who has engaged in any criminal or drug-related activity (on or off the PHA premises), or who has engaged in other activities that pose a threat to the health or safety of PHA tenants or staff. Tenant further understands that the PHA may trespass any non-tenant who is believed to be residing in the unit as an unauthorized guest or who is otherwise in violation of the PHA's fifteen (15) day guest policy.
4. Disturb other tenants or neighbors. Tenant shall also ensure that guests, visitors, or other persons under control of Tenant or other household member do not disturb other tenants or neighbors. Persons who are permitted access to the unit or otherwise allowed to remain in the unit by Tenant or other household member are considered to be under the control of Tenant.
5. Scatter rubbish, or damage, destroy, deface or remove any part of the dwelling unit or premises, intentionally or unintentionally. Tenant must also prevent such action by guests, visitors or other persons under control of household members.
6. Store an excessive amount of items, clutter or fire hazards in the dwelling unit or on the premises in violation of any fire code or PHA Housekeeping Standards. Tenant may not obstruct an entryway, hallway, walkway, doorway, bathroom, shower, bathtub, sink, appliance, heating source, circuit breaker, window or smoke detector. Tenant further agrees not to disconnect, interfere with, cover, or remove smoke detectors, fire extinguishers, or carbon monoxide detectors. Tenant may not use the stove or oven to heat the unit.
7. Engage in any activity, including criminal activity that the PHA determines threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants or PHA employees. Tenant shall assure that no member of Tenant's household, or any guest or other person under Tenant's control engages in any such activity.
 - a. Criminal activity is defined as follows: Criminal activity includes, but is not limited to, conduct that is unlawful, forbidden by and punishable by fine and/or imprisonment under state or federal law and local ordinances. The conduct need

- not be reported to a law enforcement agency, and need not result in an arrest or prosecution. For purposes of the housing program, such conduct includes, but is not limited to, possession, use, or sale of a small amount of marijuana, any other petty misdemeanor, and acts of physical violence or the threat of such acts. Neither proof beyond a reasonable doubt nor conviction in a court of law is necessary to establish violation of the terms of the Lease or these House Rules.
- b. Prohibited activities also include, but are not limited to, causing excessive noise; using threatening, abusive, or inappropriate language towards other tenants or PHA staff; loitering; or participating in activities resulting in police intervention.
8. Engage in drug-related criminal activity on or off the premises. Tenant shall assure that no member of Tenant's household or guest or other person under Tenant's control engages in drug-related criminal activity on or off the premises.
 - a. Drug-related criminal activity is defined as follows: Drug-related criminal activity means the illegal manufacture, possession, sale, distribution, or use of a drug, as prohibited by State or Federal statute, law, or regulation.
 - b. Drug means a controlled substance as defined by State or Federal statute, law, or regulation.
 9. Engage in abuse or demonstrate a pattern of abuse of alcohol that the PHA determines affects the health, safety, or right to peaceful enjoyment of the premises by other tenants, neighbors or PHA employees. Tenant shall assure that no guest or other person under Tenant's control engages in such abuse or pattern of abuse.
 10. Commit any fraud in connection with any Federal or State housing assistance program.
 11. Make any repairs or changes or modifications to the unit or equipment provided by the PHA, or install any permanently attached carpet or any equipment, including, but not limited to, door locks, without the written approval of the PHA. Installation of satellite dishes, cable wiring, antennas or other reception devices shall only be permitted in accordance with rules adopted by the PHA, which are made a part of these House Rules by reference.
 12. Interfere with or refuse to cooperate with PHA employees or contractors in the performance of their duties.
 13. Have any fowl, snakes or other animals on the premises, except small caged birds, fish in aquariums, or small caged animals that will be kept indoors, in accordance with the PHA's Pet Policy.
 14. Create (by act or omission) or permit to exist any condition on the premises which results in a risk to the personal health or safety of any person or damage to property.
 15. Engage in, or allow members of the household, guests, or another person under the Tenant's control to engage in, any activity, including criminal activity, which impairs the physical or social environment of the premises, the neighborhood, or the development.
 16. Smoke, or allow Tenant's guests, visitors or other persons under Tenant's control to smoke in the dwelling unit or on PHA property. Smoking is prohibited in all public housing units and interior areas (including, but not limited to, balconies, hallways, management offices, community centers, daycare centers, laundry areas, and similar facilities), as well as in outdoor areas within 25 feet of PHA buildings or adjacent outdoor common spaces. Smoking includes the use of anything that involves the

ignition and burning of tobacco leaves, including, but not limited to, cigarettes, cigars, pipes, and waterpipes (hookahs).

6. TENANT HOUSEKEEPING, MAINTENANCE, AND WORK ORDER REQUESTS

A. Damage & Repair

1. Tenant agrees to notify the PHA promptly if repair work is needed in the apartment and of any unsafe condition in common areas or grounds which may lead to further damage or injury.
2. Tenant will allow the PHA or its contractors to enter the unit to make needed repairs.
3. Whenever damage is caused by the actions of Tenant, household members, guests, or Tenant's personal property, Tenant shall be responsible for paying:
 - a. The cost of all repairs within thirty (30) days after receipt of the PHA's demand for the repair charges; and
 - b. Rent for the period the unit is damaged whether or not the unit is habitable. Tenant understands that HUD will not make assistance payments for any period in which the unit is not habitable. For any such period, *Tenant agrees to pay the HUD-approved market rent* rather than the Tenant rent otherwise specified in the Lease.

B. Cleaning/Housekeeping

1. Tenant shall keep the unit and surrounding area clean and free of litter and debris.
2. Tenant shall maintain the unit in accordance with PHA Housekeeping Standards and applicable federal, state, and local codes, ordinances, laws, and regulations regarding housing, health, sanitation, safety, and fire.
3. Tenant shall not leave personal property in hallways, stairwells, or other common areas. Any personal property left in common areas will be considered abandoned and disposed of accordingly.
4. If Tenant fails to maintain the unit in accordance with Housekeeping Standards, pest control instructions, or other applicable requirements after receiving reasonable notice from Management to do so, PHA staff may clean and/or remove items, prepare Tenant's unit for a schedule pest control treatment, or otherwise perform these housekeeping responsibilities. If PHA staff performs any of these tasks after Tenant fails to do so, Tenant shall be charged for the cost of such work according to the current schedule of maintenance charges as posted in the Management Office.

C. Common Areas and Yard Care

Tenants shall maintain walkways, stairs, landings, hallways, grounds, lawns, patios and landscaping adjacent to the unit, including regular mowing and snow removal. If after notification from the PHA for corrective action, Tenant neglects to maintain the areas assigned, the PHA shall have the work completed at Tenant's expense.

D. Keys/Lockouts

If Tenant is locked out of the unit after office hours, Tenant will need to wait until the next business day to arrange for apartment entry. Tenant shall be responsible for paying for replacement keys and/or other costs associated with a lockout call in accordance with the current schedule of maintenance charges as posted in the Management Office.

7. INSPECTION AND ACCESS

A. Move-In Inspection

Before signing the Lease, the PHA and Tenant will inspect the unit. The Inspection Report, signed by the PHA and Tenant, will state the condition of the unit and note any equipment or appliances in the unit provided by the PHA. The PHA will correct any deficiencies noted on the Inspection Report as needed. A copy of the Inspection Report will be kept in Tenant's file and can be provided to Tenant upon request.

B. Move-Out Inspection

When Tenant moves out, the PHA will inspect the unit and furnish Tenant with a written statement of damages for which Tenant is responsible. Management will give Tenant the opportunity to be present at this inspection by giving Tenant written notice, within a reasonable time, of the time and date of the inspection. No notice will be provided if Tenant vacates without notice to Management. Any damages assessed will be charged to Tenant's move-out account statement.

C. Other Inspections and Access

PHA staff and contractors may enter Tenant's unit as follows:

1. The PHA will provide Tenant with two (2) days written notice stating the purpose of entry into the unit, except that the PHA will provide Tenant with reasonable notice (written or oral) when it is necessary to enter the unit for making improvements or repairs. The PHA's entry will be between the hours of 8:00 a.m. and 4:30 p.m. for the purposes of performing routine inspections and maintenance, including pest control operations, for making improvements or repairs, or to show the premises for re-rental.
2. The PHA may enter the unit at any time without prior notice to Tenant when there is a reasonable cause to believe an emergency exists.
3. If all adult members of the household are absent at the time of entry, the PHA will leave a written statement in the unit specifying the date, time and purpose of entry.
4. During any entry permitted by this section, the PHA may take pictures to show damage to PHA property, unsafe conditions, the presence of illegal drugs or other evidence of criminal activity, or housekeeping violations.
5. Tenant's failure to allow access, interference with the PHA's right to enter, or any other noncompliance with this section shall be grounds for termination of tenancy.

8. PET POLICY

Dogs and cats are generally not permitted as pets in any PHA Family Development properties. Small caged birds, fish in aquariums, small caged animals, or any other allowed pets must be kept indoors and otherwise in accordance with the PHA's Pet Policy. The PHA's Pet Policy does not pertain to animals that assist, support, or provide service to resident's with disabilities. However, rules for service animal approval, registration, maintenance, behavior, and sanitary requirements are outlined in the PHA's Pet Policy.

9. TERMINATION OF THE LEASE

A. Termination by Tenant

Tenant may terminate the Lease at any time upon 30-days' written notice to the PHA.

B. Grounds for Termination by the PHA

The PHA may terminate the Lease for the following reasons:

1. Tenant's material noncompliance with the terms of the Lease. The term *material noncompliance with the lease* includes, but is not limited to:
 - a. One or more substantial violations of the Lease;
 - b. Repeated minor violations of the Lease;
 - c. Failure of Tenant to timely supply all required information on household income, composition, or other eligibility factors;
 - d. Nonpayment of rent or any other financial obligations due under the Lease beyond applicable due dates and grace periods;
 - e. Extended absence or abandonment of the unit as defined by these House Rules, or in state or local law;
 - f. Knowingly providing inaccurate or incomplete information (or failing to timely provide required information) in connection with the housing program
2. Tenant's material failure to carry out obligations under Minnesota's Landlord/Tenant Act;
3. Drug-related or other criminal activity, which includes, but is not limited to:
 - a. Drug-related criminal activity engaged in on or near the premises, by Tenant, Tenant's household member, or guest, and any such activity engaged in on the premises by any other person under Tenant's control;
 - b. Determination made by the PHA that a household member is illegally using a drug;
 - c. Determination made by the PHA that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents or PHA staff;
 - d. Criminal activity by Tenant, any member of Tenant's household, a guest or another person under Tenant's control that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including PHA staff) or by persons residing in the immediate vicinity of the premises.
 - e. If Tenant is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony (or high misdemeanor) under the laws of the place from which the individual flees;
 - f. If Tenant is violating a condition of probation or parole under Federal or State law;
 - g. Determination made by the PHA that a household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents;
 - h. If the PHA determines that Tenant, any member of Tenant's household, a guest or another person under Tenant's control has engaged in the criminal activity, regardless of whether Tenant, any member of Tenant's household, a guest or another person under Tenant's control has been arrested or convicted for such activity.

4. Other good cause, which includes, but is not limited to:
 - a. Failure to comply with any of the terms of these House Rules;
 - b. Refusal to accept changes to the Lease;
 - c. Tenant is no longer physically and/or mentally able to comply with the provisions of the Lease, and if alternate arrangements are not made for someone to assist Tenant in complying with the Lease.

C. Domestic Violence, Dating Violence, Stalking

1. The PHA will not terminate or refuse to renew Tenant's Lease and will not evict Tenant or a member of Tenant's household from the dwelling unit if Tenant or household member is a victim of actual or threatened "domestic violence, dating violence, or stalking," as those terms are defined by applicable laws and PHA policies.
 2. Pursuant to Federal law, the PHA may bifurcate Tenant's Lease in order to evict, remove, or terminate the assistance to any person who is a Tenant or a lawful occupant under the Lease when such person engages in criminal acts of physical violence against family members or others, on or off the premises. The PHA may take such action without evicting, removing, terminating assistance to, or otherwise penalizing a victim of such violence who is a lawful occupant under Tenant's Lease.
 3. Nothing in this section shall prohibit the PHA from terminating Tenant's Lease where it can demonstrate an actual and imminent threat to other tenants or to those employed at or providing service to the development in which the unit is located.
 4. Nothing in this section shall prohibit the PHA from terminating Tenant's Lease and evicting Tenant based on a violation of the Lease not involving domestic violence, dating violence, or stalking against Tenant or household member.
- D.** If Tenant transfers to another unit operated by the PHA, the Lease will terminate and a new lease will be executed for the unit into which Tenant moves. However, the signing of a new lease does not remove or eradicate prior or existing lease violations and the PHA retains the right to terminate the new lease for violations of a previous lease.
- E.** If Tenant continues to occupy the dwelling unit after the termination of the Lease, Tenant agrees to pay the PHA the reasonable value of the use of the premises for the period that the Tenant continues to occupy the unit. The reasonable value for the use of the premises is equivalent to the HUD-approved market rent for such period. However, such payments shall not constitute rent and by accepting such payments the PHA does not waive its right to assert any Lease violations in any legal action.

10. TENANT PROCEDURAL RIGHTS (REQUIRED BY RAD)

A. Termination Notification

HUD is incorporating additional termination notification requirements to comply with Section 6 of the United States Housing Act of 1937 (42 U.S.C. § 1437d) for public housing projects converting assistance under RAD, that supplement notification requirements in regulations at 24 C.F.R. § 880.607 and the Multifamily HUD Model Lease.

1. *Termination of Tenancy and Assistance.* The termination procedure for RAD conversions to PBRA will additionally require that the PHA provide adequate written notice of termination of the lease which shall not be less than:
 - a. A reasonable period of time, but not to exceed 30 days:
 - (i) If the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
 - (ii) In the event of any drug-related or violent criminal activity or any felony conviction.
 - b. Not less than 14 days in the case of nonpayment of rent; and
 - c. Not less than 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.
2. *Termination of Assistance.* In all other cases, the requirements at 24 C.F.R. § 880.603, the Multifamily HUD Model Lease, and any other HUD multifamily administrative guidance shall apply.

B. Grievance Process

1. In addition to program rules that require that tenants are given notice of covered actions under 24 C.F.R. Part 245 (including increases in rent, conversions of a project from project-paid utilities to tenant-paid utilities, or a reduction in tenant paid utility allowances), HUD is incorporating tenant procedural rights to comply with the requirements of Section 6 of the United States Housing Act of 1937 (42 U.S.C. § 1437d). RAD PBRA will require that:
 - a. Tenants will be provided with notice of the specific grounds of the PHA's proposed adverse action, as well as their right to an informal hearing with the PHA;
 - b. Tenants will have an opportunity for an informal hearing with an impartial member of the PHA's staff within a reasonable period of time. An "impartial member of the PHA's staff" shall mean any person designated by the PHA who was not directly involved in making the specific decision being challenged and is not a subordinate of the person who made the decision;
 - c. Tenants will have the opportunity to be represented by another person of their choice, to ask questions of witnesses, have others make statements at the hearing, and to examine any regulations and any evidence relied upon by the PHA as a basis for the adverse action. With reasonable notice to the PHA, prior to the hearing and at Tenant's own cost, Tenant may copy any documents or records related to the proposed adverse action; and
 - d. The PHA will provide Tenant with a written decision within a reasonable period of time stating the grounds for the adverse action, and the evidence the PHA relied on as the basis for the adverse action.
2. The PHA will be bound by decisions from these hearings, except if:
 - a. The hearing concerns a matter that exceeds the authority of the impartial party conducting the hearing; or
 - b. The decision is contrary to HUD regulations or requirements, or otherwise contrary to federal, State, or local law.

3. If the PHA determines that it is not bound by a hearing decision, the PHA must promptly notify the resident of this determination, and of the reasons for the determination.

11. NOTICES

- A. Any notice to Tenant from the PHA will be in writing either:
 1. Delivered personally and handed to Tenant or another member of Tenant's household who is an adult; or
 2. Be sent by prepaid first class mail properly addressed.
- B. If the notice is delivered to a person other than Tenant, the PHA will also mail a copy of the notice to Tenant.
- C. Any notice that Tenant gives to the PHA must be in writing and either personally delivered to a PHA Management employee at the assigned Management Office or PHA Central Administrative Office, or be properly addressed and sent by first class mail.

12. TENANT ORGANIZATIONS

Residents have the right to establish and operate a tenant organization for the purpose of addressing issues related to their living environment as well as activities related to housing and community development. A tenant organization is considered legitimate if it has been established by the residents of a multifamily housing project covered under Section 245.110 for the purpose described above, and meets regularly, operates democratically, is representative of all residents in the development, and is completely independent of owners, management, and their representatives. The definition of legitimate tenant organization includes "organizing committees" newly formed by residents, and does not require specific structures, written by-laws, elections, or resident petitions. Any activities conducted at the behest of the tenant organization must be conducted in such a way as to comply with the Fair Housing Act and Section 504 of the Rehabilitation Act. All communications, meetings, and activities must be available to all residents who wish to participate, regardless of familial status, race, sex, disability, color, religion, national origin, sexual orientation, gender identity, or marital status.

13. EXTENDED ABSENCE AND ABANDONMENT OF PROPERTY

A. Extended Absence

1. Tenant shall promptly notify the PHA in writing when the family (or any family member) is away from the unit for an extended period of time.
2. If all members of the household are out of the unit for a period of more than 180 consecutive days for any reason, the Lease may be terminated.
3. Tenants who are temporarily absent for any reason and for any length of time must remain in compliance with all terms and conditions of the Lease and these House Rules during such absence.

B. Abandonment

If Tenant is absent from the unit for fourteen (14) consecutive days and rent is owed, the PHA has the right to consider that Tenant has abandoned the unit. Any of Tenant's personal property remaining in the unit will be considered abandoned and may be disposed of by the PHA in accordance with Minnesota law.

14. TENANT SELECTION PLAN & OCCUPANCY POLICIES

The Tenant Selection Plan referred to in the Lease and these House Rules are the policies as approved and amended by the PHA's Board of Commissioners and are made a part of the Lease and these House Rules by reference. A copy of the Tenant Selection Plan and amendments is posted online and in the Management Office and may be examined at any time during business hours.

15. CHANGES TO THESE RULES

The PHA reserves the right to make such other reasonable rules which may from time to time be needed for the safety, care, and cleanliness of the premises and/or preservation of good order therein.

16. RECEIPT OF LEASE, HOUSE RULES, AND OTHER DOCUMENTS BY TENANT

Tenant has received executed copies of the Lease, these House Rules, and the Grievance Procedure. Tenant has also been informed about the Tenant Selection Plan, the Hi-Rise/Family Handbooks, and other documents referenced under the Lease and these House Rules, and Tenant understands how they all apply to Tenant's tenancy.

By signing below, Tenant acknowledges receiving and reading these Family Site House Rules and agrees to abide by them. Tenant understands that violating any of these rules or the policies referenced herein shall constitute a violation of the Lease and grounds for termination of tenancy.

**PUBLIC HOUSING AGENCY
OF THE CITY OF SAINT PAUL**

TENANT(S)

Date

Date

Housing Manager

Tenant (Head of Household)

Tenant

Tenant

Tenant

LEASE ADDENDUM
VIOLENCE AGAINST WOMEN AND JUSTICE DEPARTMENT REAUTHORIZATION ACT OF 2005

TENANT	LANDLORD	UNIT NO. & ADDRESS
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This lease addendum adds the following paragraphs to the Lease between the above referenced Tenant and Landlord.

Purpose of the Addendum

The lease for the above referenced unit is being amended to include the provisions of the Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA).

Conflicts with Other Provisions of the Lease

In case of any conflict between the provisions of this Addendum and other sections of the Lease, the provisions of this Addendum shall prevail.

Term of the Lease Addendum

The effective date of this Lease Addendum is _____. This Lease Addendum shall continue to be in effect until the Lease is terminated.

VAWA Protections

1. The Landlord may not consider incidents of domestic violence, dating violence or stalking as serious or repeated violations of the lease or other "good cause" for termination of assistance, tenancy or occupancy rights of the victim of abuse.
2. The Landlord may not consider criminal activity directly relating to abuse, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that abuse.
3. The Landlord may request in writing that the victim, or a family member on the victim's behalf, certify that the individual is a victim of abuse and that the Certification of Domestic Violence, Dating Violence or Stalking, Form HUD-91066, or other documentation as noted on the certification form, be completed and submitted within 14 business days, or an agreed upon extension date, to receive protection under the VAWA. Failure to provide the certification or other supporting documentation within the specified timeframe may result in eviction.

Tenant

Date

Landlord

Date

LIVE-IN AIDE ADDENDUM

This Live-in Aide Addendum dated _____, is attached to and made a part of the Lease dated _____ by and between **the Public Housing Agency of the City of St. Paul** (the PHA), _____ (Resident(s)) and _____ (Live-in Aide) for the unit located at _____ (Property Address). The Lease is hereby amended with the addition of this Addendum. Unless terminated or modified as provided herein, this Addendum shall remain in force throughout the initial lease term and any extended lease term made in compliance with HUD requirements.

Name of Live-in Aide: _____

DEFINITION OF FAMILY

For purposes of this addendum, the term "family" is defined by the names of the residents indicated on the lease or on the most current HUD Form 50059.

DEFINITION OF LIVE-IN AIDE

A live-in aide is defined as a person who resides in a unit with one or more elderly persons, near-elderly persons, or persons with disabilities, and who:

- (1) Is determined to be essential to the care and well-being of the person(s);
- (2) Is not obligated for the support of the person(s); and
- (3) Would not be living in the unit except to provide the necessary supportive services

The Resident states that the person indicated above will act as a Live-in Aide. This person meets the definition above and is moving in the unit to perform tasks described. If the Resident no longer needs the services of the Live-in Aide, the Resident shall insure that the aide immediately moves from the Resident's unit.

The Live-in Aide must provide certification that he/she meets HUD's definition of a Live-in Aide. (Live-in Aide Questionnaire) If, at any time, circumstances change and the person acting as a Live-in Aide no longer meets HUD's definition of a Live-in Aide, the Live-in Aide agrees to move out of the unit and remove all belongings.

In the case where a Resident and a Live-in Aide marry or enter in to a formal domestic arrangement, the Live-in Aide will be given ten (10) business days to submit an application for occupancy because the Live-in Aide no longer meets HUD's definition of a Live-in Aide – specifically number 3 above. The Live-in Aide will no longer be referred to as a Live-in Aide, but rather as an applicant. During that time, the applicant will be treated as a guest in accordance with the property's House Rules and/or Pet Rules.

The application will be processed, and, if eligible, the applicant will be added to the household as the head, co-head, spouse, or other adult as appropriate. Rent will be re-calculated based on HUD instruction.

If the applicant is not eligible to live on the property or does not meet the PHA's Screening Requirements, the applicant agrees to immediately move and remove all belongings.



LIVE-IN AIDE ADDENDUM

Failure to abide by this rule is a violation of the Model Lease - specifically in reference to

1. 90105A, Paragraph 13 (*The Tenant agrees to permit other individuals to reside in the unit only after obtaining the prior written approval of the Landlord.*)
2. The House Rules limiting the amount of time a guest may reside in a unit

RULES ESTABLISHED FOR EACH LIVE-IN AIDE

A Live-in Aide is permitted by the PHA to occupy the Resident's unit as long as the Resident requires the services of a Live-in Aide.

1. **VERIFICATION OF THE RESIDENT'S NEED FOR THE LIVE-IN AIDE:** The PHA is required to verify the Resident's need for the Live-in Aide. Upon request, the Resident agrees to provide the PHA with any information necessary to verify the need of the services of the Live-in Aide.
2. **SCREENING CRITERIA APPLIED TO LIVE-IN AIDE:** The Live-in Aide must provide the PHA with all information necessary to screen the Live-in Aide. The PHA must determine whether the Live-in Aide meets the PHA's screening criteria as provided in the current Tenant Selection Plan. Since the Live-in Aide is not responsible for rent, the PHA will not screen for the ability to pay rent. However, all other screening criteria will be applied.

The screening process must be completed and the Live-in Aide must be approved by the PHA **before** the Live-in Aide may move in to the unit. If the resident allows the Live-in Aide to move in to the unit before the screening process is complete and before the live-in aide is approved, this action will be considered a violation of the Model Lease and appropriate action will be taken.

3. **RESIDENT'S LEGAL AND FINANCIAL RESPONSIBILITY:** As the Resident and the employer of the Live-in Aide who will occupy these premises, the Resident has the following legal and financial duties:
 - a. Resident agrees to indemnify, defend, and hold the PHA harmless from and against any and all claims, actions, suits, judgments, and demands brought by any other party on account of or in connection with any activity or damage caused by the Live-in Aide.
 - b. Resident will insure that the Live-in Aide abides by all lease terms and with the PHA's rules and regulations. If Resident learns of violations by the Live-in Aide, the Resident will immediately terminate the services of the Live-in Aide and remove the Live-in Aide and all property of the Live-in Aide from the premises.
 - c. Resident understands that the Live-in Aide is considered a guest of the Resident and as such, the Resident is responsible for the actions of the Live-in Aide while on the premises.



LIVE-IN AIDE ADDENDUM

4. **RESIDENT'S ABSENCE FROM THE UNIT:** Because the Live-in Aide occupies the unit only to provide services to the Resident, if the Resident is absent from the unit for more than the timeframe established in the House Rules the Live-in Aide will vacate the Resident's unit.

5. **LIVE-IN AIDE HAS NO RIGHTS OF OCCUPANCY:** The Live-in Aide qualifies for occupancy only as long as the Resident needs supportive services and remains in residence. The Live-in Aide has no rights to occupancy - even if the Live-in Aide is a relative of the Resident - and does not qualify for continued occupancy as a remaining family member.

6. **POLICY CHANGES:** The PHA reserves the right to alter or amend any of the above stated policies. The PHA will provide thirty (30) days notice to the Resident of the proposed change(s), and whenever appropriate will provide the Resident with a revised Live-in Aide Addendum to sign.

This addendum is incorporated into the Model Lease. The Resident and the Live-In Aide have read this Live-in Aide Addendum and agree to comply with the terms of the Addendum and such rules and regulations as may be reasonably adopted from time to time by HUD or the PHA.

SIGNATURES

By signing this document, I agree to the terms set forth in this addendum.

Resident Signature (Head of household)

Date

Print Name

Live-in Aide Signature

Date

Print Name

PHA Signature

Date

Print Name



RECORDING REQUESTED BY

The Public Housing Agency
of the City of Saint Paul

AND WHEN RECORDED RETURN TO:

The Public Housing Agency
Of the City of Saint Paul

Recorder's Stamp

**AGREEMENT TO SUBORDINATE TO RENTAL ASSISTANCE DEMONSTRATION
USE AGREEMENT**

Roosevelt Public Housing Six Plex

This Agreement to Subordinate to Rental Assistance Demonstration Use Agreement (the "Subordination") is entered into this _____ (date), by the Minnesota Housing Finance Agency (the "Lender"), a public body corporate and politic of the State of Minnesota, having its principal place of business located at 400 Wabasha Street North, Suite 400, Saint Paul, Minnesota 55102-1109, and the Public Housing Agency of the City of Saint Paul, a public body corporate and politic (the "Project Owner"), having its principal place of business located at 555 North Wabasha Street, Suite 400 St. Paul, MN 55102, collectively, the "Parties."

WHEREAS, the Parties executed the following documents and recorded them in the Registrar of Titles of Ramsey County ("Recorder's Office"): that certain Combination Mortgage, Security Agreement and Fixture Financing Statement dated as of December 15, 2014, and recorded as document number T02519570; the Assignment of Rents and Leases dated December 15, 2014 and recorded as document number T02519571; the Declaration of Covenants, Conditions and Restrictions dated as of December 15, 2014 and recorded as document number T02519572; and the Request for Notice of Foreclosure dated March 27, 2018 and recorded as document number T02611244, hereinafter ("Subordinate Documents")

WHEREAS, HUD has authorized the conversion of Roosevelt Public Housing Six Plex (the "Project") located upon the real property described on Exhibit "A" attached hereto, from public housing to Section 8 assistance under the Rental Assistance Demonstration ("RAD") program, pursuant to Public Law 112-55; and

WHEREAS, as a condition of the RAD conversion, the Owner executed a Rental Assistance Demonstration Use Agreement dated and recorded as of substantially even date herewith (the "RAD Use Agreement") for the benefit of HUD; and

WHEREAS, HUD requires as a condition of the RAD conversion that the Parties agree to subordinate the Subordinate Document(s) to the RAD Use Agreement;

NOW THEREFORE, let it be known to all interested parties, that for good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned do hereby agree:

1. So long as the RAD Use Agreement, and all extensions thereto, be in effect, the Subordinate Document(s) shall in all respects be subordinate.
2. Subordination extends to and continues in effect with respect to any future amendment, extension, renewal, or any other modification of the RAD Use Agreement or the Subordinate Document(s).
3. In the event of conflict between/among the Subordinate Document(s) and the RAD Use Agreement, the RAD Use Agreement controls.
4. The following amendments to the Subordinate Document(s) require the prior written consent of HUD: Any amendment to any HUD-required provisions in the Subordinate Document(s), an increase in the interest rate, an increase of the total indebtedness, an acceleration of the amortization or payment schedule, and any changes that would preclude or impair a reasonable opportunity to cure any defaults by the Project Owner under the Subordinate Documents.
5. This Subordination will survive bankruptcy and foreclosure.
6. This Subordination may be signed in counterparts.
7. The invalidity, in whole or in part, of any of the provisions set forth in this Subordination, shall not affect or invalidate any remaining provisions.
8. This Subordination and every covenant hereof shall be binding upon the Parties and their respective successors and assigns. This Subordination shall not be modified or amended except by a written instrument executed by all parties hereto and approved in writing by HUD.

[SIGNATURE PAGE(S) TO FOLLOW]

In witness whereof, the parties have executed this Subordination as of the date first written above.

Lender/Agency
MINNESOTA HOUSING FINANCE AGENCY
A public body corporate and politic of the State of Minnesota

By: _____
James Lehnhoff
Assistant Commissioner, Multifamily

STATE OF MINNESOTA

COUNTY OF RAMSEY

I, _____, a Notary Public of the County and State aforesaid, certify that _____, either being personally known to me or proven by satisfactory evidence, personally came before me this day and acknowledged that he/she, being authorized to do so, voluntarily executed the foregoing on behalf of said companies for the purposes state therein.

Notary Public

My commission expires:

[Seal]

(THE REMAINING PORTION OF THIS PAGE WAS INTENTIONALLY LEFT BLANK)

Project/Owner
PUBLIC HOUSING AGENCY OF THE CITY OF
SAINT PAUL

A public body corporate and politic

By: _____
Jon Gutzman, Executive Director

By: _____
Ronald P. Moen, Finance Director/Controller

STATE OF MINNESOTA

COUNTY OF RAMSEY

I, _____, a Notary Public of the County and State aforesaid, certify that
_____, either being personally known to me or proven by satisfactory evidence,
personally came before me this day and acknowledged that he/she, being authorized to do so, voluntarily
executed the foregoing on behalf of said companies for the purposes state therein.

Notary Public

My commission expires:

[Seal]

Exhibit A
LEGAL DESCRIPTION

That part of Block 5, Franklin D. Roosevelt Homes Addition, lying Easterly and Northerly of the following described line:

Commencing at the Northwest corner of said Block 5, thence North 63 degrees 14 minutes 50 seconds East (assumed bearing) along the south line of Ames Avenue, 33.57 feet to the point of beginning of said line to be herein described; thence South 0 degrees 04 minutes 33 seconds East, 176.47 feet; thence North 89 degrees 38 minutes 30 seconds East, 85.89 feet; thence North 79 degrees 12 minutes 19 seconds East 39.74 feet; thence North 82 degrees 20 minutes 13 seconds East, 146.18 feet; thence North 89 degrees 38 minutes 30 seconds East, 328.97 feet to a point on the west line of Germain Street and there terminating said point of termination being 269.44 feet North of the point of intersection of the south line of said Block 5 and the west line of Germain Street as measured along the west line of Germain Street.

Torrens Property

Being registered land as is evidenced by Certificate of Title No. 545921.

General Depository Agreement: U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB No. 2577-0075
Exp. 10/31/2017

This Agreement, entered into this 24th day of July, 2019, by and between the Public Housing Agency of the City of Saint Paul, Minnesota, (herein called the "HA"), a duly organized and existing public body corporate and politic of the State of Minnesota and U. S. Bank (herein called the "Depository"), located at St. Paul, Minnesota.

Witnesseth:

Whereas, the Department of Housing and Urban Development (herein called "HUD") has entered into one or more contracts (herein called the "Contract") with the HA for the purpose of providing financial assistance to develop and operate lower-income housing projects, as authorized by the United States Housing Act of 1937, as amended (42 USC 1437, et seq.); and

Whereas, under the terms of the Contract the HA is required to select as depositories of its funds, financial institutions whose deposits or accounts are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF) as long as this Agreement is in force and effect.

Now Therefore, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. The deposits and accounts of the Depository shall continue to be insured by the FDIC Corporation or NCUSIF.
2. All monies deposited by the HA with the Depository shall be credited to the HA in a separate interest bearing deposit or interest bearing accounts, designated Low Income (or) Section 8 (or) Building Fund (or) Rental Assistance Demonstration Accounts (herein the "Accounts"). Any portion of HA Funds not insured by a Federal insurance organization shall be fully ~~100%~~ 110% per MN Statute §118A.03 subd. 3) and continuously collateralized with specific and identifiable U.S. Government or Agency securities prescribed by HUD in a notice. Collateralization is required on a daily basis at the end of the business day. Such securities shall be pledged and set aside in accordance with applicable law or Federal regulations. The HA shall have possession of the securities (or the HA will take possession of the securities) or an independent custodian (or an independent third party) holds the securities on behalf of the HA as a bailee (evidenced by safe keeping receipt and a written bailment for hire contract) and will be maintained for the full term of deposit. The Depository may substitute other securities as collateral to equal or increase the value. If the HA is an agency of an Indian tribe, the collateral shall be in United States bonds and otherwise as may be prescribed for public funds by the United States Secretary of the Treasury.
3. Except as stated in Paragraph 5, the Depository shall honor any (a) check or other order to pay from the Accounts, or (b) directive to purchase investment securities with monies from the Accounts or to sell securities, if such order or directive is in writing and signed on behalf of the HA by an officer or member designated by resolution of the Board of Directors of the HA to have such authority. To assist the Depository in its obligation, the HA shall furnish the Depository with a certified copy of the resolution.
4. Any securities received from the HA or purchased by the Depository with monies from the Accounts shall be considered to be a part of the Accounts and shall be held by the Depository in safe-keeping for the HA until sold. Interest on such securities and the proceeds from the sale thereof shall be deposited in the Account upon receipt.
5. If the Depository receives written notice from HUD that no withdrawals by the HA from the Accounts are to be permitted, the Depository shall not honor any check or other order to pay from the Accounts or directive to purchase or sell securities, or permit any withdrawals by the HA from said Accounts until the Depository is authorized to do so by written notice from HUD.
6. The Depository is not obligated to be familiar, and shall not be charged, with knowledge of the provisions of the Contract, and shall be under no duty to investigate or determine whether any action taken by either the HA or HUD in respect of the Accounts are consistent with or are authorized by the Contract or whether either HA or HUD is in default under the provisions of the Contract. The Depository shall be fully justified in accepting and acting on, without investigation, any certificate or notice furnished to it pursuant to the provisions of this Agreement and which the Depository shall in good faith believe to have been duly authorized and executed on behalf of the party in whose name the same purports to have been made or executed.
7. The rights and duties of the Depository under this Agreement shall not be transferred or assigned by the Depository without the prior written approval of the HA and HUD. This Agreement may be terminated by either party hereto upon thirty days' written notice to the other party, and HUD. The rights and duties of the Depository hereunder shall not be transferred or assigned nor shall this Agreement be terminated during any period in which the Depository is required to refuse to permit withdrawals from the Accounts as provided in Paragraph 5.

8. HUD is intended to be a third party beneficiary of this Agreement and may sue to enforce its provisions and to recover damages for failure to carry out its terms.

9. The Depository shall provide the HA with remote, electronic access to the Accounts for the purpose of monitoring the crediting or depositing of any monies in the Accounts.

10. The provisions of this Agreement may not be modified by either Party without the prior written approval of HUD.

11. ~~Strike this paragraph if inapplicable:~~ Previous General Depository or Savings Depository Agreements, if any, entered into between the Depository and the HA are hereby terminated and all monies and securities of the HA on deposit with or held by the Depositories pursuant to the terms of said Agreement shall continue to be held for account of the HA pursuant to and in accordance with the provisions of this Agreement.

12. ~~For use only in certain States that have statutes that prohibit HAs from implementing paragraph 2. Strike this paragraph if paragraph 2 applies:~~

~~At no time shall the HA Funds in the Accounts be permitted to exceed the amount insured by Federal deposit insurance (herein the "Insured Amount"). At any such time as the amount of funds in the Accounts reach the Insured Amount, whether by the accrual of interest or otherwise, the Depository shall promptly, as directed by the HA, and in an amount sufficient to limit the funds in the Accounts to the Insured Amount, either: (a) remit payment to the HA or, (b) on behalf of the HA, purchase securities approved for investment by the HA. Such securities shall not be considered to be a part of the Account pursuant to Paragraph 4 hereof but shall be held by the Depository as custodian or trustee for the HA in a separate account established for that purpose by the Depository (herein the "Securities Account"). The Securities Account shall be designated _____, income or other proceeds from securities held in the Securities Account shall, as directed by the HA, upon receipt, be paid to or on behalf of the HA; provided, however, that such proceeds shall, to the extent consistent otherwise with the provisions of this Paragraph, be deposited in the Accounts. If the Depository receives written notice from HUD pursuant to Paragraph 5 hereof that no withdrawals by the HA from the Accounts are to be permitted, the Depository shall not honor any directive from the HA to sell securities, or permit any withdraws by the HA, from the Securities Account until the Depository is authorized to do so by written notice from HUD. During the pendency of such restrictions on the Accounts and the Securities Account, the Depository, except as directed in writing by HUD, shall not remit any payment to the HA for the purpose of limiting the amount of funds in the Account to the Insured Amount but shall instead purchase securities approved for investment by the HA and hold such securities in the Securities Account.~~

13. Notice required under the terms and conditions of this agreement shall be deemed to have been given when it made by:

Jon Gutzmann, Executive Director, on behalf of

Public Housing Agency of the City of Saint Paul
Organization (PHA)

Keyin M. Herbert, Vice President, on behalf of

U.S. Bank
Organization (Depository)

Lucia Clausen, Director, on behalf of the

Department of Housing & Urban Development
Organization (HUD)

Notice shall be made in writing. Notice may be delivered in person, by United States Postal Service mail, by receipted commercial mail delivery, by facsimile machine or other electronic means that clearly identifies the sender as one of the persons so authorized in this paragraph. Notice shall be considered immediate if delivered not later than 2:00 p.m. local bank time. Notice received by 2:00 p.m. local bank time shall be implemented by the Depository by 5:00 p.m. on the business day on which the notice was deemed received by the Depository's designee referenced above. Notice delivered after 2:00 p.m. local bank time shall be considered received and effective at the opening of the following business day. Business day means every day except Saturdays, Sundays and federal holidays.

In Witness Whereof, the HA and the Depository have caused this Agreement to be executed in their respective names and their respective seal to be impressed hereon and attested as of the date and year first above written.

The Public Housing Agency of the City of Saint Paul
Housing Authority
(SEAL)

ATTEST:

By *St. Paul*
Chairman

By *Yue Chang*
Secretary

U.S. Bank
Depository
(SEAL)

ATTEST:

Notary
By _____

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

Part I: Summary		FFY of Grant: 2017 FFY of Grant Approval: 2017	
PHA Name: Public Housing Agency of the City of St Paul		Grant Type and Number Capital Fund Program Grant No: Replacement Housing Factor Grant No: MN46R00150117 Date of CFFP:	
Type of Grant	<input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending:	<input checked="" type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Final Performance and Evaluation Report	
Line	Summary by Development Account	Total Estimated Cost Revised ²	Total Actual Cost ¹ Expended
		Original	Obligated
1	Total non-CFP Funds		
2	1406 Operations (may not exceed 20% of line 21) ³		
3	1408 Management Improvements		
4	1410 Administration (may not exceed 10% of line 21)		
5	1411 Audit		
6	1415 Liquidated Damages		
7	1430 Fees and Costs		
8	1440 Site Acquisition		
9	1450 Site Improvement		
10	1460 Dwelling Structures		
11	1465.1 Dwelling Equipment—Nonexpendable		
12	1470 Non-dwelling Structures		
13	1475 Non-dwelling Equipment		
14	1485 Demolition		
15	1492 Moving to Work Demonstration		
16	1495.1 Relocation Costs		
17	1499 Development Activities ⁴	9,564	0

¹ To be completed for the Performance and Evaluation Report.
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.
⁴ RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

Part I: Summary		FFY of Grant: 2017 FFY of Grant Approval: 2017	
PHA Name: Public Housing Agency of the City of St Paul	Grant Type and Number Capital Fund Program Grant No: Replacement Housing Factor Grant No: MN46R00150117 Date of CFFP:		
Type of Grant		<input checked="" type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Final Performance and Evaluation Report	
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending:		<input type="checkbox"/> Reserve for Disasters/Emergencies	
Line	Summary by Development Account	Total Estimated Cost	Total Actual Cost ¹
		Original	Revised ² Obligated Expended
18a	1501 Collateralization or Debt Service paid by the PHA		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)		
	1503 RAD Initial Year Funding		
	1504 RAD Development/Rehab	9,564	
20	Amount of Annual Grant: (sum of lines 2 - 19)	9,564	
21	Amount of line 20 Related to LBP Activities		
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
Signature of Executive Director		Signature of Public Housing Director	
Date		Date	

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Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0157
 Expires 3/31/2020

Part I: Summary		Grant Type and Number		FFY of Grant: 2018	
PHA Name: Public Housing Agency of the City of St Paul		Capital Fund Program Grant No: MN46P00150118		FFY of Grant Approval: 2018	
Date of CFPP:		Replacement Housing Factor Grant No:			
Type of Grant	Summary by Development Account	Original	Revised ²	Obligated	Total Actual Cost ¹ Expended
<input type="checkbox"/> Original Annual Statement	<input type="checkbox"/> Reserve for Disasters/Emergencies				
<input type="checkbox"/> Performance and Evaluation Report for Period Ending:	<input type="checkbox"/> Final Performance and Evaluation Report				
Line					
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³				
3	1408 Management Improvements	636,260	547,904		
4	1410 Administration (may not exceed 10% of line 21)	5,500	7,283		
5	1411 Audit	2,500	2,500		
6	1415 Liquidated Damages				
7	1430 Fees and Costs	53,453	280,266		
8	1440 Site Acquisition				
9	1450 Site Improvement	250,000	508,873		
10	1460 Dwelling Structures	9,465,313	6,946,957		
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures	476,851	1,493,426		
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴				

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Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0157
 Expires 03/31/2020

Part I: Summary		FFY of Grant: 2018 FFY of Grant Approval: 2018				
PHA Name: Public Housing Agency of the City of St Paul	Grant Type and Number Capital Fund Program Grant No: MN46P00150118 Replacement Housing Factor Grant No: Date of CFFP:					
Type of Grant		<input checked="" type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Final Performance and Evaluation Report				
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending:		<input type="checkbox"/> Reserve for Disasters/Emergencies				
Line	Summary by Development Account	Original	Revised ²	Obligated	Total Actual Cost ¹	Expended
Signature of Executive Director		Signature of Public Housing Director		Date		
18a	1501 Collateralization or Debt Service paid by the PHA					
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment					
19	1502 Contingency (may not exceed 8% of line 20)	160,181				
	1503 RAD Initial Year Funding					
	1504 RAD Development/Rehab	0	1,390,000			
20	Amount of Annual Grant: (sum of lines 2 - 19)	11,050,058	11,177,209			
21	Amount of line 20 Related to LBP Activities					
22	Amount of line 20 Related to Section 504 Activities					
23	Amount of line 20 Related to Security - Soft Costs					
24	Amount of line 20 Related to Security - Hard Costs					
25	Amount of line 20 Related to Energy Conservation Measures					

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LOW RENT PUBLIC HOUSING PROGRAM

BALANCE SHEET
MN46P001001/040
AS OF MARCH 31, 2019

ASSETS

Current Assets:

Cash	\$ (16,710,757)
A/R Tenants	-
A/R HUD	-
A/R - Loans	-
A/R Other	147,720
Due From Other Funds	2,044,320
Accrued Interest	260,308
Investments - Unrestricted	20,683,133
Investments - Restricted	-
Capital Investment	103,131
Prepaid Expenditures	137,097
Inventory - Materials & Fuel Oil	365,906
Total Current Assets	7,030,859

Noncurrent Assets:

Capital Assets:	
Land & Site Improvements	-
Buildings	-
Equipment	911,632
Construction in Progress	-
Less Accumulated Depreciation	(825,180)
Total Capital Assets (Net of Accum Depreciation)	86,452
Notes and Mortgages Receivable	-
Total Noncurrent Assets	86,452

TOTAL ASSETS

7,117,311

LIABILITIES

Current Liabilities:

Accounts Payable	2,090,494
Due to Other Funds	-
Contract Retention	309,441
Tenant Security Deposits & Interest on Security Deposits	-
Escrow & Interest on Escrow	-
Salaries, Wages, Benefits	97,680
Payment in Lieu of Taxes	-
Compensated Absences	144,588
Other Post Employment Benefits	521,303
Accrued Liabilities - Other	8,466
Interest Payable - Non HUD Bonds	-
Deferred Revenue	-
Accrued Legal	-
Undistributed Credits-Other	-
Total Current Liabilities	3,171,972

Non Current Liabilities:

Accrued Compensated Absences	214,497
A/P - Loans	-
Total Non Current Liabilities	214,497

TOTAL LIABILITIES

3,386,469

NET POSITION

Restricted:	
Invested in Capital Assets, Net of Related Debt	86,452
Other Contributions	-
Total Contributed Capital	86,452
Restricted	4,458,552
Change in Net Position	(814,162)
Total Net Position	3,730,841

TOTAL LIABILITIES AND NET POSITION

\$ 7,117,311

Expendable Fund Balance

\$ 3,492,980

Low Income Public Housing
STATEMENT OF REVENUES AND EXPENDITURES
April 1, 2018 to March 31, 2019
CONSOLIDATED

	(A) FY 19 Budget	(B) 51,024 PUM	(C) 50,810 PUM	(D) FY 19 Actual	Target = 100%	
					FY19 Budget to FY19 Actual	Variance (A - D)
					\$	%
INCOME						
1) Tenant Rent	\$ 16,544,417	\$ 324.25	\$ 344.86	\$ 17,522,224	\$ 977,807	106%
2) Tenant Other	77,790	1.52	1.55	78,986	1,176	102%
3) Investments	150,000	2.94	11.90	604,724	454,724	403%
4) Cell-site	694,580	13.61	13.76	698,979	4,399	101%
5) Other Income	474,080	9.29	9.83	499,709	25,629	105%
6) Capital Asset Disposition	-	-	0.63	31,799	31,799	0%
7) Property Management Fees	3,165,930	62.05	62.92	3,197,172	31,242	101%
8) Bookkeeping Fees	379,360	7.43	7.46	379,238	(123)	100%
9) Asset Management Fees	512,880	10.05	10.09	512,830	(50)	100%
10) CFP Transfer to Operations	-	-	-	-	-	0%
11) HUD Subsidy	11,604,054	227.42	250.72	12,738,948	1,134,894	110%
TOTAL INCOME	\$ 33,603,091	\$ 658.57	\$ 713.73	\$ 36,264,589	\$ 2,661,498	108%
ADMINISTRATIVE						
12) Salaries	\$ 6,300,410	\$ 123.48	\$ 116.22	\$ 5,904,925	(395,485)	94%
13) Legal	599,250	11.74	11.10	563,770	(35,480)	94%
14) Staff Training	90,300	1.77	0.90	45,673	(44,627)	51%
15) Staff Travel	143,190	2.81	2.69	136,542	(6,648)	95%
16) Audit Fees	46,654	0.91	0.90	45,741	(913)	98%
17) Rent	360,950	7.07	7.10	360,854	(96)	100%
18) Administrative Sundry	1,731,800	33.94	28.59	1,452,844	(278,956)	84%
19) Property Management Fees	3,165,930	62.05	59.34	3,015,166	(150,764)	95%
20) Bookkeeping Fees	379,360	7.43	7.46	379,238	(123)	100%
21) Asset Management Fees	512,880	10.05	10.09	512,830	(50)	100%
TOTAL ADMINISTRATIVE	\$ 13,330,724	\$ 261.26	\$ 244.39	\$ 12,417,583	\$ (913,141)	93%
TENANT SERVICES						
22) Salaries	\$ 619,870	\$ 12.15	\$ 11.43	\$ 580,565	(39,305)	94%
23) Other	141,191	2.77	2.53	128,339	(12,852)	91%
24) Contracts	308,850	6.05	5.40	274,575	(34,275)	89%
TOTAL TENANT SERVICES	\$ 1,069,911	\$ 20.97	\$ 19.36	\$ 983,478	\$ (86,433)	92%
UTILITIES						
25) Water & Sewer	\$ 2,405,760	\$ 47.15	\$ 44.92	\$ 2,282,250	(123,510)	95%
26) Electricity	1,574,430	30.86	29.75	1,511,524	(62,906)	96%
27) Gas	668,510	13.10	14.01	711,985	43,475	107%
28) Fuel Oil	89,050	1.75	0.65	33,129	(55,921)	37%
29) Engineers Labor	155,360	3.04	1.01	51,305	(104,055)	33%
30) District Energy	543,860	10.66	10.22	519,373	(24,487)	95%
31) Other Utilities	20,000	0.39	1.07	54,213	34,213	271%
TOTAL UTILITIES	\$ 5,456,970	\$ 106.95	\$ 101.63	\$ 5,163,760	\$ (293,190)	95%
ORDINARY MAINTENANCE						
32) Salaries	\$ 4,695,040	\$ 92.02	\$ 92.76	\$ 4,713,206	18,166	100%
33) Materials	962,000	18.85	17.79	903,713	(58,287)	94%
34) Contracts	2,407,070	47.18	54.29	2,758,226	351,156	115%
TOTAL ORDINARY MAINTENANCE	\$ 8,064,110	\$ 158.05	\$ 164.83	\$ 8,375,146	\$ 311,036	104%
PROTECTIVE SERVICES						
35) Protective Services	\$ 901,400	\$ 17.67	\$ 15.98	\$ 812,085	(89,315)	90%
TOTAL PROTECTIVE SERVICES	\$ 901,400	\$ 17.67	\$ 15.98	\$ 812,085	\$ (89,315)	90%
GENERAL						
36) Insurance	\$ 1,045,360	\$ 20.49	\$ 18.97	\$ 963,778	(81,582)	92%
37) PILOT	915,260	17.94	19.62	997,065	81,805	109%
38) Terminal Leave Payments	179,080	3.51	5.85	297,004	117,924	166%
39) Other Post Employment Benefits	216,680	4.25	16.10	817,861	601,181	377%
40) Employee Benefits	4,372,660	85.70	83.09	4,221,876	(150,784)	97%
41) Collection Losses	75,000	1.47	1.13	57,650	(17,350)	77%
42) Other General Expenses	2,000	0.04	0.53	27,089	25,089	1354%
TOTAL GENERAL	\$ 6,806,040	\$ 133.39	\$ 145.29	\$ 7,382,324	\$ 576,284	108%
43) TOTAL ROUTINE EXPENSES	\$ 35,629,155	\$ 698.28	\$ 691.49	\$ 35,134,396	(494,759)	99%

NON-CAPITAL NON-ROUTINE								
44) Extraordinary Maintenance	\$	1,382,500	\$ 26.70	\$ 26.00	\$	1,321,082	(41,418) 97%	
45) Casualty Losses		100,000	1.96	2.31		117,277	17,277 117%	
46) Excess Cash Transfer (In)/Out		-	-	-		-	- 0%	
47) Operating Transfer (In)/Out		-	-	-		-	- 0%	
TOTAL NON-CAPITAL NON-ROUTINE		\$	1,462,500	\$ 28.66	\$ 28.31	\$	1,438,360	\$ (24,140) 98%
<hr/>								
48) TOTAL OPERATING EXPENSES	\$	37,091,655	\$ 726.95	\$ 719.79	\$	36,572,755	\$ (518,900) 99%	
<hr/>								
49) NET INCOME (LOSS) FROM OPERATIONS	\$	(3,488,564)	\$ (68.37)	\$ (6.07)	\$	(308,167)	\$ 3,180,397 9%	
<hr/>								
DEPRECIATION								
50) Depreciation	\$	7,020,000	\$ 137.58	\$ 156.70	\$	7,961,848	941,848 113%	
TOTAL DEPRECIATION		\$	7,020,000	\$ 137.58	\$ 156.70	\$	7,961,848	\$ 941,848 113%
<hr/>								
TOTAL NET INCOME (LOSS)		\$	(10,508,564)	\$ (205.95)	\$ (162.76)	\$	(8,270,015)	\$ 2,238,549 79%
<hr/>								
CAPITAL NON-ROUTINE (flows through depreciation)								
51) Replacement of Equipment	\$	180,000	\$ 3.53	\$ 2.10	\$	106,490	(73,510) 59%	
52) Betterments and Additions		1,110,000	21.75	22.13		1,124,220	14,220 101%	
TOTAL CAPITAL NON-ROUTINE		\$	1,290,000	\$ 25.28	\$ 24.22	\$	1,230,710	\$ (59,290) 95%

NET POSITION ACTIVITY

PRIOR YEAR		
NET INVESTMENT IN CAPITAL ASSETS (V	116,862,120	117,429,592
RESTRICTED NET POSITION	18,987,489	18,003,533
TOTAL PRIOR YEAR NET POSITION ACTUAL / PROPOSE	<u>135,849,609</u>	<u>135,433,125</u>
54) CFP CAPITAL ASSET CONTRIBUTION AC	5,771,029	20,574,949
55) NON-CFP CAPITAL ASSET ACTIVITY ESTI	1,290,000	1,230,710
CURRENT YEAR PROPOSED		
51) NET INVESTMENT IN CAPITAL ASSETS	116,153,149	130,523,403
(includes Depreciation, RE, BA, CFP contribution less WIP & capital loans)		
52) RESTRICTED NET POSITION	15,498,925	17,676,014
53) IT YEAR NET POSITION ACTUAL / PROPOSED	<u>131,652,074</u>	<u>148,199,417</u>
56) PAYABLE CAPITAL LOANS (MHFA)	-	-
56) FORGIVABLE CAPITAL LOANS (MHFA)	-	-
56) CAPITAL LOANS (FHLBDM)	750,000	750,000
56) Operating Subsidy for CFP Activities	540,000	461,358
RESTRICTED NET POSITION	15,498,925	17,676,014
PROJECTED ROUTINE EXPENSES	35,629,155	35,134,396
(no Extra-Ordinary Maintenance or Betterment & Additions)		
59) MONTHS ROUTINE EXPENSES	5.22	6.04

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

Part II: Supporting Pages		Federal FFY of Grant: 2018						
PHA Name: Public Housing Agency of the City of St Paul		Grant Type and Number Capital Fund Program Grant No: MN46P00150118						
Development Number Name/PHA-Wide Activities		CFFP (Yes/No): Replacement Housing Factor Grant No:						
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
McDonough Homes	Interior and Exterior Modernization RAD – Development/Rehab	14XX 1504		247,000 0	66,195 0			
Front Hamline Seal	Interior and Exterior Modernization RAD – Development/Rehab	14XX 1504		528,270 0	391,509 112,000			
Edgerton Iowa Wilson	Interior and Exterior Modernization RAD – Development/Rehab	14XX 1504		221,395 0	741,493 100,000			
Roosevelt Homes	Interior and Exterior Modernization RAD – Development/Rehab	14XX 1504		689,276 0	600,889 0			
Mt Airy Valley	Interior and Exterior Modernization RAD – Development/Rehab	14XX 1504		2,231,623 0	1,534,380 54,000			
Wabasha Exchange	Interior and Exterior Modernization RAD – Development/Rehab	14XX 1504		531,129 0	126,697 18,000			

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² To be completed for the Performance and Evaluation Report.

Part II: Supporting Pages

PHA Name: Public Housing Agency of the City of St Paul

Grant Type and Number
Capital Fund Program Grant No: MN46P00150118
CFFP (Yes/No):
Replacement Housing Factor Grant No:

Federal FFY of Grant: 2018

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
Central Neill Ravoux	Interior and Exterior Modernization RAD -- Development/Rehab	14XX 1504		651,650 0	161,627 64,000			
Cleveland Dunedin Montreal	Interior and Exterior Modernization RAD -- Development/Rehab	14XX 1504		5,418,424 0	4,665,505 1,042,000			
Scattered Sites	Interior and Exterior Modernization	14XX		460,031	310,570			
Mgmt Office	Management Improvements	140800		71,260	363,344			
Contingency		150200		0	825,000			

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² To be completed for the Performance and Evaluation Report

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

Part I: Summary		FFY of Grant: 2019 FFY of Grant Approval: 2019	
PHA Name: Public Housing Agency of the City of St Paul		Grant Type and Number Capital Fund Program Grant No: MN46P00150119 Replacement Housing Factor Grant No: Date of CFFP:	
Type of Grant	<input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending:	<input checked="" type="checkbox"/> Revised Annual Statement (revision no: 2) <input type="checkbox"/> Final Performance and Evaluation Report	
Line	Summary by Development Account	Total Estimated Cost Revised ²	Obligated Total Actual Cost ¹ Expended
1	Total non-CFFP Funds		
2	1406 Operations (may not exceed 20% of line 21) ³		
3	1408 Management Improvements		
4	1410 Administration (may not exceed 10% of line 21)		
5	1411 Audit		
6	1415 Liquidated Damages		
7	1430 Fees and Costs		
8	1440 Site Acquisition		
9	1450 Site Improvement		
10	1460 Dwelling Structures	654,727	
11	1465.1 Dwelling Equipment—Nonexpendable		
12	1470 Non-dwelling Structures		
13	1475 Non-dwelling Equipment		
14	1485 Demolition		
15	1492 Moving to Work Demonstration		
16	1495.1 Relocation Costs		
17	1499 Development Activities ⁴		
		137,498	

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Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

Part I: Summary		FFY of Grant: 2019 FFY of Grant Approval: 2019	
PHA Name: Public Housing Agency of the City of St Paul	Grant Type and Number Capital Fund Program Grant No: MN46P00150119 Replacement Housing Factor Grant No: Date of CFFP:		
Type of Grant		<input type="checkbox"/> Revised Annual Statement (revision no:)	
<input type="checkbox"/> Original Annual Statement		<input type="checkbox"/> Final Performance and Evaluation Report	
<input type="checkbox"/> Performance and Evaluation Report for Period Ending:			
Summary by Development Account		Total Estimated Cost	Total Actual Cost ¹
Line		Original	Revised ² Obligated Expended
18a	1501 Collateralization or Debt Service paid by the PHA		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)	2,451,904	1,602,239
	1503 RAD Initial Year Funding	9,039,000	9,371,436
	1504 RAD Development/Rehab	11,628,402	11,628,402
20	Amount of Annual Grant: (sum of lines 2 - 19)		
21	Amount of line 20 Related to LBP Activities		
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures		
Signature of Executive Director		Signature of Public Housing Director	
Date		Date	

¹ To be completed for the Performance and Evaluation Report.
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.
⁴ RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

Part II: Supporting Pages		Federal FFY of Grant: 2019					
PHA Name: Public Housing Agency of the City of St Paul		Grant Type and Number Capital Fund Program Grant No: MN46P00150119 CFFP (Yes/ No): Replacement Housing Factor Grant No:					
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost	Total Actual Cost	Status of Work	
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²
McDonough Homes	RAD - Initial Year Funding RAD - Development/Rehab	1503 1504		238,801 102,000	158,425 250,000		
Front Hamline Seal	RAD - Initial Year Funding RAD - Development/Rehab	1503 1504		194,027 222,000	205,352 170,000		
Edgerton Iowa Wilson	RAD - Initial Year Funding RAD - Development/Rehab	1503 1504		224,280 415,000	235,970 415,000		
Roosevelt Homes	RAD - Initial Year Funding RAD - Development/Rehab	1503 1504		129,082 135,000	146,410 135,000		
Mt Airy Valley	RAD - Initial Year Funding RAD - Development/Rehab	1503 1504		247,675 7,659,000	286,681 7,649,436		
Wabasha Exchange	RAD - Initial Year Funding RAD - Development/Rehab	1503 1504		106,896 340,000	111,234 337,000		

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

² To be completed for the Performance and Evaluation Report.

