



RAD APPLICATION LIVE Q&A

November 16, 2012

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RAD LIVE Q&A



Agenda

- Welcome
- Ongoing Application Period
- RAD Resources Reminder
- Case Studies
- Your Questions



WELCOME



Objective:

We're here to help you, the PHAs, answer questions related to submitting a successful RAD application for the Ongoing Application period



WELCOME

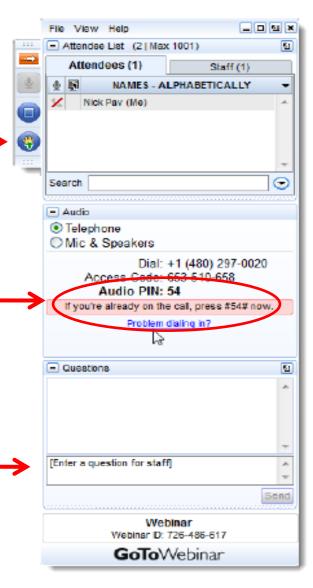


Ask questions! Here's how:

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 Send in questions via the "Question" feature or email them to hud@rad.gov; answers to those questions will be provided after the webcast and posted to the FAQs





ONGOING APPLICATION PERIOD



- Initial competitive application period closed on October 24, 2012
 - Awards anticipated by late-November/early-December
- Ongoing non-competitive application period opened on October 25, 2012
 - Awards allocated on first-come, first-served basis
 - No ranking factors/point system
 - Remains open until 60,000 unit cap is reached or until September 30,
 2015

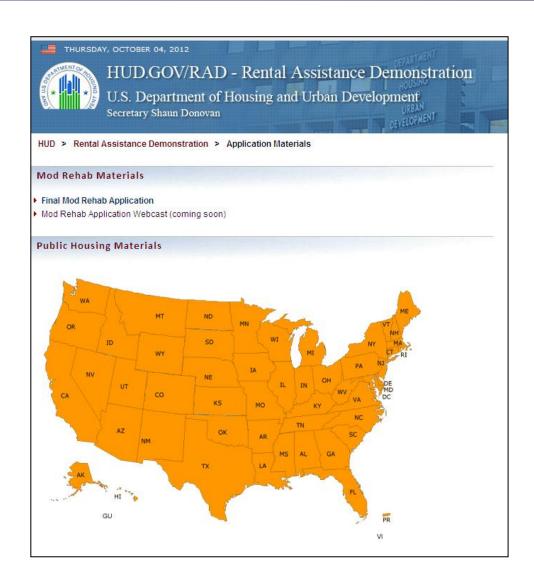


RAD RESOURCES REMINDER



- Applications available for download on www.hud.gov/rad
- Prerecorded webcasts available to walk you through completing an application
- Visit the RAD Resource
 Desk -

www.radresource.net





CASE STUDY 1: DEBT ONLY

		Immediate Needs
Type of Conversion	Units	(per unit)
PBRA (Project Based Rental Assistance)	351	\$9,021

Financing
FHA Financing
3.500% + 0.450% MIP / 35.0 years

Pro Forma Sources and Uses		
Sources of Funds	Amount	Per Unit
New First Mortgage Loan	\$3,725,000	\$10,613
Public Housing Operating Reserves	\$381,032	\$1,086
Public Housing Capital Funds	\$0	\$0
Replacement Housing Factor	\$0	\$0
Low Income Housing Tax Credit Equity - 4%	\$0	\$0
Low Income Housing Tax Credit Equity - 9%	\$0	\$0
Other	\$0	\$0
Other	\$0	\$0
Other	\$0	\$0
Total Sources of Funds	\$4,106,032	\$11,698
Uses of Funds	Amount	Per Unit
Acquisition Costs	\$0	\$0
Construction Costs	\$3,166,268	\$9,021
Relocation Costs	\$0	\$0
Professional Fees	\$354,301	\$1,009
Loan Fees and Costs	\$215,463	\$614
Reserves	\$0	\$0
Developer Fees	\$370,000	\$1,054
Total Uses of Funds	\$4,106,032	\$11,698



CASE STUDY 1: DEBT ONLY



Stabilized Cash Flow Pro Forma		
	Total	PUPA
Gross Potential Rents for RAD Units	\$2,105,460	\$5,998
Gross Potential Rents for Other Apartment Units	\$0	\$0
Gross Potential Rents for Commercial	\$0	N/A
Vacancy Loss and Bad Debt Loss	(\$105,273)	-\$300
Other Income	\$18,809	\$54
Effective Gross Income	\$2,018,996	\$5,752
Total Operating Expenses	(\$1,342,093)	(\$3,824)
Annual Deposit to Replacement Reserve	(\$195,910)	(\$558)
Net Operating Income	\$480,993	\$1,370
First Mortgage Debt Service	(\$201,503)	(\$574)
Operating Cash Flow	\$279,490	\$796



CASE STUDY 2: DEBT ONLY

		Immediate Needs
Type of Conversion	Units	(per unit)
PBRA (Project Based Rental Assistance)	100	\$23,858

inancing	
Non-FHA financing	
4.500% + 0.000% MIP / 30.0 years	

Pro Forma Sources and Uses		
Sources of Funds	Amount	Per Unit
New First Mortgage Loan	\$1,835,000	\$18,350
Public Housing Operating Reserves	\$289,940	\$2,899
Public Housing Capital Funds	\$515,620	\$5,156
Replacement Housing Factor	\$0	\$0
Low Income Housing Tax Credit Equity - 4%	\$0	\$0
Low Income Housing Tax Credit Equity - 9%	\$0	\$0
Other	\$0	\$0
Other	\$0	\$0
Total Sources of Funds	\$2,640,560	\$26,406
Uses of Funds	Amount	Per Unit
Association Costs		4
Acquisition Costs	\$0	\$0
Construction Costs	\$0 \$2,385,761	\$0 \$23,858
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Construction Costs	\$2,385,761	\$23,858
Construction Costs Relocation Costs	\$2,385,761 \$0	\$23,858 \$0
Construction Costs Relocation Costs Professional Fees	\$2,385,761 \$0 \$232,373	\$23,858 \$0 \$2,324
Construction Costs Relocation Costs Professional Fees Loan Fees and Costs	\$2,385,761 \$0 \$232,373 \$22,426	\$23,858 \$0 \$2,324 \$224



CASE STUDY 2: DEBT ONLY



Stabilized Cash Flow Pro Forma		
	Total	PUPA
Gross Potential Rents for RAD Units	\$596,940	\$5,969
Gross Potential Rents for Other Apartment Units	\$0	\$0
Gross Potential Rents for Commercial	\$0	N/A
Vacancy Loss and Bad Debt Loss	(\$29,847)	-\$298
Other Income	\$7,125	\$71
Effective Gross Income	\$574,218	\$5,742
Total Operating Expenses	(\$415,330)	(\$4,153)
Annual Deposit to Replacement Reserve	(\$25,000)	(\$250)
Net Operating Income	\$133,888	\$1,339
First Mortgage Debt Service	(\$111,572)	(\$1,116)
Operating Cash Flow	\$22,316	\$223



CASE STUDY 3: NO DEBT

		Immediate Needs
Type of Conversion	Units	(per unit)
PBV (Project Based Vouchers)	72	\$8,514

Financing	
No private financing	
The private manages	

Pro Forma Sources and Uses		
Sources of Funds	Amount	Per Unit
New First Mortgage Loan	\$0	\$0
Public Housing Operating Reserves	\$628,000	\$8,722
Public Housing Capital Funds	\$0	\$0
Replacement Housing Factor	\$0	\$0
Low Income Housing Tax Credit Equity - 4%	\$0	\$0
Low Income Housing Tax Credit Equity - 9%	\$0	\$0
Other	\$0	\$0
Total Sources of Funds	\$628,000	\$8,722
Uses of Funds	Amount	Per Unit
Acquisition Costs	\$0	\$0
Construction Costs	\$613,000	\$8,514
Relocation Costs	\$0	\$0
Professional Fees	\$15,000	\$208
Loan Fees and Costs	\$0	\$0
Reserves	\$0	\$0
Developer Fees	\$0	\$0
Total Uses of Funds	\$628,000	\$8,722



CASE STUDY 3: NO DEBT



Stabilized Cash Flow Pro Forma		
	Total	PUPA
Gross Potential Rents for RAD Units	\$730,176	\$10,141
Gross Potential Rents for Other Apartment Units	\$0	\$0
Gross Potential Rents for Commercial	\$0	N/A
Vacancy Loss and Bad Debt Loss	(\$36,509)	-\$507
Other Income	\$25,168	\$350
Effective Gross Income	\$718,835	\$9,984
		\$ -
Total Operating Expenses	(\$659,263)	(\$9,156)
Annual Deposit to Replacement Reserve	(\$50,000)	(\$694)
		\$0
Net Operating Income	\$9,572	\$133
		\$0
First Mortgage Debt Service	\$0	\$0
		\$0
Operating Cash Flow	\$9,572	\$133
Operating Cash Flow	Ş 3 ,372	



LIVE Q&A



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