



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

December 12, 2018

Mr. Greg Russ
Executive Director
PHA in and for the City of Minneapolis
1001 Washington Avenue N
Minneapolis, MN 55401-1032

Dear Mr. Russ:

Thank you for your application under the Rental Assistance Demonstration (RAD) for the conversion of assistance of 87 units to Project Based Vouchers at the following PIC Development MN002000006, CEDAR.

We are pleased to approve your request for conversion as described in the application, subject to the conditions below.

This award letter serves as the Department's Commitment to Enter into a Housing Assistance Payments (CHAP) for the above-referenced project, provided the Owner meets all the requirements contained in the PIH Notice 2012-32, Revision 3 ("Notice") and all subsequent revisions. In addition, the owner must comply with all "CHAP Milestones" identified in section 1.12 of the Notice as applicable.

This award is issued pursuant to the Consolidated and Further Continuing Appropriations Act, 2012, Pub. L. No. 112-55, approved November 18, 2011, the Consolidated and Further Continuing Appropriations Act of 2015 (P.L. 113-235), approved December 6, 2014; the 2017 Consolidated Appropriations Act (P.L. 115-31), approved May 5, 2017, and the Consolidated Appropriations Act of 2018 (P.L. 115-141), approved March 23, 2018; 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. The purpose of this award is to begin the process of effectuating the conversion of Public Housing to a form of project-based assistance under section 8 of the Act. This award cannot be transferred without the prior written consent of HUD.

In order to convert your project, the PHA must fulfill the CHAP milestones and deadlines identified in section 1.12 of the Notice. HUD will rely solely on documents and certifications the PHA submits through the RAD Resource Desk to monitor compliance with CHAP milestones. If HUD, in its sole judgment, determines that the PHA fails to meet any of the requirements, the CHAP will be revoked, unless the PHA submits and HUD approves a request for a deadline extension. Any extension request must include both a justification and an explanation of why failure to meet the milestone will not jeopardize the PHA's ability to complete the RAD conversion. Approval of any request for an extension is at HUD's sole discretion.

Within 30 days of CHAP issuance, you must **confirm your acceptance of a CHAP by submitting an application into the Inventory Removals module in PIC** in order to identify the units that will be removed from public housing Annual Contributions Contract (ACC) when the project completes conversion. HUD has made instructions for submitting a Removal Application into PIC available at www.radresource.net.²⁴ Failure to submit a Removal application into PIC will result in a suspension of the CHAP and a revocation if not corrected within a reasonable time period. Contact your PIH Field Office if you have any questions about this submission.

As the award is a conditional commitment by HUD, HUD reserves the right to revoke or amend its commitment at any time prior to closing if HUD, in its sole judgment, determines that any of the following conditions are present:

- A. any of the contract units were not eligible for selection;
- B. the proposed conversion is not or will not be financially feasible;
- C. the Owner fails to meet any applicable deadline;
- D. the Owner fails to cooperate;
- E. there is any violation of program rules, including fraud; or
- F. the terms of the conversion would be inconsistent with fair housing and civil rights laws or a fair housing or civil rights court order, settlement agreement, or voluntary compliance agreement.

This award shall be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including amendments or changes in HUD requirements, the Notice, and all other applicable RAD guidance.

As you start the process of conversion, we urge you to continue to maintain an open dialogue with your residents and local officials. If you have any questions or concerns regarding

²⁴ See www.radresource.net > Document Library > PIC Removal – Instructions for PHAs

the conversion process or fulfilling the CHAP Milestones, please contact your RAD Transaction Manager.

Sincerely,

A handwritten signature in blue ink that reads "Susan A. Wilson". The signature is written in a cursive style with a large initial 'S'.

Susan A. Wilson
Director
Office of Public and Indian Housing

Enclosure

CC: Laura Dykema

EXHIBIT A

**IDENTIFICATION OF UNITS (“CONTRACT UNITS”)
BY SIZE AND APPLICABLE CONTRACT RENTS**

The Contract Rents below for the subject project are based on modified Fiscal Year 2016 Federal Appropriations and assumptions regarding applicable rent caps. The final RAD contracts rents, which will be reflected in the RAD HAP contract, will be based on modified Fiscal Year 2016 Federal Appropriations, as well as applicable program rent caps and Operating Cost Adjustment Factors (OCAFs), and, as such, may change. In addition, prior to conversion, the PHA must provide HUD updated utility allowances to be included in the HAP contract.

Existing PIC Development Number: MN002000006

New Project Name (for tracking purposes only): ELLIOT TWINS-PHASE 1

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
43	0	\$577	\$0	\$577
44	1	\$715	\$0	\$715



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Dear Mr. Russ:

We are pleased to approve your request for conversion under the Rental Assistance Demonstration (RAD) for the multi-phased development of PIC Development MN002000006, CEDAR, consisting of 174 units with the attached phasing timeline.

This multi-phase award letter serves as the Department's commitment to reserve conversion authority for all the identified units in the multi-phase project, subject to the conditions below. The purpose of this award is to begin the process of effectuating the conversion of Public Housing to a form of project-based assistance under section 8 of the Housing Act of 1937 (the Act). This award cannot be transferred without the prior written consent of HUD. This multi-phase award is issued pursuant to the Consolidated and Further Continuing Appropriations Act, 2012, Pub. L. No. 112-55, approved November 18, 2011; the Consolidated and Further Continuing Appropriations Act of 2015 (P.L. 113-235), approved December 6, 2014; the 2017 Consolidated Appropriations Act (P.L. 115-31), approved May 5, 2017, and the Consolidated Appropriations Act of 2018 (P.L. 115-141), approved March 23, 2018; 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.

The PHA will have until September 30, 2024, to submit an acceptable RAD Application for the final phase of the project covered by the Multi-phase Award. In order to convert any and all phases of the proposed multi-phase conversion, the PHA must fulfill the requirements of Section 1.9 of PIH Notice 2012-32 Revision 3 ("Notice"), and all subsequent revisions, when submitting RAD Applications. HUD will rely solely on applications and documents the PHA submits through RADApplications@hud.gov to ensure compliance of Section 1.9 of the Notice. For each approved RAD Application, HUD will issue a Commitment to enter into a Housing Assistance Payment (CHAP) and the owner must comply with all "CHAP Milestones" identified in section 1.12 of the Notice as applicable. The CHAP will include a rent schedule based on the RAD initial rent setting rules in effect at the time of application.

As the multi-phase award is a conditional commitment by HUD, HUD reserves the right to revoke or amend the Multi-phase Award at any time prior to the closing of the last

development phase if HUD, in its sole judgment, determines that any of the following conditions is present:

- A. the PHA has failed to make sufficient progress towards submitting RAD Applications for each development phase included in this Multi-Phased award.
- B. the PHA is unable to complete a phase of conversion
- C. any of the contract units within the multi-phase conversion were not eligible for selection;
- D. the proposed multi-phase conversion is not or will not be financially feasible;
- E. the PHA fails to meet any applicable deadline;
- F. the PHA fails to cooperate;
- G. there is any violation of program rules, including fraud; or
- H. the terms of the conversion would be inconsistent with fair housing and civil rights laws or a fair housing or civil rights court order, settlement agreement, or voluntary compliance agreement.

If HUD, in its sole judgment, determines that the PHA fails to meet any of the requirements listed above or in Section 1.9 of the multi-phase award will be amended or revoked, unless the PHA submits and HUD approves a request for a deadline extension or modification Approval of any request for an extension or modification is at HUD's sole discretion.

This multi-phase award shall be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including amendments or changes in HUD requirements, the Notice, and all other applicable RAD guidance.

As you start the process of conversion, we urge you to continue to maintain an open dialogue with your residents and local officials. If you have any questions or concerns regarding

the conversion process or fulfilling the requirements of Section 1.9 or the CHAP Milestones, please contact your RAD Transaction Manager.

Sincerely,

A handwritten signature in blue ink that reads "Susan A. Wilson". The signature is written in a cursive style with a large initial 'S'.

Susan A. Wilson
Director
Office of Public and Indian Housing

Enclosure

Multiphase Award Exhibit: Units Subject to Multiphase Award

Proposed Dates For:					
Phase	Number of Units in the Phase	Date of Application	LIHTC application (if applicable)	Financing Plan Submission	Any demolition or disposition associated with each phase (if applicable)
Initial	87	4-Sep		7/31/2019	
1	87	Jul-19		May-20	
2					
3					
Total Units					