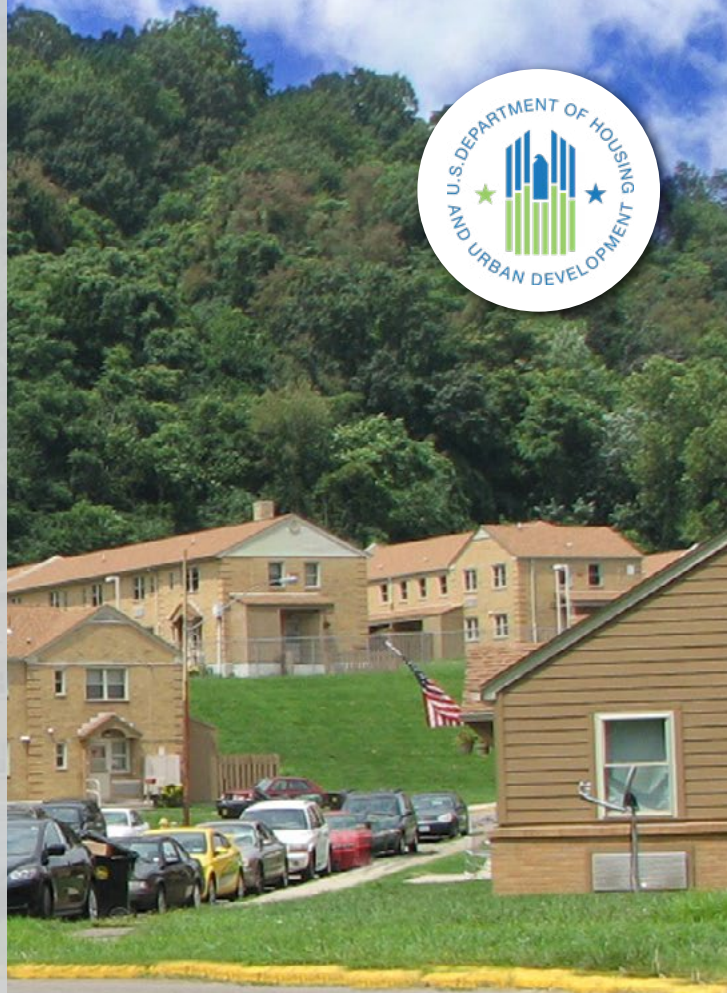


RAD CASE STUDY

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Portsmouth Metropolitan Housing Authority owns and maintains 886 rental units located in Portsmouth, New Boston, Sciotoville, West Portsmouth and Wheelersburg, OH consisting of houses, apartments, townhomes and high-rise buildings. The housing authority also operates a Housing Choice Voucher program. The housing authority has converted one 243 unit development and has started assessing whether it will convert additional developments through RAD.

We talked with Peggy Rice, Executive Director of the Portsmouth Metropolitan Housing Authority. This interview has been lightly edited for clarity.



What brought you to the PHA? What was your background and goals when arriving?

I began my career at the Housing Authority on April 16, 1990. I started out as the Finance Assistant. After four years I was promoted to the Director of Finance. After 20 years in the Finance Department, I was promoted to the Executive Director in November 2010. My father died when I was 5 years old. My mother raised 4 children on her own. I saw the struggles of a single parent home firsthand. It was my personal experiences that lead me to where I am today.



What were your goals for this particular property? What were the long-standing issues with this property? Physical, Occupancy Rates, and Financial?

Wayne Hills was built in 1940. It still had cast iron plumbing from the 1940s and most of the original plaster. Our intent moving forward was to eliminate these two problems. Our last physical score was an 84. Our occupancy rate stays in the high 90's and scored well on the financial indicator. In our community, our housing stock is so old that we could not afford to lose the 243 units at this site.



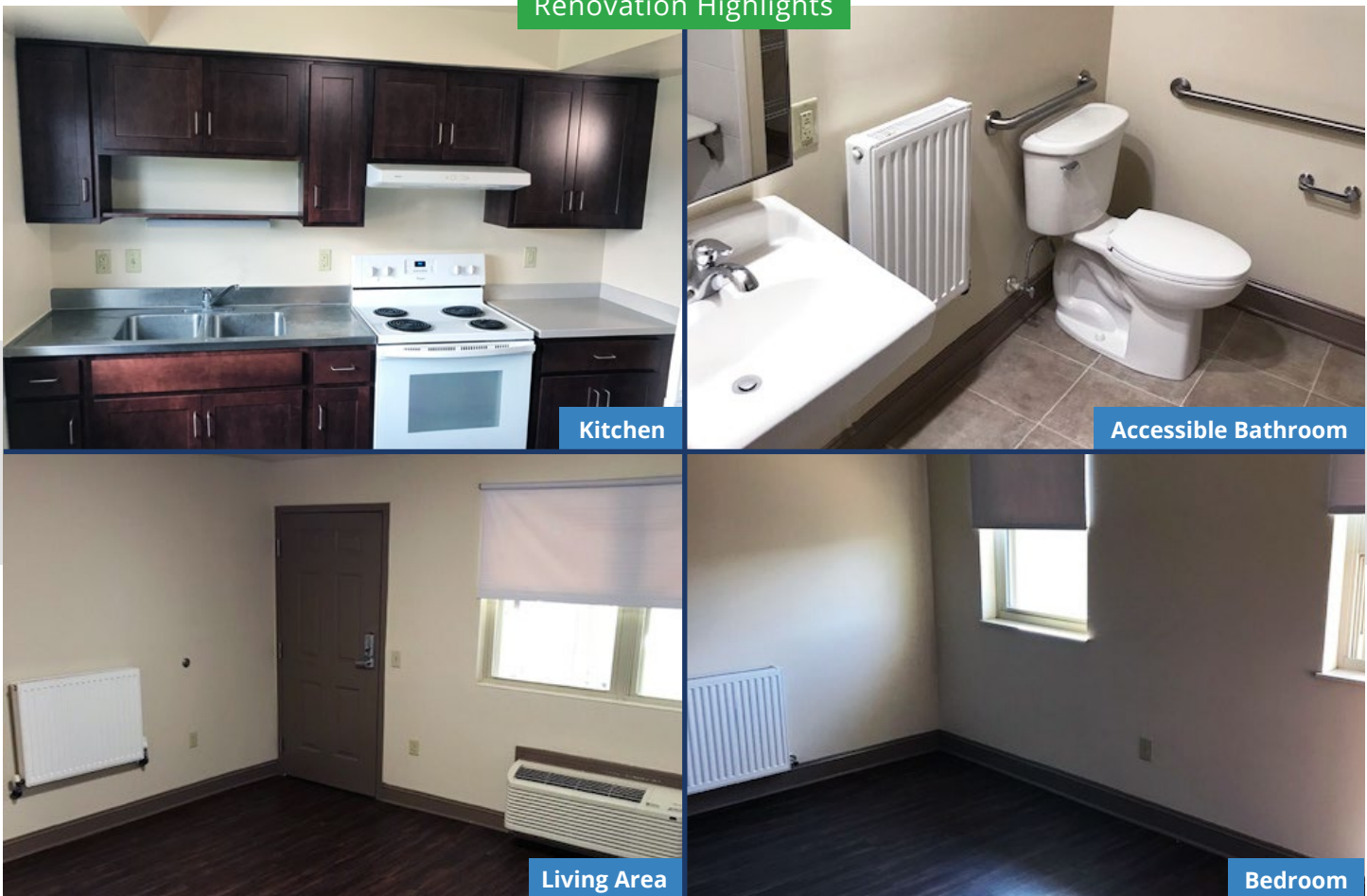
? How did you hear about RAD? What convinced you it was time to move forward with RAD for this property?

The Ohio Housing Authority Conference hosted trainings and forums to explore the program. At their conferences there were developers who discussed the program. After running the numbers and much debate we decided it was time to move forward. Our work orders for plaster and plumbing continued to accumulate.

? You decided you wanted to reposition your property using RAD, what other elements were in your strategy to recapitalize your property?

We researched 9% tax credits but could not be competitive. We were successful with 4% tax credits. We also have bonds, FHLB \$, HOME, HDAP.

Renovation Highlights



Have you dealt with mixed finance multifamily transactions before this project? What were the steps taken to organize your funding sources (in addition to RAD)?

This was our first mixed finance project. We worked with our developer and the Ohio Housing Finance Agency to find our funding. OHFA was incredible to work with.

Who was part of your team to complete the conversion (consultants, local developers)? What steps did you take to form your team?

Our team consisted of the Housing Authority, Redstone Equity Partners, PIRHL Developers, Reno & Cavanaugh, OHFA and FHLB of NY. All these partners were working with other housing authorities across the state of Ohio.

What challenges did you need to overcome to complete the property conversion?

Financing was an issue; we couldn't be successful for 9% tax credits. There was an energy performance contract on the property that was bundled with other developments that had to be paid off. The main sub-contractor went bankrupt in the first 90 days of construction.

Please describe how the property is performing now. Physical, Occupancy rates, Financial?

We have not had a full year since the completion of construction to determine a baseline but indications are positive. Our occupancy rates continue to be in the high 90's.

How is on-site staffing managed?

The site contracts with the Housing Authority for management, maintenance and security.



What comments have you received from tenants before and after the conversion?

Residents are happy with the changes; new bathrooms and kitchens, new flooring, new wall hung radiators, upgraded plumbing...



What would you say to Executive Directors, other PHA senior staff, and Board members that are considering RAD or other public housing repositioning methods? Do you have any particular advice you would like to share?

Determine if the site is viable, then run the numbers and don't be intimidated by the process. Make sure you are comfortable with your team.



What are current and future goals for your PHA? Do you expect to complete more public housing repositioning?

Prior to the pandemic, we were discussing the possibilities of converting other public housing sites. In our community we have a large percentage of the affordable housing. With RAD you have the ability of retaining the physical asset.

