



HUD NEWS

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HUD CLOSES RENTAL ASSISTANCE DEMONSTRATION CONVERSION TRANSACTION WITH THE CUYAHOGA METROPOLITAN HOUSING AUTHORITY TO PRESERVE 174 DEEPLY AFFORDABLE SENIOR RENTAL HOMES IN OHIO

174 units of deeply affordable rental homes to be preserved for low-income seniors in Cleveland, Ohio

WASHINGTON, D.C. – The U.S. Department of Housing and Urban Development’s Office of Multifamily Housing on March 1 announced that it has closed a Rental Assistance Demonstration (RAD) transaction with the Cuyahoga Metropolitan Housing Authority (CMHA) in Cuyahoga County, Ohio, to preserve 174 public housing homes at the Housing Authority’s Union Square, 3495 E. 98th St. This transaction will transition these homes to the Section 8 platform, which will provide financial stability to the site, and continue to provide permanently affordable housing to seniors who are most in need in Cleveland.

Union Square is located in the Union Miles neighborhood of Cleveland, approximately 4.5 miles from downtown. Developed in 1972 on 1.32 acres of land, it consists of one nine-story building that has a preference for elderly tenants 55 years of age and older. The common amenities include elevators, a recreation/meeting room, laundry facility, a billiards room and parking.

The initial construction work will consist of renovations to the kitchens and bathrooms, installing safer electrical outlets as well as improving ADA accessibility on-site. Additionally, CMHA will be replacing sliding doors and making certain repairs to units that have had water damage and giving the property a complete facade repair.

Post-conversion, the property will be transferred to a single asset Limited Liability Company that will be a wholly owned entity of CMHA. The newly formed ownership will lease the land and the buildings from CMHA through a 75-year ground lease. Post-conversion, CMHA will continue to manage the property.

The RAD transaction includes a construction budget of \$1.3 million (\$7,500 per unit) and a \$1.1 million initial deposit to replacement reserve contribution, which will be fully financed through a FHA 223(f) first mortgage loan.

About RAD

RAD was designed to help address the multi-billion-dollar nationwide backlog of deferred maintenance in the public housing portfolio and to stem the loss of affordable housing that could no longer be kept to decent standards. From the program's inception through February 1, 2022, the [Rental Assistance Demonstration](#) has facilitated more than \$13.5 billion in capital investment to improve or replace nearly 175,000 deeply rent-assisted homes, most of which house extremely low-income families, seniors, and persons with disabilities.

Under RAD, converted homes are moved to the Section 8 platform with a long-term contract that, by law, must be renewed in perpetuity. Under Section 8, residents continue to pay 30% of their income towards rent and the housing must continue to serve those with very low and extremely low incomes, as was the case when the property was assisted through the public housing program. Residents must be notified and consulted prior to conversion, are given a right to return to assisted housing post-construction so that the same tenants can enjoy these newly preserved and improved apartments and maintain the same fundamental rights they had as public housing residents.

RAD Resources

More programmatic information is available at the [RAD website](#). Data on RAD is available at the [RAD Resource Desk](#).

[View photo essays and read case studies](#) where RAD is working to successfully preserve and improve public housing for low-income families.

Watch an educational [video](#) for public housing residents or those new to the RAD program.

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