



Restore**REBUILD**

A few years ago, HUD created a streamlined process to combine public housing mixed finance development and a Rental Assistance Demonstration (RAD) conversion in an integrated transaction. This process, which we dubbed “Faircloth-to-RAD,” has made it significantly easier for public housing authorities (PHAs) to re-activate authorized but dormant deep rental assistance. Last summer, HUD created new tools through RAD to improve the underwriting of these transactions.

We’re excited that PHAs and affordable housing developers have embraced these tools. We’ve seen a growing pipeline of projects which **restore** the lost rental subsidy and **rebuild** affordable homes that were demolished or sold over the past 20 years. Today, we’re launching a new chapter, and officially renaming Faircloth-to-RAD as **Restore-Rebuild!**

Restore Subsidy, Rebuild Homes

The new name, **Restore-Rebuild**, captures the essence of this initiative: to restore what’s been lost and rebuild for a stronger tomorrow. HUD’s Office of Public and Indian Housing’s Office of Urban Revitalization (OUR) and HUD’s Office of Housing’s Office of Recapitalization (Recap) are working closely together on this initiative, breaking down silos and building a more integrated experience for housing authorities interested in this work. Restore-Rebuild establishes a new, more accessible identity for this work.

What’s New?



New Website!

The new Restore-Rebuild website brings together resources a development team will need in planning a transaction, including pointers to key notices, technical assistance materials, FAQs, and more. Visit the new [Restore-Rebuild](https://www.hud.gov/rad/restorerebuild) webpage to learn more and view updates: <https://www.hud.gov/rad/restorerebuild>.



Continued Rent Augmentation

Through the [RAD Supplemental Notice 4B](#), published in Summer-2023, HUD opened the door for non-Moving To Work (MTW) agencies to use a tool MTW agencies have had for years – the ability to augment low RAD rents with other public housing authority resources. The Notice opened this door for a one-year trial period, to be evaluated in September 2024. That evaluation is complete, and we’re pleased to announce that this rent augmentation tool has been extended indefinitely. Non-MTW agencies can continue requesting rent augmentation to contract rents reflected in the Notice of Anticipated RAD Rents (NARR) using Section 8 HAP reserves. Once HUD verifies that the PHA has sufficient reserves, HUD can approve eligible rent augmentation requests by non-MTW PHAs.



Spotlight on Worcester Housing Authority

Curtis Apartments, a redevelopment project by the Worcester Housing Authority in Massachusetts, is the first project to use the new rent augmentation provision permitted by the 2023 RAD Supplemental Notice 4B. To learn more about this project, read the case study linked [here](#).



Peer-to-Peer Learning

In 2024, Recap launched quarterly peer-to-peer learning sessions, bringing together PHAs who have completed Restore-Rebuild projects with those interested in furthering their plans to use Restore-Rebuild. These sessions build a community of PHAs using Restore-Rebuild to encourage idea sharing, collaboration, and best practices. PHAs who have submitted a NARR request or that have received a NARR are automatically invited to attend these sessions. If you have not yet requested a NARR but are interested in attending the next peer learning session in December 2024, please reach out to us at rad@hud.gov.



Updated Restore-Rebuild Technical Assistance Guide

The updated and re-released Restore-Rebuild Guide (previously the “Faircloth-to-RAD Guide”) [linked here](#) incorporates the new name and updated information on the following topics:

- **Restore-Rebuild for Acquisition.** PHAs can implement a Restore-Rebuild acquisition of a fully occupied building. The updated guide includes additional information for what to do where the income eligibility of existing residents is unknown.
- **PHA Partnerships.** A PHA may partner with another PHA to combine resources where PHAs share overlapping jurisdictions. These partnerships give PHAs more flexibility to take advantage of Restore-Rebuild. For example, one agency may use their authority to develop new

units and upon conversion, the other PHA serves as the contract administrator and provides the HAP reserves for rent augmentation.

- Restore-Rebuild without Rehab. When existing housing doesn't require significant rehab, the PHA can implement the RAD closing in lockstep with the Mixed Finance closing, saving PHAs significant time and money and streamlining leasing activities.
- RAD Closing. The update includes more information on the documents a PHA must submit and how to implement the process to minimize delays in the RAD conversion
- Initial Operating Funding. The update expands the discussion of how to establish reserves to cover operating deficits in the "year of conversion," as the property is unlikely to receive adequate public housing subsidy.

What's Next?

We are incredibly excited about the future of **Restore-Rebuild**. The same dedicated team of Recap and OUR staff is available to talk through development ideas and guide our clients through the process. Stay tuned for new initiatives, expanded services, and more ways to partner with us as we continue to grow and make a lasting difference in the communities we serve. **Thank you for your continued support.** We can't wait to begin this next chapter with you!