



Keys to a Successful RAD Conversion

The RAD Roadmap



The RAD Roadmap

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Session Goal

To provide an overview of the entire RAD conversion process



HUD Objectives in Design of the RAD Conversion Process



- Provide PHAs the tools to meet local objectives
- Ensure long-term physical and financial feasibility of converted properties
- Ensure residents are protected and benefit from conversion
- Satisfy all HUD statutory and regulatory requirements

The Life-cycle of a RAD Conversion



Strategic Planning

- What do you want to do with your asset and what tools are available?

RAD Application

- Confirm Project Eligibility
- Ensure resident and Board awareness

CHAP Award

- Reserves conversion authority under the cap
- Sets forth the contract rents

Pre-Financing Plan Approvals

- Upfront civil rights review; transfer of assistance; PHA Plan

Financing Plan

- Demonstrate physically and financially viability and compliance with program requirements

RAD Conversion Commitment (RCC)

- HUD approval of the Financing Plan
- Sets out terms of closing and construction

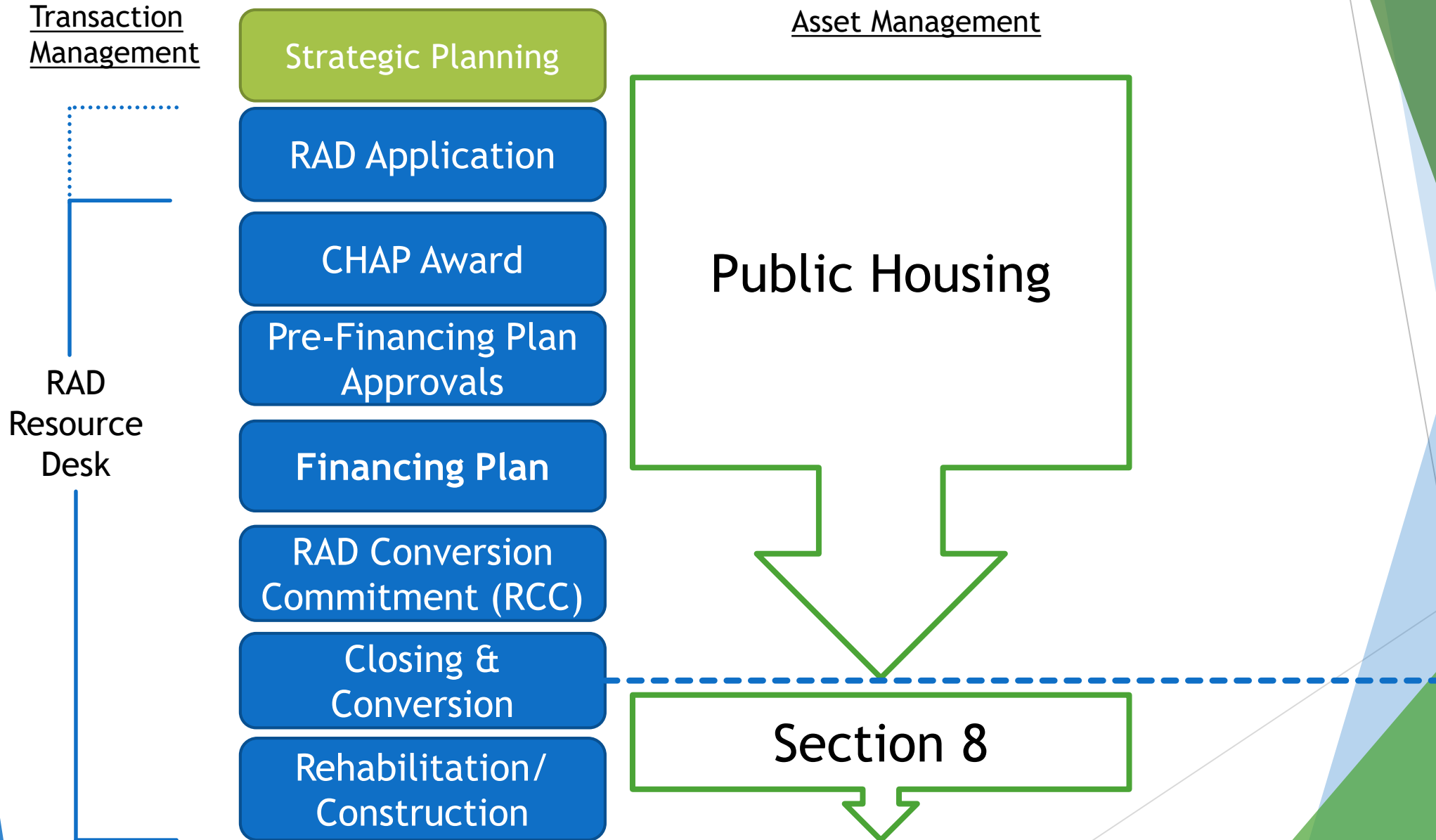
Closing & Conversion

- Removal from Public Housing
- Entry into Section 8

Rehabilitation/ Construction

- If applicable, work completed in accordance with RCC

Conducting Business During Conversion



RAD
Application

CHAP Award

Pre-
Financing
Plan

Financing
Plan

RCC

Closing

Rehab/
Construction



RAD Application

Key Contacts

- RADapplications@hud.gov
- *PIH Field office*

- New Application!
- Purpose: confirm eligibility, describe tentative conversion plan, and determine “priority category”
- Board approval
- Resident Consultation
 - 2 Meetings
 - Distribute RAD Information Notice (RIN) and General Information Notice (GIN)

Application Structures

- Apply for part of AMP or “Many-to-one” Application
- Multiphase Awards
- Portfolio Awards

RAD
Application

CHAP Award

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Financing
Plan

RCC

Closing

Rehab/
Construction

CHAP Award

Key Contacts

- *RAD Transaction Manager*
- *PIH Field office*

- Reservation of authority under statutory cap
- Establishes rents
 - Rents based on Operating Fund, Capital Fund, and Tenant rents
- Rent flexibilities and CHAP Amendments (see guide)
- PIC removal application submitted once CHAP received
- Starts PHAS scoring exemption



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Pre-Financing Plan Approvals

- Front End Civil Rights Reviews
- PIC certification
- PHA Plan
- Transfer of Assistance worksheet
- EPC, CFFP, OFFP

Key Contacts

- *RAD Transaction Manager*
- *PIH Field office*
- *FHEO*
- *RAD Resource Desk*

RAD
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Financing Plan

Key Contacts

- *RAD Transaction Manager*
- *RAD Resource Desk*

- Submission of complete conversion plan and all necessary due diligence, including:
 - Capital Needs Assessment
 - Sources and Uses
 - Cash Flow Pro Forma
 - Environmental Review
- Submitted through the RAD Resource Desk
- Financing only required if needed to fund capital needs

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RAD Conversion Commitment

Key Contacts

- *RAD Transaction Manager*
- *RAD Closing Coordinator*

- Contract HUD uses to approve the Financing Plan
- Memorializes scope of work to be completed
- HUD issues RCC and PHA and new owner (if applicable) have 30 days to sign
- Relocation cannot begin until the later of the effective date of the RCC and applicable notice of relocation (30 or 90 day) has expired

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Key Contacts

- *RAD Resource Desk*
- *RAD Closing Coordinator*
- *HUD Field Counsel*

Closing

- PHA submits draft closing package (checklist available)
- RAD Closing Coordinator and OGC field counsel review

At closing:

- Release of public housing Declaration of Trust (DOT)
- Remove of units from PIC
- Execution of Section 8 HAP Contract (PBV or PBRA)
- Recordation of RAD Use Agreement

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Key Contacts

- *RAD Resource Desk*

Rehab/Construction

- Property covered under HAP contract at close of construction financing (except where Delayed Conversion Agreements used)
- Davis-Bacon and Section 3 apply
- Rehab Assistance Payments paid for vacant units during rehab/construction
- Office of Recap responsible for overseeing rehab/construction required by RCC
- Owner submits construction completion certification to RAD Resource Desk

Questions

- Presenter Contact Information
 - HUD (HUD@HUD.gov)

