



HUD NEWS

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HUD CLOSES RENTAL ASSISTANCE DEMONSTRATION CONVERSION IN COOKEVILLE, TN, TO SUPPORT 48 NEW AFFORDABLE RENTAL HOMES

Transaction with Highlands Residential Services is first phase of redevelopment effort to preserve almost 500 deeply affordable homes within growing area.

WASHINGTON, D.C. – The U.S. Department of Housing and Urban Development’s Office of Multifamily Housing is announcing today that it recently closed a Rental Assistance Demonstration (RAD) transaction with Highlands Residential Services (HRS), the Housing Authority in Cookeville, TN. This transaction will implement the first phase of a four-phase plan with HRS, which will ultimately preserve 499 deeply affordable rental homes for the Cookeville community as part of the Cookeville 2030 redevelopment plan.

Through this first phase of the RAD-supported redevelopment, rental assistance for 48 public housing units will be transferred from HRS’s existing Claude Darwin Apartments to Hickory Valley, a new construction development. HRS will construct the 48 new rental homes tailored for families at Hickory Valley across seven buildings.

Through RAD, HRS is addressing the immediate and future affordable housing needs of the community through these investments, which will reinforce the property's ability to serve as affordable housing for the long-term.

The RAD transaction includes a \$11.3 million construction budget (\$235,00 per unit) fully financed through:

- 9% Low Income Housing Tax Credit Equity; and
- National Housing Trust Fund Grant

The 11.1-acre Hickory Valley site provides ready access to over 40 retail businesses and will offer residents easier access to the community’s main economic opportunities, including to its two largest employers, the Cookeville Regional Medical Center and Tennessee Tech University. Additionally, the new units will allow for residents to have high-speed broadband and will have energy efficient LED lighting and new stainless steel Energy Star appliances.

Additionally, four homes will be constructed for those with mobility challenges. The master plan for Hickory Valley also includes new roads, parking facilities, and amenity spaces for residents.

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 September 1, 2022, the [Rental Assistance Demonstration](#) has facilitated more than \$14.9 billion in capital investment to improve or replace nearly 185,000 deeply rent-assisted homes, most of which house extremely low-income families, seniors, and persons with disabilities.

Under RAD, projects funded under the public housing program convert their public housing assistance to project-based Section 8 rental assistance. 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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HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all.

More information about HUD and its programs is available at www.hud.gov and <https://espanol.hud.gov>.

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