



Rental Assistance Demonstration RADBlast!



RAD Newsletter Summer 2016

This newsletter provides readers with information on:

- Director's Corner from the Office of Recapitalization Director, Thomas R. Davis
- Don't Wait Apply for RAD Today;
- RAD Application Tips & Tricks;
- Mod Rehab Conversions Using RAD 2; and
- Section 236 Preservation.

The newsletter is available [here](#) and the attached PDF file. Previous newsletters can also be accessed on the RAD website.

If you have any questions about any of the above items, please send them to RAD@hud.gov. Thank you.

- The RAD Team

To join the RAD email list, please go [here](#).

RENTAL ASSISTANCE DEMONSTRATION
Summer 2016 | Issue 18
U.S. Department of Housing and Urban Development
Secretary Julian Castro

"The affordable housing crisis is growing. RAD is part of the solution."
Secretary Julian Castro

Director's Corner
It's summer, and the water is great! If you've hesitated to put your feet in, this newsletter has some tips and ideas to make considering RAD as a housing preservation strategy. We talk a lot about RAD for public housing, units-in-place waiting list and the application process - but please don't forget RAD for Section 8/RFI properties or Mod Rehab (including SRO) properties. In this era of ever-increasing demand for affordable housing, preserving at-risk units is incredibly important and we can use the help getting the word out. Whether you work with public housing, Rent Stays/RFI, Section 236 mortgages or Mod Rehab, RAD may be a way to refresh an aging property - submit an application and start the conversation!

Don't Wait! Apply for RAD Today
With the current RAD conversion authority of \$85,000 units reached and the RAD waiting housing close to 14,000 units, many PHAs may wonder if now is the right time to apply. RAD applications are still being accepted and HUD is encouraging PHAs to apply. Read on for reasons why you should submit an application for RAD today.

The waiting list is moving! Since the publication of the waiting list through August 1st (approximately 6.2 units/month) and HUD anticipates issuing RAD for approximately 5,000 additional units over the coming months. At the same time, new applications do keep coming in so delay does influence your ability to get off the waiting list.

Priority is given for certain types of conversions. PHAs that intend to use RAD to redevelop obsolete housing with demolition and are committed to review by priority on the waiting list, with other priority rules based on the PHA's proposed level of reinvestment in the property. The time an application sits on the waiting list varies based on the priority level.

Funding levels are more predictable. Converting to RAD provides projects with predictable Section 8 funding, annual operating and adjustment factors (OAF), and no limitations on use of project cash flow.

Public housing capital needs continue to grow. RAD enables PHAs to access private debt and equity needed to finance short-term and long-term capital needs. You can apply for RAD now and then continue to explore with residents and with potential lenders or investors about how a RAD conversion can address immediate and future capital needs.

Demographic you intend to RAD. We regularly hear about PHAs that are thinking about RAD but haven't yet applied. We also regularly hear that there's no reason to raise the cap because almost everyone who is interested in being accommodated. There's no need to wait to list to know you want to participate.

The RAD Application is not a commitment. If you want to apply for RAD but haven't worked through all the specifics of converting your property, that's okay! In fact, we want you to apply when your ideas are still taking shape. The RAD application is just the starting point. Whether you start spending time and money on due diligence while still on the waiting list or only after receiving a CMRF, the conversion process itself allows you for PHAs to consult with the residents, meet the details and formulate a thoughtful conversion plan.

The Office of Recapitalization has technical assistance available to assist PHAs in reviewing their existing public housing inventory and devising a strategy for RAD conversion. Visit rad.hud.gov to let HUD know if your interest in converting and to request assistance.

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