



U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

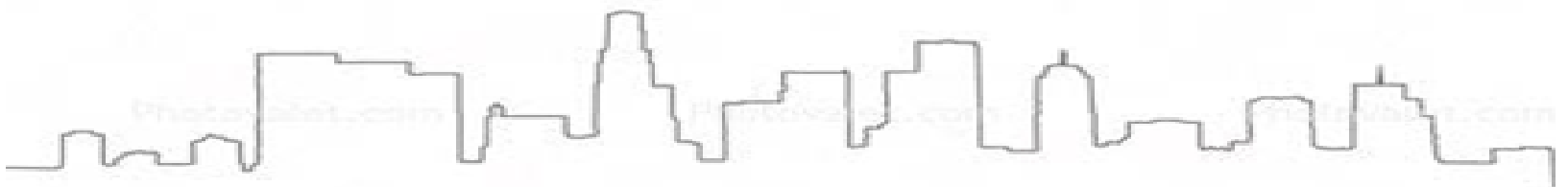
DEMONSTRATION PROGRAMS – RAD AND MTW

APRIL 2021



PRESENTER

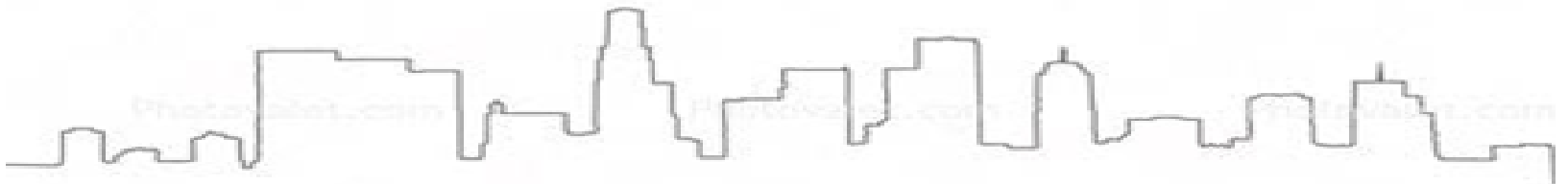
- Sarah Culligan, Housing Capital Improvement Specialist, Office of Capital Improvements





AGENDA

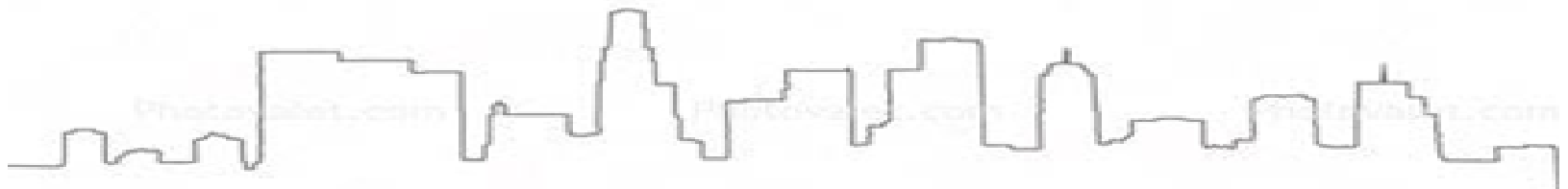
- Rental Assistance Demonstration Program
- Moving to Work Demonstration Program





RENTAL ASSISTANCE DEMONSTRATION (RAD)

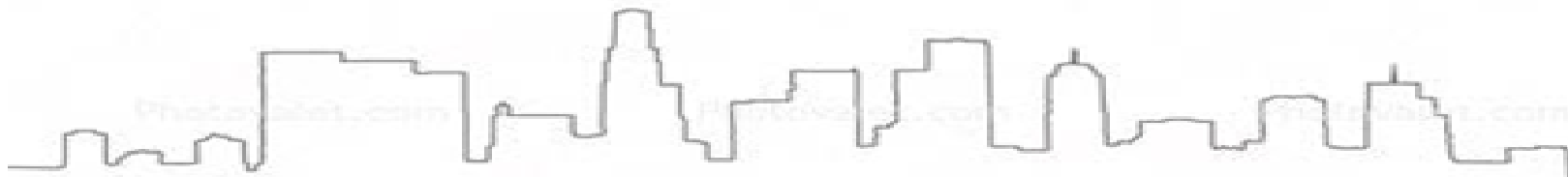
- Tool to preserve/improve public housing properties and address backlog of deferred maintenance.
- Units move to a Section 8 platform with a long-term contract.
- Contract must be renewed, thereby ensuring permanent affordability of the units.
- Residents pay 30% of income to rent and maintain same basic rights as in public housing.
- PIH Notice 2019-23
- RAD Resource Desk website - www.radresource.net and <https://www.hud.gov/RAD>





RAD AND THE CAPITAL FUND

- Capital Fund (CF) can be used to support predevelopment costs for RAD conversion and post-conversion with HUD approval.
- Retain Capital Funds for units remaining in the public housing inventory and do not convert to RAD in appropriate BLIs.
 - Prepare an amended Capital Fund Budget for the applicable annual grant requesting transfer of CF designated for RAD units to BLI 1503 and 1504
 - Submit a significant Amendment to Capital Fund 5-Year Action Plan submission (Chapter 3 - Guidebook)

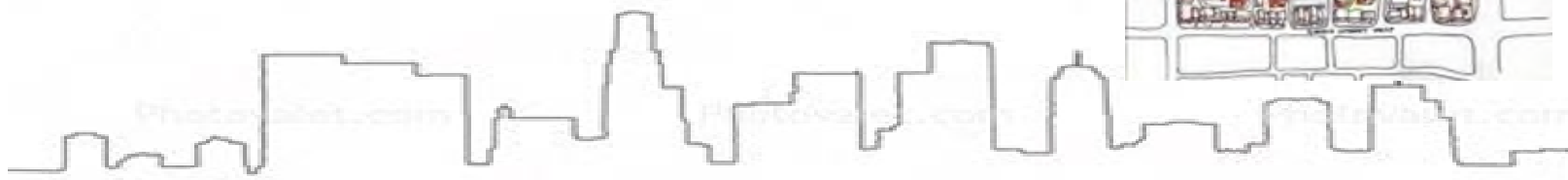


(Per RAD Notice (PIH 2019-23))



RAD INTERACTIONS WITH THE CAPITAL FUND

- Disclosures per RAD Notice PIH 2019-23
 - That current and future Capital grants will be reduced as a result of any properties converting under RAD
 - Estimate of the amount of the current Capital Fund grant that is associated with the proposed project and the impact on PHA's current 5-Year Action Plan
 - Impact on existing CFFP or RHF funds, if any
- If rehab is planned, complete a RAD Physical Condition Assessment (PCA)





RAD PUBLIC HOUSING REQUIREMENTS

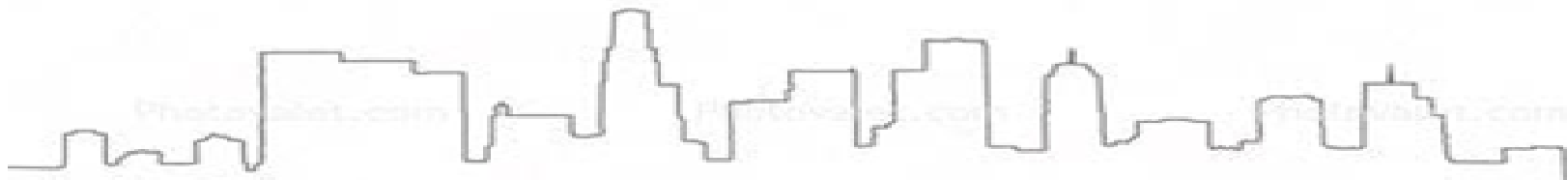
➤ Procurement

- 2 CFR Part 200 apply to Capital Funds used for the converting property prior to HUD approval of RAD Financing Plan - RAD Conversion Commitment (RCC) and RAD conversion closing.

➤ Obligation and Expenditure Deadlines

- May apply for an extension of the obligation end date (OED) for up to five years from the point when Capital Funds become available to the PHA for obligation. (See Chapter 7 – Guidebook)

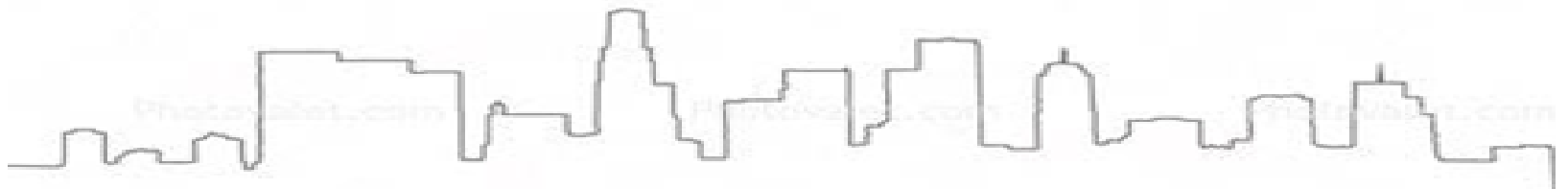
After the initial year of conversion, PHA will no longer receive Capital Funds, including RHF and DDTF funds.





RAD IMPACT ON THE FAIRCLOTH LIMIT

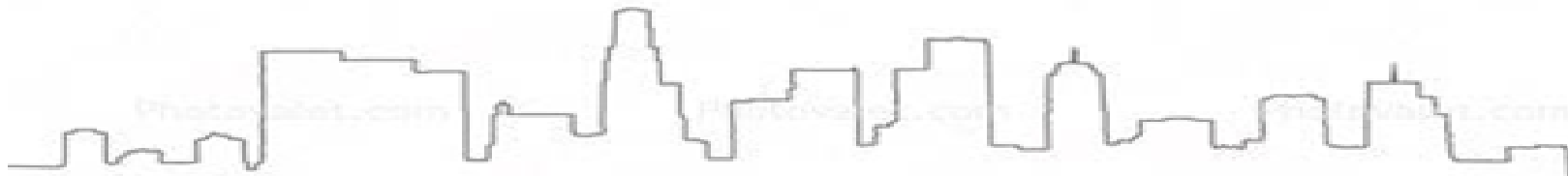
- The Faircloth Limit identifies the maximum number of units under ACC that can be funded by the Capital or Operating Funds.
- RAD reduces the Faircloth limit
 - This should be taken into consideration as it will reduce your Capital and Operating Funds and the number of total units you can develop.





MOVING TO WORK (MTW)

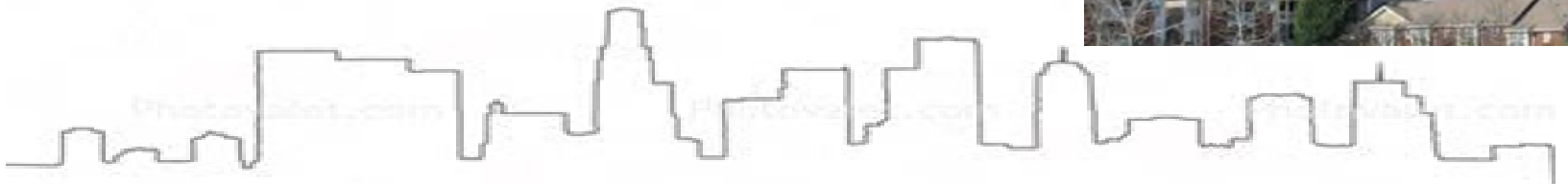
- The MTW Demonstration Program allows PHAs flexibility to combine/spend their Capital Funds, Operating Funds, and Section 8 Voucher Funds
- Continued through the 2016 Appropriations Act authorization for an additional MTW Cohort
- 101 Participating PHAs
- PHA Executes an MTW Standard Agreement with HUD
- Capital Fund submission is part of Annual MTW Plan (except for ACC Amendment(s))





MTW AND CAPITAL FUND

- Must comply with standard obligation end date and expenditure end date requirements set in LOCCS for Capital Funds.
- May impact Capital Fund reporting requirements and other grant program submissions.
- For more information: <https://www.hud.gov/mtw>





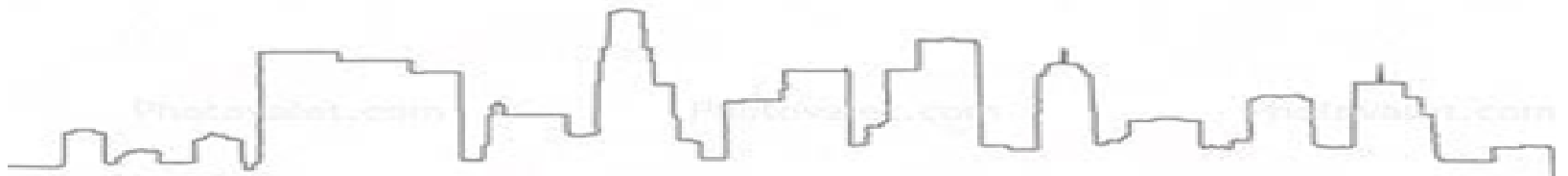
QUESTIONS

For questions or concerns send an email to

PIHOCl@hud.gov

For more information on the HUD's Demonstration Programs –
RAD and MTW and the capital fund requirements see
Chapter 10 of the Capital Fund Guidebook:

[https://www.hud.gov/sites/documents/CAPITALFUNDGUIDEB
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