10 Key Takeaways

RAD Roadmap

1. One of the main objectives of the RAD conversion process is to ensure the long-term physical and financial feasibility of converted properties.
2. The RAD Resource Desk is an online platform to be used from the time of CHAP award to the completion of rehabilitation/construction.
3. The first step in the RAD process is to submit a RAD application, which is now much simpler than the previous version.
4. The CHAP award is the initial reservation of RAD authority under the statutory cap and it establishes the RAD rents.
5. Once issued the CHAP, the PHA begins to compile all of the necessary components of the “Financing Plan.” There are several approvals from HUD that should be requested prior to the Financing Plan submission.
6. A PHA does not need to secure outside financing in order to submit a feasible RAD Financing Plan. Financing is only required if needed to cover rehabilitation/construction depicted in the CNA E-Tool.
7. When the Financing Plan is approved, HUD issues a RAD Conversion Commitment (RCC), which is the contract that sets the terms and conditions of closing and memorializes the scope of work that must be completed after conversion.
8. Relocation cannot begin until the later of the issuance date of the RAD Conversion Commitment and the applicable notice of relocation (30 or 90 days) has expired.
9. The RAD closing includes the release of the public housing Declaration of Trust (DOT) and the recordation of the RAD Use Agreement.
10. A property is covered by a RAD HAP contract at close of construction financing (except when Delayed Conversion Agreements are used).
Rental Assistance Demonstration Public Housing Conversion Summary Process Chart

1. PHA Applies
   - Day: 0

2. CHAP Awarded
   - Day: 60-90

3. Readiness TM Holds Kick-Off Call with PHA
   - Recap Readiness Transaction Manager is assigned to provide TA
   - Day: 90

4. PHA Begins Conversion Planning
   - PHA due diligence and submission of PIC removal request, HUD site selection review, ongoing HUD technical assistance
   - Day: 90-120

5. PHA Firms Up Financing Plan
   - Arranges financing, amends PHA Plan; relocation and civil rights reviews; EPC/CFPP Reviews as applicable
   - Day: 120-240

6. RTM Conducts Readiness Check
   - PHA has 30 days to tee up any incomplete items for Financing Plan Submission
   - Day: 240

7. PHA Submits Financing Plan
   - Recap Financing Transaction Manager is assigned to review the conversion plans
   - Day: 270

8. Financing TM Conducts Underwriting Review
   - Day: 270-300

9. HUD Approval of the Transaction
   - Approval by Cross-Office Committee including PIH and Housing unless eligible for delegated approval by Recap Director
   - Day: 300-330

10. RAD Conversion Commitment Issued
    - HUD OGC Field Counsel and Recap Closing Coordinator are assigned
    - Day: 330

11. PHA Submits Closing Package
    - PHA Countersigns RCC, Establishes POCs and systems access for PBV or PSRA conversions
    - Day: 330-360

12. RAD Closing
    - Review of closing documents; resolution of closing conditions and other issues; execution of documents
    - Day: 360-420

Legend
- Application Phase (Gray)
- Readiness Phase (Yellow)
- Financing/Underwriting Phase (Green)
- Closing Phase (Blue)