Faircloth-to-RAD:
PHA Peer Learning

May 22, 2024

Presenter/ Panelists

Tom Davis, Director of the Office of Recapitalization

PHA Speakers from Cambridge Housing Authority (CHA):

- Margaret Donnelly Moran, Deputy Executive Director of Development
- Clara Fraden, Director of Planning and Development for Planning
- Matt Zajac, Deputy Director for Planning

Jaime Bordenave, RAD TA Provider, Enterprise Community Partners

CHA

Cambridge Housing Authority

About the Cambridge Housing Authority

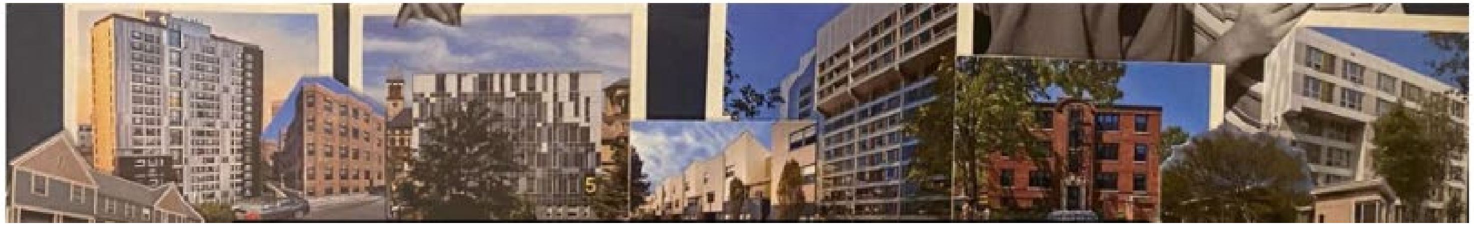
- An original MTW participant
- Based in Cambridge MA, one of the highest-cost housing markets in country
- Manage over 3,000 apartments and almost 5,000 mobile vouchers
- 22,000 households on CHA's waitlist
- Staff of 240+ people, including 20+ person real estate development team
- 98% of portfolio converted to Section 8 PBVs using RAD or Section 18

CHA
Cambridge Housing Authority

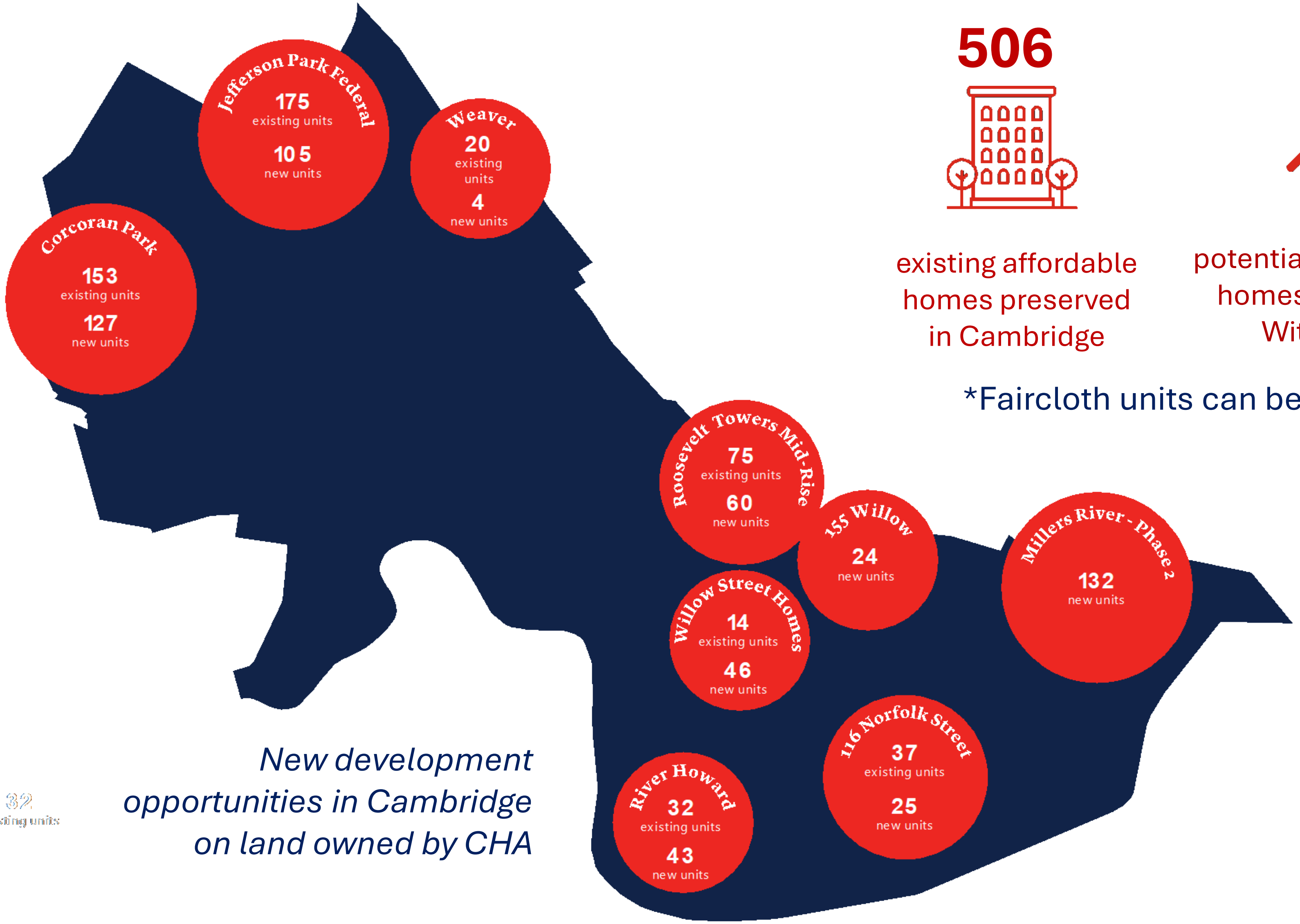
CHA's Redevelopment History

$763M in capital improvements affecting 2,283 units

Phase 1 – 2010 - 2013: ARRA Funded Improvements - 4 properties, 318 units including 10 new units	$75M
Phase 2 – 2013 – 2019: RAD Funded Improvements - 7 properties, 870 units including 11 new units with RAD rents supplemented by MTW	$178M
Phase 3 – 2018 -2023: Section 18 Funded Improvements 6 properties, 755 units including 5 new units	$280M
Phase 4 – 2023 – Ongoing: RAD Blend, Section 18, Faircloth Improvements In construction – 2 properties, 340 units including 128 new units - $230M In planning - 10 properties, 750 units including 450 new units -$550M	$230M



Faircloth unlocks opportunity for new units



New development opportunities in Cambridge on land owned by CHA

506

existing affordable homes preserved in Cambridge

566

potential new affordable homes in Cambridge With Faircloth

1,018

remaining available Faircloth units*

*Faircloth units can be used in or out of Cambridge

$16M+

additional annual subsidy from HUD for Faircloth units

CHA
Cambridge Housing Authority

The Revitalization of 116 Norfolk

Rendering of 116 Norfolk (left) and a photo of current construction progress (right).

We used a RAD Blend to convert the existing PH units (brick building on left), and F2R for the new units in addition (blue building on right).

CHA
Cambridge Housing Authority

Renderings of 116 Norfolk.

Combining rehab and new construction to create 62 units of permanent supportive housing.

Cambridge Housing Authority

116 Norfolk: Overview & Rents

- 62 units of Permanent Supportive Housing
  - 37 existing SRO units, 25 new units
  - 100% studios post-construction (no more SROs)
  - For people exiting chronic homelessness, 4+ full-time case managers onsite
- Blended RAD/Section 18 Conversion + Faircloth-to-RAD
  - 29 x Section 18 units, 8 x RAD units, 25 x Faircloth to RAD units
  - MTW overlay on RAD and F2R units to increase rents to FMR
- Rents for studios
  - Section 18: $2,025
  - RAD: $1,764
  - F2R: $1,559 / $2,227
  - MTW Overlay to increase all rents to 110% FMR: $2,227

CHA
Cambridge Housing Authority

116 Norfolk: Schedule

- F2R process was less than 6 months from start to F2R approval!
- Request NARR & Concept Call: Summer 2022
- MFDP Submission: July 7, 2022
  - Included Mixed-Finance materials, RAD Conversion Overview, and RAD Blend materials
- Applied for Tenant Protection Vouchers: Nov 2022
  - Part of RAD Blend process for Section 18 units
- F2R Approval: Dec 16, 2022
  - RAD Blend approval, MF (F2F) approval, RAD F2R approval
- Closing: Dec 28, 2022
- Substantial Completion: Nov 2024
- DOFA & F2R Conversion: Nov 2024
  - Our goal is to convert to RAD before residents lease up

Resident and neighborhood meetings onsite

CHA
Cambridge Housing Authority

The Revitalization of Jefferson Park Federal

Site plan showing proposed new construction of six residential buildings.

Cambridge Housing Authority

JP Fed: Demo


At Jefferson Park Federal, demolition is complete

11 buildings (175 units) demolished, to be replaced with six new buildings (278 units)

Advanced demo before LIHTC closing to keep things moving

Required approval from HUD for pre-development work

CHA
Cambridge Housing Authority

Renderings of different views within Jefferson Park (8 acres). The design prioritized family-sized apartments, introducing a typical street grid to the property, individual front entrances to apartments at the ground level, and ample open and amenity spaces for residents.

JP Federal: Overview & Rents

- 278 units for families
  - New construction
  - Phased development (Phase 1 = 195 units, Phase 2 = 83 units)
  - True family housing — almost 50% units are 3-BR, 4-BR, 5-BR
- 100% Faircloth-to-RAD
- MTW overlay on RAD and F2R units to boost rents

Unit Type	# Units	F2R Rents (NARR)	Contract Rent with Overlay (110% FMR)
1 BR	41	$1,265	$2,615
2 BR	106	$1,528	$3,110
3 BR	111	$1,889	$3,760
4 BR	19	$2,072	$4,142
5 BR	1	$2,382	$4,763

CHA
Cambridge Housing Authority

JP Federal: Schedule

- MFDP Submission (take 1): July 6, 2022
- MFDP Submission (take 3): Feb 29, 2024
  - Over 1.5 years, CHA submitted three MFDPs to HUD as deal changed
- F2R Approval (Phase 1): May/June 2024
- Closing (Phase 1): June 2024
- Substantial Completion & DOFA: Oct 2025, Jan 2026, April 2026, June 26
  - DOFA dates by building
  - Important to be eligible for PH operating funds by building, as early as possible
- Faircloth-to-RAD Conversion: June 2026
  - One F2R conversion despite multiple Substantial Completion & DOFA dates
- Repeat approval process for Phase 2...

Cambridge Housing Authority

Faircloth-to-RAD (F2R) is truly streamlined

Resources and Support

- HUD's F2R Resource Guide (Nov 2023) is your best friend
- HUD's OPHI and RECAP staff are amazing resource
    - Special thanks to Maggie Curran, Tess Mullen, Onawa Simmons and Stacy Harrison
- HUD sets clear deadlines for their review each year
- HUD review/approval is coordinated

Communication is Key

- Reach out to the OPHI team early and often
- Ensure everyone is on same page about your project deadlines and HUD's internal deadlines for review
- Identify quirks in your project that should be discussed before formal submission of docs (phasing, how to use specific funds, etc.)

CHA
Cambridge Housing Authority

F2R Application Components

- Notice of Anticipated RAD Rents (NARR)
  - Request early for estimated rental subsidy from HUD and to get on HUD's radar, you can revise NARRs throughout process if deal changes
- FHEO/Site Neighborhood Standards & Accessibility Review
  - Review by other HUD agencies, can take some time
  - F2R units need to follow Uniform Federal Accessibility Standard (UFAS)
- Mixed-Finance Development Proposal (MFDP) & MF Calculator
  - Review with staff at OPHI early and often
  - Even if project is in flux, fill out Calculator early to flesh out questions, sources
- Evidentiary Documents
  - Highlight unique features of deal early before HUD legal teams review docs
- RAD Resource Desk & RAD Conversion Overview
  - This is essentially a condensed version of MFDP

CHA
Cambridge Housing Authority

F2R Conversion Year

Funding in the Conversion Year

- PHAs receive HAP payments from HUD on Jan 1 following effective date of HAP Contract, must plan for interim (carry $ in development budget)
- PHAs may receive public housing operating subsidy in meantime, but depends on DOFA date and HUD processing date deadlines PH funds

RAD Conversion

- Start working with HUD 60-90 days before Substantial Completion
- Goal = Prep everything for DOFA and RAD closing (legal docs, updated sources/uses, etc.) so that DOFA and RAD Conversion happen right after Substantial Completion

CHA
Cambridge Housing Authority

Questions?

Resources

Public Housing Repositioning: Wednesday Webinar Series: Faircloth-to-RAD Development

Faircloth-to-RAD Guide

radresource.net

“Faircloth Limit” unit counts

RAD Notices, Statutes, and Tools

Email:

- Stacy Harrison: Stacy.L.Harrison@hud.gov