RAD Spotlight on: American Gold Star Manor: Using RAD to serve Veterans and Seniors

History
American Gold Star Mothers is an organization started in 1928, formed to provide support and services to mothers who lost sons or daughters in World War I. In subsequent years, the organization expanded to include those who lost sons or daughters in any war or conflict. American Gold Star Manor (AGSM) in Long Beach, California was developed in 1975. The 348-unit project was originally financed with a HUD Section 236 mortgage, with 139 units subsidized under a HUD Rent Supplement contract.

“We as a country need to look after our veterans and the parents of our fallen warriors. The Gold Star Manor does a wonderful job of doing just that.” - Brigadier General Paul M.

Targeted Population for the Project/Details of the Transaction
Fulfilling AGSM’s mission, the property is restricted to senior and veteran residents aged 62 years or older earning between 30% and 60% of Area Median Income. There is a waiting list preference for American Gold Star Mothers and Fathers, and U.S. Veterans.

“For veterans, it’s the greatest. The camaraderie with the other vets is great.”
Richard C. - Resident

What is RAD?
The Rental Assistance Demonstration (RAD) allows public housing agencies (PHAs) and owners of HUD-assisted properties to convert units to project-based Section 8 programs, providing an opportunity to invest billions into properties at risk of being lost from the nation’s affordable housing inventory. RAD 1st component transactions cover Public Housing units as well as Section 8 Moderate Rehabilitation projects. Units that fall under this component are subject to a unit cap and are limited to current funding. RAD 2nd component transactions cover Rent Supplement (Rent Supp), Rental Assistance Payments (RAP), and Section 8 Moderate Rehabilitation projects. Unlike 1st component transactions, 2nd component transactions are not subject to the cap, but are constrained by the availability of tenant protection vouchers (TPVs). Both components allow housing programs to convert their assistance to long-term project-based Section 8 contracts, providing a more stable source of funding.

The 1.2 million units in the Public Housing program have a documented capital needs backlog of nearly $26 billion. As a result, the public housing inventory has been losing an average of 10,000 units annually through demolitions and dispositions. Meanwhile, the 38,000 units assisted under HUD’s legacy programs are ineligible to renew their contracts on terms that favor modernization and long-term preservation. The current conditions of many of these properties inhibit investment and recapitalization efforts in the communities with the most need. By drawing on an established industry of lenders, owners and stakeholders, RAD allows PHAs and owners of HUD-assisted housing to preserve and improve affordable housing units that could be subject to vouchers and demolition. RAD creates greater funding certainty while allowing increased operational flexibility to empower PHAs and owners to serve their communities.

As a result of the FY2015 appropriations bill, the Department has the statutory authority to convert up to 185,000 units through RAD’s first component, representing a significant increase from the program’s initial 60,000 unit cap. The additional authority will widen program participation, enabling more PHAs and HUD-assisted property owners to ensure access to quality, affordable housing for our nation’s low-income families.
Features of the Community
The 26-acre campus was designed by a firm that believed in simple, aesthetic buildings. The project comprises 10 residential buildings with symmetrical window placement spread throughout the property. The facades consist of stucco and are articulated with patios and balconies. Nine of the buildings are three-story containing 36 units each, and one building is two-story with 24 units. Each building has its own elevator. Each unit has a balcony or patio.

AGSM’s landscaping is perhaps its most notable feature. Vast space decorated with mature landscaping and trees creates a garden-like setting. Meandering paths connect residents to common areas and other residents.

In addition to the spacious grounds, there is an array of amenities available to residents, including: a community room, fitness center with weekly dance and aerobic classes, billiards room, pool and spa, computer room, library, non-denominational chapel, community gardens, St. Mary’s Hospital mobile health clinic van, holiday events, bingo, free use of a van and driver for shopping, and other community events throughout the year.

A welcoming low-profile community building and open walkways allow visitors and residents to comfortably gather. A Resident Activity Coordinator arranges for activities on-site.

Scope of Work
AGSM and its developer-partner, Abode Communities, are undertaking a major recapitalization and rehabilitation of the property. Site work includes improvements to the sidewalks, ramps and walkways, as well as parking, site lighting, landscaping, and irrigation. Work on the residential buildings will include elevator upgrades, energy efficiency improvements, structural upgrades, water supply replacement, partial sewer replacement, new bathrooms and kitchens, new windows and sliding doors, new roofs, new balcony railings, new appliances, new flooring, and interior paint. Work on the non-residential buildings include ADA upgrades. Renovation and construction are anticipated to start in January 2016, to be completed in January 2018.