



Rental Assistance Demonstration RADBlast!



Update on CNA eTool, Post-Conversion Construction & Relocation Reviews, Guidance on Delayed Conversion

Update on CNA eTool

As the Office of Recapitalization continues to work with the Office of Multifamily Housing to implement the new Capital Needs Assessment (CNA) e-Tool, we want to update you on the timing of this implementation.

While the CNA e-Tool itself is currently operational (see [CNA e-Tool Web Page](#) for information and guidance), the ability of PHAs to login and submit the CNA through the HUD system is not. Consequently, the Office of Recapitalization and the Office of Multifamily Housing have jointly decided to delay the requirement for the CNA e-Tool to be used in all RAD conversions to February 1, 2018. In an earlier announcement, we referenced that all RAD Physical Condition Assessments (RPCAs) procured now should be using the CNA e-Tool by October 1st; consequently, with this announcement, we are rescinding that requirement and instead we are now requiring that all financing plans submitted after February 1, 2018, must use the CNA e-Tool.

In the meantime, PHAs may continue to use the existing RPCA Tool. If they have already procured a PCA using the new CNA e-Tool, they may validate it through the CNA eTool public validation portal website using the existing protocols and then upload the validated Tool to the RAD Resource Desk.

Please note that the PCA Scope of Work has not, and will not, change with the use of the CNA e-Tool. All the existing RAD requirements for the PCA will remain the same; only the Assessment Tool that is required to be submitted will change. It is important to note that most Needs Assessors/Consultants performing PCAs within the RAD program have either already been trained, or are currently being trained, on the new Assessment Tool. Therefore, PHAs are strongly encouraged to procure these services from a Needs Assessor/Consultant with RAD or Multifamily experience, as this Assessment Tool is complex and may not be easily populated by someone unfamiliar with it.

Additionally, in preparation for the CNA e-Tool's mandatory use in February 2018, the Office of Recapitalization is producing PHA-specific trainings and a revised User Guide, which will be available both on the RAD Resource Desk and at the link above. This training will be released later this calendar year and will provide PHAs with a general overview of the CNA e-Tool, as well as specific guidance on how to obtain the necessary credentials for uploading the Assessment Tool into the HUD system; instructions on how to initially populate the Assessment Tool; and other requirements for submission of a successful CNA e-Tool.

If you have any questions, please visit the link above or www.radresource.net, where you can find FAQs and ask a specific question related to your transaction.

Post-Conversion Construction and Relocation Reviews

HUD has contracted with a firm to conduct preliminary compliance reviews of completed RAD conversions to better carry out oversight of relocation and verify construction activity. Ninety properties were selected at random for either a relocation review or a construction review. These reviews are all desk audits which include contacting the PHA and reviewing relevant files. If you have been contacted by the firm conducting these reviews, we appreciate your cooperation.

Guidance on "Delayed Conversions"

For RAD conversions involving a transfer of assistance, there are two options to structure the conversion when the residents will remain in their original Public Housing units until construction completion: 1) a conventional conversion with a Master Lease or 2) a Delayed Conversion. HUD has posted to the [RAD Resource Desk](#) an "Overview of Master Leases & Delayed Conversion Agreements" that describes the options PHA have related to the timing of conversion, the documentation that is used, and the restrictions and benefits associated with each option.

- The RAD Team

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