



Rental Assistance Demonstration RADBlast!



HAP Effective Dates and New Tools to Understand Initial Year Funding for Public Housing Conversion

Earlier this year, we received great feedback at a listening session focused on how to improve our closing process. We are writing today to make two announcements that have come as a result of this feedback.

First, effective immediately, in the closing process Project Owners can now select the effective date of the HAP contract on the first day of either of the two months following the completed closing. For example, if the project closes on October 20, 2017, the HAP contract can be effective on either November 1, 2017 or December 1, 2017. We expect that this will allow PHAs and Project Owners to better prepare for funding in the initial year and also allow for more time and flexibility to complete administrative functions such as executing new tenant leases.

Second, we heard from numerous stakeholders that there is a need for greater guidance on how funding of the new contracts works in the Initial Year – the period between the HAP contract effective date and the remainder of the Calendar Year. To address these concerns we are releasing the following tools today:

- 1) We have developed comprehensive **Initial Year Funding Instructions** that describe the calculation of funding during this period, as well as instruction on how to access these funds.
- 2) We have revised and simplified the **Initial Year Funding Tool**, an Excel-based worksheet that allows PHAs and Project Owners to calculate the amount of revenue that will be available to the project in the Initial Year and ensures that all parties have an accurate understanding of these amounts. (Note: This tool is currently under review under the Paperwork Reduction Act and is not a required submission until HUD has secured approval as a collection instrument)

We will host a **Live Q&A** to walk through the revised tool and respond to your questions on July 13th from 3-4 PM (EST).

- The RAD Team

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