



The Future of RAD

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Overview and Introductions

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Planning for Success

Keys to a Successful RAD Conversion Conference for New Awardees
May 17 -18, 2018

7 Key Strategic Questions



1. How do you define your RAD project?
2. What are trying to do with the asset?
3. How do you plan to finance this conversion plan?
4. What form of Section 8 will you choose?
5. Will you self-develop?
6. Will you self-manage?
7. Will you go RAD, Section 18, or some combination of the two?



Meet Our Panelists



- **Ann Gass**, Director, Strategic Housing Initiatives, Housing Authority of the City of Austin
- **Sandra Hudson**, Executive Director, Northwest Georgia Housing Authority
- **Jane Hornstein**, Director, Special Applications Center, Office of Public and Indian Housing, HUD
- **Greg Byrne**, Director, Affordable Housing Transaction Division, Office of Recapitalization



Housing Authority of the City of Austin (HACA)

HACA Overview

- 1,839 public housing units
 - >10,000 on WL
- 6,149 Vouchers
 - >1,000 on WL
 - Choice Mobility starts in December



HACA RAD Overview



- 1,058 converted since November 2016
 - 457 units: 4% LIHTC rehabs
 - 601 units: Debt/Light rehab
- 781 under CHAP
 - 220 units: 9% LIHTC awarded or applied for
 - 561 units: Debt/Light rehab

Debt - Light Rehab - Thurmond Heights



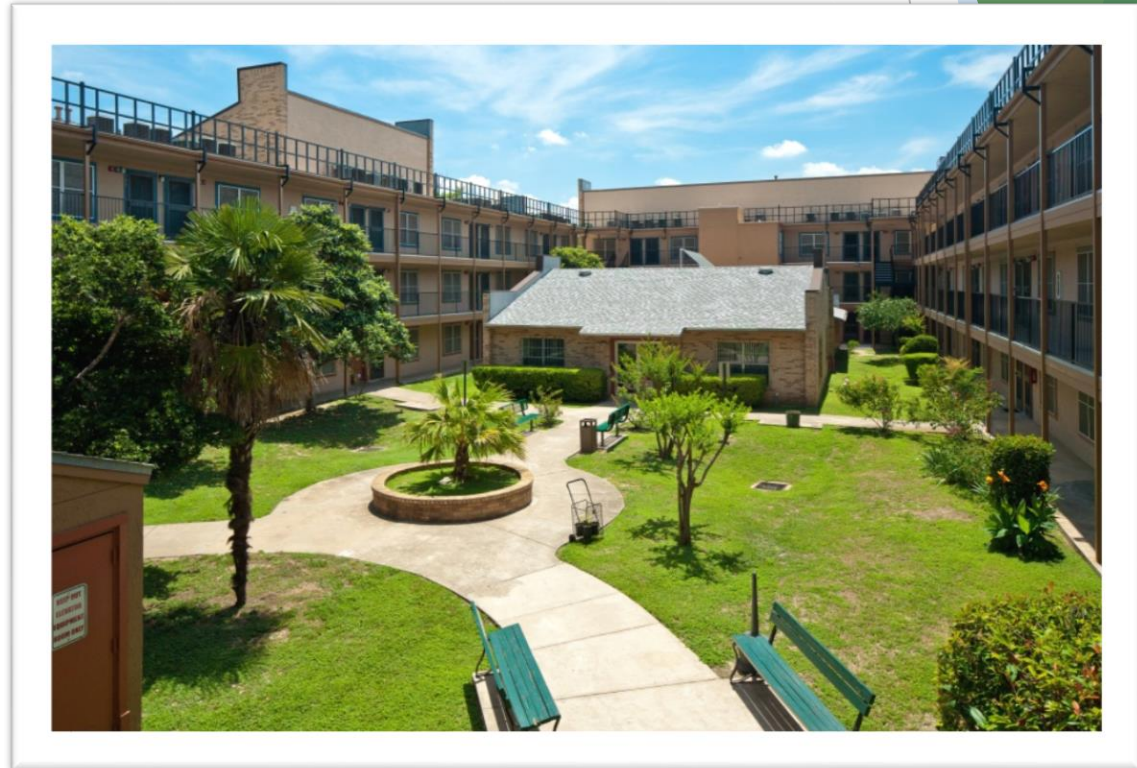
- 144 units
- Built in 1972
- \$9 million in rehab since 2014 using CFP
- RAD Scope = Upgrades to Community Room



4% LIHTC Rehab - Gaston Place



- 100 units
- Built in 1978
- \$7.5 million in rehab
- RAD Scope
 - Full Interior Unit Rehab
 - Common Area Rehab
 - New Roof/Paint/Siding



Gaston Place



BEFORE



AFTER

9% LIHTC Redevelopment - Goodrich Place



- 40 units -> 120 units
 - 40 PBRA
 - 80 LIHTC
- Built in 1973
- No A/C
- High opportunity area





Pathways at Goodrich Place

Housing Authority of the City of Austin

Resident Protection Team 9% LIHTC Redevelopment - Goodrich Place

Advisory Group

- Austin Tenant's Council
- Austin Travis County Integral Care
- Austin Independent School District
- Boys & Girls Club
- Capital Metro
- Family Eldercare
- Austin Energy
- Austin Interfaith
- ADAPT
- Communities In Schools
- HACA Residents





Northwest Georgia Housing Authority (NWGHA)

NWGHA Overview



Public housing

- 923 total units pre-RAD
 - 96 Converted to RAD-PBV at Willingham Village (financed with 4% credits)
 - 201 with CHAPs (financed with 4% credits; closing June 2018)
 - 76 units on waiting list (Willingham Village Phase II)
 - 550 units under further consideration

Housing Choice Voucher

- 741 total vouchers
 - 78 mainstream
 - 23 VASH
 - 203 project based
 - 437 “regular” vouchers

NWGHHA RAD Projects



Charles Hight Homes

- 101 unit Elderly high-rise
- Renovate with 4% credits
- 24 units will be designated for Personal Care Home participants
- Property will have a commercial kitchen

NWGHA RAD Projects

Park Homes

- 100-unit “general occupancy”
- Renovate with 4% credits



NWGHA RAD Projects

Willingham Village- Phase I



Possible RAD Conversion



Joe Wright Village
Replacement housing
for Fairgrounds Homes
(still under
construction)



Other Potential RAD Projects

Willingham at Division



Village Green



Jackson Square



Hight Homes at Avenue B



How do you define your RAD Project?



- RAD conversion not necessarily equated existing AMP (Asset Management Project)
- Single manageable, marketable entity
- You might be:
 - combining AMPs,
 - splitting up AMPs, or
 - mixing and matching.
- Determine the right grouping of properties early in the process
- The challenge of scattered sites



What are you trying to do with the asset?

- Types of Conversion Models
 - Preserve
 - Rehab
 - Redevelop
 - Transfer assistance



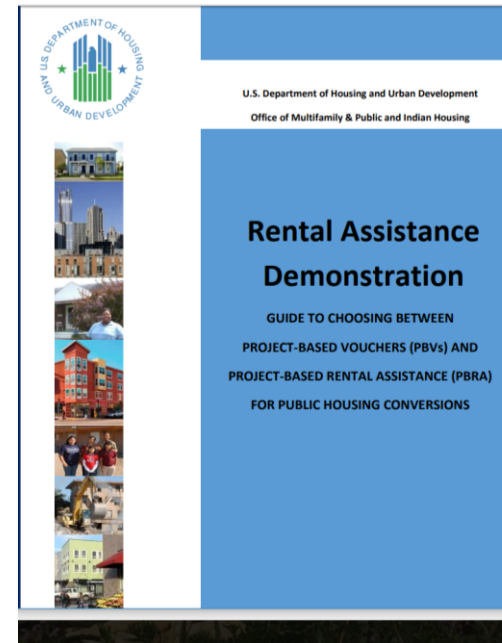
How do you plan to Finance your Conversion?



- Major Financing Types
 - Public Housing-only funds (PH-only), also referred to as no-debt
 - Debt
 - Tax Credits
 - Combination

What form of Section 8 will you choose?

- Two options
 - Project Based Vouchers (PBV)
 - Project Based Rental Assistance (PBRA)



Self-Develop and/or Self-Manage?



Ownership Models

- No change in ownership
- Transfer to a PHA affiliate
- Transfer to other Non-Profit/Public Body
- Transfer to a For-Profit (LIHTC)
 - Ground lease,
 - PHA maintain control of partnership or LLC, or
 - Control Agreement

Driving Factors

- Lenders or investors
- Capacity
- Organizational implications

RAD and Section 18



- A PHA has 90 days after the CHAP award to decide Section 18 vs RAD.
- A PHA can combine Section 18 and RAD in a single project.
- When eligible, typically PHAs will go RAD for the units that were vacant and, thus, not eligible for TPVs

RAD/Section 18 Flavors



- All RAD
- All Section 18, including:
 - Obsolescence - Physical or locational
 - Health and Safety
 - More Efficient/Effective
 - Scattered sites
 - Very Small PHAs (50 units or less),
- RAD/Section 18 Blends
 - Traditional
 - 75/25 (substantial rehab without 9% tax credits)

Tenant Protection Vouchers and Proceeds



Two kinds of Vouchers - Relocation and Replacement

Proceeds used for the provision of low-income housing or benefit residents:

- Modernization or operation of existing public housing
- Development of public housing
- Construction/rehabilitation/acquisition of RAD or PBV units
- Funding of homeownership units under Section 32 Plan
- Services that benefits residents of PHA
- Presently, SAC approval required for all proposed uses of proceeds.
- Remember: Proceeds may maintain their federal restrictions depending on the use of funds!