



# Keys to a Successful RAD Conversion

Path to RAD Closing Success for Public Housing Conversions

# How to Have a Successful RAD Closing *with a little help from your friends*



- Learn about the closing process
- Get to know the RAD closing checklist
- Remember Logistics!
- Understand closing timelines
- Tips for successful conversion—program and legal sides
- Post-closing responsibilities
- HUD and Public Housing Funds—operating funds, operating reserves and capital funds

# Closing Process

## *Help!*



- Closing activity starts when HUD issues your RCC
- PHA will receive a PDF to countersign RCC and upload to RAD Resource Desk within 30 days
- Remember - at least one resident meeting must be held after RCC issuance
- RAD Closing Coordinator is the Point of Contact for Closing
- OGC Field counsel are assigned and will review various transaction documents and advise on legal issues
- Transaction Manager, PIH Field Office and Multifamily Field Office

# Closing Checklist

## *We can work it out*



- Follow PBV or PBRA Closing Checklist (Exhibit E of RCC)
- The draft closing documents package is a DRAFT submission for HUD to review - nothing is executed at this stage
- Best practice - Submit draft package within 2 weeks of RCC issuance
- Package should be submitted to HUD no later than 2 months following RCC issuance

# Think about Logistics

## *Eight Days a Week*



- Make sure HUD knows your deadlines
- RAD Closing Coordinator completes final program review
- HUD Counsel completes final legal review
- Closing Timelines
- Leave time for Signatures by HUD Headquarters and for moving PAPER documents
- Year-End Closing Requirements

# Helpful Hints from *Across the Universe*



- HAP effective date
- Pay attention to the money
- One chance to convert funds for the project at closing
- Confirm PIC data
- Logistics, again
- Last units to convert? See PIH Notice 2016-23
- Communicate!!

# Tips from the Legal Perspective

## *Don't Pass Me By*



- About those draft documents, what legal reviews-- especially DOTs/DORCs
- Legal Description
- Existing debts (EPC, CFFP, OFFP, Section 30)
- One chance to convert funds, again
- Leases and Tenancy Requirements
- Communicate!!

# Post Closing Responsibilities

## *Get Back*



**Immediately after Closing - Submit these pdfs via email to your RAD Closing Coordinator**

- recorded RAD Use Agreement(s)
- recorded DOT/DORC Release(s)
- fully executed HAP contract(s) with all exhibits
- fully executed RCC amendment(s)

**Within 30 days of recording, all final transaction documents must be uploaded- “Final Closing Docket Milestone”**

- Send a CD of the final closing docket to HUD Counsel



# RAD and Capital Funds

## *Ticket to Ride*



### 4 Possible Capital Fund Uses in RAD Transactions

1. Predevelopment Expenses
2. Rent Boost
3. Housing Assistance Pmts in the Initial Year-BLI 1503
4. Development Expenses-BLI 1504

Don't forget Obligation End Date Extensions if needed

### Possible Operating Fund and Operating Reserves Uses in RAD Transactions

# Questions?

## *Ask me why*



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