



Rental Assistance Demonstration RADBlast!



RADBlast! New Faircloth-to-RAD Option for PHAs to Create New Deeply Affordable Housing

Public Housing Authorities (PHAs) have a new pathway to leverage their existing public housing “Faircloth Authority” to create new deeply rent-assisted housing through the Rental Assistance Demonstration (RAD). Faircloth-to-RAD conversions will establish a long-term, reliable rental subsidy contract for the new housing units, which will help PHAs and their partners to more readily finance the development of the new properties. The Faircloth-to-RAD pathway represents an innovative solution to activate existing Federal authority to tap into up to 220,000 units of deeply affordable housing that PHAs could develop.

In a Faircloth-to-RAD transaction, PHAs will develop public housing units using HUD’s public housing mixed-finance program with pre-approval to convert the property to a long-term Section 8 contract following construction. By providing early-stage RAD conversion approvals, specifically the revenue certainty and the market-familiarity of the Section 8 contract these RAD approvals represent, HUD will give lenders and investors the information they need to underwrite the construction of these projects.

HUD has streamlined and merged the mixed-finance development and RAD conversion processes to eliminate duplicative steps and to maximize predictability. To help PHAs get started, HUD has produced guidance PHAs and their partners can use to understand the process and make the appropriate submissions to HUD. That guidance is located [here](#).

HUD will host a webinar on RAD to Faircloth conversions on Monday, April 26th at 3:00 PM EST. Please register here:

<https://attendee.gotowebinar.com/register/2650374292408136971>

-The RAD Team