



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-5000

September 25, 2023

MEMORANDUM TO: PHA Executive Directors

Belinda Bly

M. Tess Mullen

FROM: Belinda L. Bly and M. Tess Mullen, Acting Directors,
Office of Urban Revitalization, Office of Public Housing Investments, PIU

SUBJECT: Due Dates for Transactions Closing by December 31, 2023

- Mixed Finance Transactions
- Faircloth to RAD Transactions
- Change of Ownership/Restructure of Existing Projects
- Post-conversion RAD-PBV Transactions

This memo is to inform you of the Office of Public Housing Investments' schedule for processing the subject projects that need to close by December 31, 2023. If you intend to close your project by the end of the year, you must meet the following submission schedule. Please inform your partners of these dates.

For new mixed finance, Faircloth to RAD, and ownership change/refinance of existing Mixed-Finance projects, please adhere to the following schedule:

- Submit a complete Development Proposal to OPHI by **October 20, 2023**. The Proposal must be in accordance with 24 CFR 905, subpart F and must be complete. If you have already submitted a Proposal but have been asked to revise it, the revised Proposal must be submitted by **November 3, 2023**. If, after HUD review, the Proposal is still determined to need substantial revision, it will be deemed incomplete and there will be no assurance that HUD will approve your project by December 31, 2023.
- Submit final, unexecuted evidentiary materials to HUD by **November 3, 2023**. These evidentiary materials must be in accordance with 24 CFR 905, subpart F, and must conform to the Proposal, as revised after presentation to the HUD Project Review Panel. No changes to the evidentiary materials are permitted after this date unless requested by HUD. If other parties make changes to the documents after submission, HUD gives no assurance that it will approve the document(s) before December 31, 2023.

We encourage you to submit your Development Proposal and evidentiary materials to your Grant Manager and to Belinda Bly and Tess Mullen before these due dates. We will be reviewing the Proposals and evidentiary materials in order of receipt and will make every effort to accommodate your closing date. It is to your advantage to submit the documents well in advance of the above deadlines.

For Post-Conversion RAD-PBV projects that fall within the guidelines of Section 6 or 7 of the [RAD Post-Conversion Processing Guide](#) published July 27, 2020, please provide the following to rad.pbv.requests@hud.gov by **October 20, 2023**:

- Property name and PIC ID at the time of RAD conversion
- Closing date for conversion
- Date of HUD approval of RAD Completion Certification

In addition to the above, please also provide all the documents related to the transaction as listed in **Attachment 1** to this letter.

As this is an extremely busy time of year, we request that you and your staff make every effort to close your project prior to **December 20, 2023**. While we will still work with you to get your project closed prior to December 31, typically there are a limited number of staff in the office between December 20 and December 31. We commend you for your commitment to produce and sustain affordable units for those most vulnerable and urge you to submit documents early to ensure your project closes by the end of the calendar year.

If you have any questions regarding this matter or if our office is unaware of your intent to close a project by the end of the calendar year, please email Belinda Bly and Tess Mullen, Acting Directors, Office of Urban Revitalization, at belinda.l.bly@hud.gov and tess.mullen@hud.gov

Thank you for your cooperation in this matter. If we can be of further assistance, please let us know.

cc: Public and Indian Housing Field Office Directors
Howard Simms, OGC

Attachment 1: Documents Required for a RAD Post-Conversion Transaction

Please submit the following documentation when requesting HUD approval for a RAD Post-Conversion Transaction:

- A. If the owner entity or the managing member or general partner for the owner entity will be sold or transferred, provide a narrative description including the reason for the change and disclosure of whether any member of the proposed new owner entity is subject to or has received notice of debarment, suspension or other administrative proceeding, investigation, or sanctions by HUD or any other federal or state government agency. In addition, provide all of the following documents for a change of ownership and the starred documents only if the owner entity will remain in place:
- a. *Organization Charts for the existing and proposed owner, including percentage ownership interest.
 - b. *Organizational documents for proposed owner
 - c. *Purchase and Sale Agreement
 - d. Draft Assumption of the RAD Use Agreement
 - e. Draft Assignment, Assumption and Amendment of the HAP contract
 - f. Draft Consent to Collateral Assignment of the HAP Contract
 - g. *PIH field office letter of approval of the Independent Entity for rent setting and inspections under new ownership, or, if an Independent Entity is not required, legal opinion from the project's counsel.
- B. If the liens or financing on the project are changing, fill in the following chart and provide the following (additional) documents:

	Source of Finance	Amount	Loan Term	Interest Rate	Amortization Period
Hard Debt					
Soft Debt					
Equity					
Grants					
MTW funds					
[Other]					
[Other]					

1. Loan Agreement(s)
2. FHA firm commitment, if applicable
3. Sources and Uses of Funds Statement
4. Operating Pro Forma covering the remaining term on the HAP contract/20 years
5. If requesting a change to the Reserve for Replacement minimum deposit requirements (ADRR), include a RAD current Physical Condition Assessment

6. Subordination Agreement(s) to the RAD Use Agreement for all new liens against the property
 7. Exiting lienholder(s)' agreement to release lien(s) against the property
- C. If additional funds will be used to speed up or in addition to the items included in the RAD CNA workplan, provide the following (additional) documents:
1. Post-conversion Physical Needs Assessment
 2. Proposed workplan
 3. Proposed construction schedule with delivery date
- D. If new construction is planned on site, provide a brief narrative description of the new building(s) to be constructed, including location, construction method, and planned amenities. Provide a count of new units by bedroom size and subsidy, and provide the following documents:
1. Proposed workplan
 2. PHA Certification that the site meets the site and neighborhood standards for new construction under 24 CFR 983.57 and the project will meet housing accessibility requirements under 24 CFR 983.102.
 3. Proposed construction schedule with delivery date
 4. Legal description to be included in amendment to the RAD Use Agreement
 5. Evidence of notification to community
- E. If demolition of units or assets is planned, provide a brief description and provide the following documents. Please note that under the terms of the RAD Use Agreement, the number of units subject to the RAD HAP contract may not be changed:
1. PHA Board Certification that the demolition process and the elimination of the asset will have no negative impact on the project or residents of the project
 2. Part 50 or Part 58 environmental approval
 3. Amendment to the RAD Use Agreement with revised legal description of the RAD Project if necessary
 4. Amendment to the RAD HAP contract and attachments, as necessary
 5. Lienholders agreement to amended RAD Use Agreement, as appropriate
- F. If resident relocation off of the property of the project is planned, briefly describe the plan for relocation, alternate housing to be offered to residents and relocation assistance to be provided. Provide the following documents:
1. Evidence of Required tenant notices
 2. Evidence of community meeting(s) held
 3. Relocation plan, if required by the Uniform Relocation Act and 4 CFR Section 983.7

- G. If disposition of land or assets is required, briefly describe the parties to the transaction, the reason for the action and how the proceeds from the sale will be used in accordance with RAD Rev. 4. Additionally, provide the following documents:
1. PHA Board certification 1) that a meeting with tenants was held and their concerns were addressed and 2) determining that the release will have no negative impact on the project or residents of the project.
 2. Unexecuted Partial Release of RAD Use Agreement
 3. Unexecuted Alternative Use Restriction with legal description of land to be released or an unexecuted HUD Form 51999 restricting the use of proceeds from the sale
 4. Unexecuted Amended RAD Use Agreement with revised legal description of the RAD Project
 5. Survey and Title Report
 6. Lienholders agreement to the partial release
- H. If a change to the unit mix is requested, provide a brief narrative demonstrating that the change is necessitated by *non-marketability or in order to preserve the financial viability of the project*.
1. Provide a certification signed by the PHA Board
 2. Provide the new mix of units or unit sizes
 3. Provide an updated operating pro forma reflecting the change