



Public Housing Repositioning Strategies

Housekeeping

- All participants will be muted
- Raise your “hand” to be unmuted and ask question.
- On topic questions / parking lot questions: both welcome.
- Periodic breaks

Ground Rules

- Participate in each session of the webinar series
- Avoid distractions
- Silence your phone
- Ask plenty of questions. It is the best way to learn!

Why are we here?

The goal of this training is to help inform PHAs of their repositioning options. The training will start with the basics of repositioning, then describe the various policy tools involved in repositioning. We will discuss the decision-making process in choosing a repositioning strategy, and how the Project-Based Voucher program intersects with repositioning.



Webcast Training Agenda

Session 1

Nov 12

Introduction
to
Repositioning

RAD

Session 2

Nov 14

Section 18

Streamlined
Voluntary
Conversion

Session 3

Nov 19

Intersection
with PBV

Repositioning
Decision
Matrix

Session 4

Nov 21

Public
Housing
Close-out

Case Studies

Here are some questions we will cover today

1. What is “repositioning”?
2. What does repositioning mean for residents?
3. What does repositioning mean for local control?
4. What is RAD?
5. What are the benefits of a RAD conversion?
6. What tools/resources are available for PHAs to plan a RAD conversion?
7. How does a PHA apply for RAD?

Why reposition public housing?

Public Housing Repositioning has allowed PHAs to:

- Modernize aging properties
- Stabilize property revenues
- Conduct substantial rehabilitation
- Demolish/redevelop distressed/obsolete properties
- Support neighborhoods of opportunities
- Thin densities and mix incomes
- Streamline operations

HUD and PHA shared goals

- Improve physical conditions
- Stabilize financial performance & long-term operations
- Secure improved access to affordable housing

What does “repositioning” mean?

Unit is taken out of the federal public housing inventory and converted from Public Housing Section 9 to Section 8

Preserve affordable housing availability,
using a project-based unit or voucher

Why reposition public housing?

- Backlog of capital needs estimated at \$26 billion in 2010
- Conversion to long-term, Section 8 rental assistance contracts:
 - Stabilizes project revenue
 - Provides access to debt and equity to finance capital needs
 - Simplifies program administration

Better physical conditions

**Long-term affordable rental
assistance**

**Flexibility to move through
HCV program requirements**


**What do
residents
gain?**

What is HUD's role?

- Ensure PHAs know of repositioning strategies
- Provide technical assistance to help communities weigh their options

What is the Field Office's role?

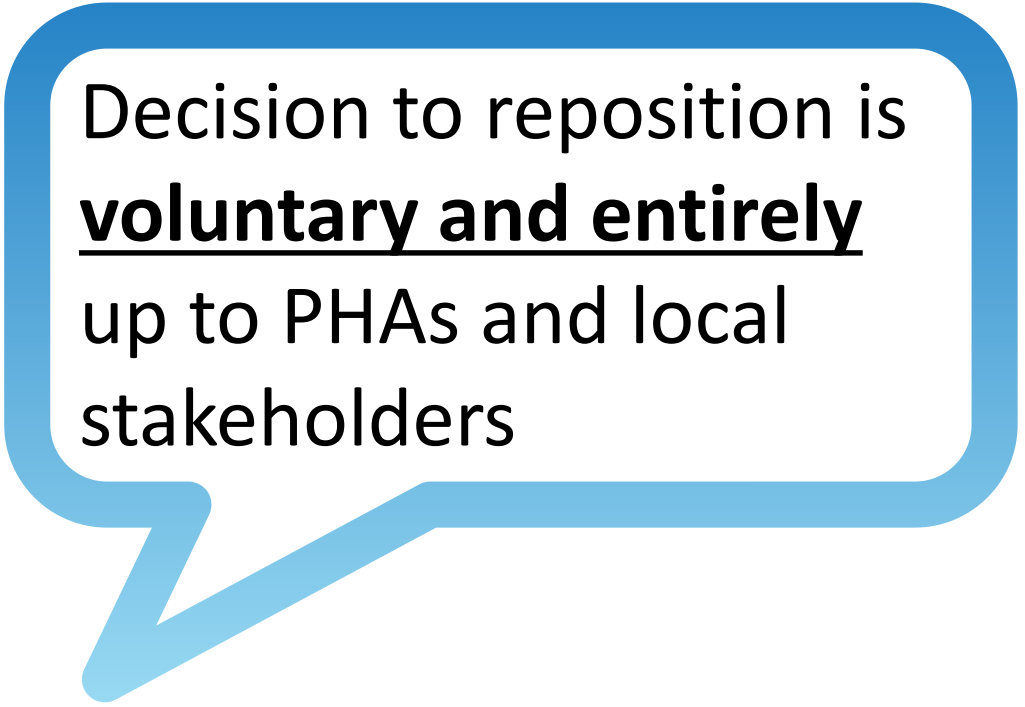
- Help PHAs weigh their repositioning options
- Help PHAs assemble RAD, Section 18 and Streamlined Voluntary Conversion applications
- Provide technical assistance in PBV program implementation



**Field Offices are
ready to assist!**

This is ENTIRELY Voluntary

- HUD is not planning to end the Public Housing program.
- PHAs still have access to Capital Fund Financing, Operating Fund Financing, Energy Performance Contracts, etc.



Decision to reposition is **voluntary and entirely** up to PHAs and local stakeholders

Will my PHA continue to exist if I reposition?

- **Yes!** “Repositioning” gives PHAs options to elect to subsidize housing outside of the public housing model.
- Repositioning does **not** reduce local control of the existing units. (In fact, there is **MORE local control and flexibility to meet the community’s needs.**)

Knowledge Check



What are some reasons why PHAs may chose to reposition?

Stabilize Revenue

Provides Access to Debt/Equity

Reduce Administrative Burden

Knowledge Check

(True or False)



PHAs should worry about losing local control of their housing if they reposition?

False.

What are my options?

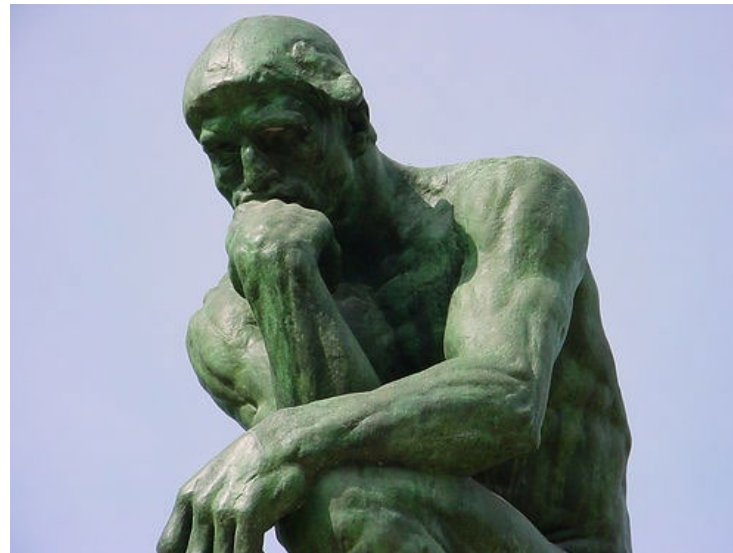
Repositioning Considerations

How many households do you want to serve?

Do you want to own and operate housing?

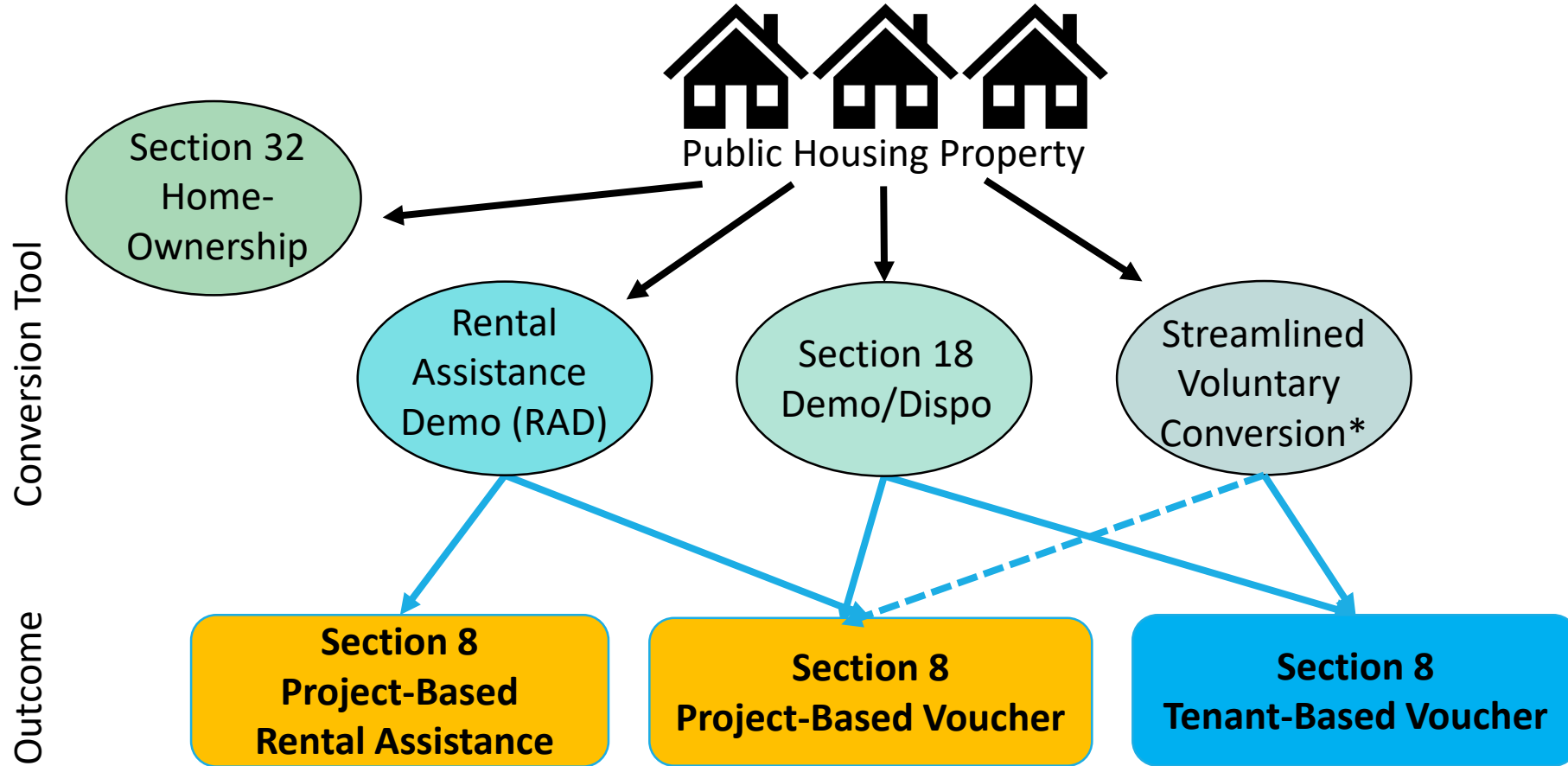
Where should housing in your community exist?

Who are you serving?
(elderly, families, homeless)



What income levels are you serving?

Public Housing Repositioning Options



* Under Voluntary Conversion tenant protection vouchers must first be offered to residents as tenant-based assistance, but may be project-based with tenant consent.

Important Resources

To learn about repositioning options, visit the new
Repositioning webpage at:

https://www.hud.gov/program_offices/public_indian_housing/repositioning

Here you can find:

- Training Videos (Repositioning 101, Sec 18 Overview, and Streamlined Voluntary Conversion Overview)
- Case Studies
- Links to other key sites (RAD and Special Application Center)



Rental Assistance Demonstration (RAD) Overview

What is RAD?

- RAD designed to address growing backlog of capital needs, estimated at \$26 billion in 2010
- Authorized in 2011, RAD now allows 455,000 public housing units to convert to long-term, Section 8 rental assistance contracts, allowing:
 - Better access to debt and equity to finance capital needs
 - Stronger platform for long-term preservation
 - Program simplification
 - Robust resident rights

RAD: Key Features



Rents

Predictable contract rents to start and adjusted by Operating Cost Adjustment Factor (OCAF)



Capital Needs

PHA secures financing, funds Replacement Reserve and completes capital needs assessment



Tenant Rights

Right of return, choice mobility and no rescreening
Retain organizing & procedural rights



Public Stewardship

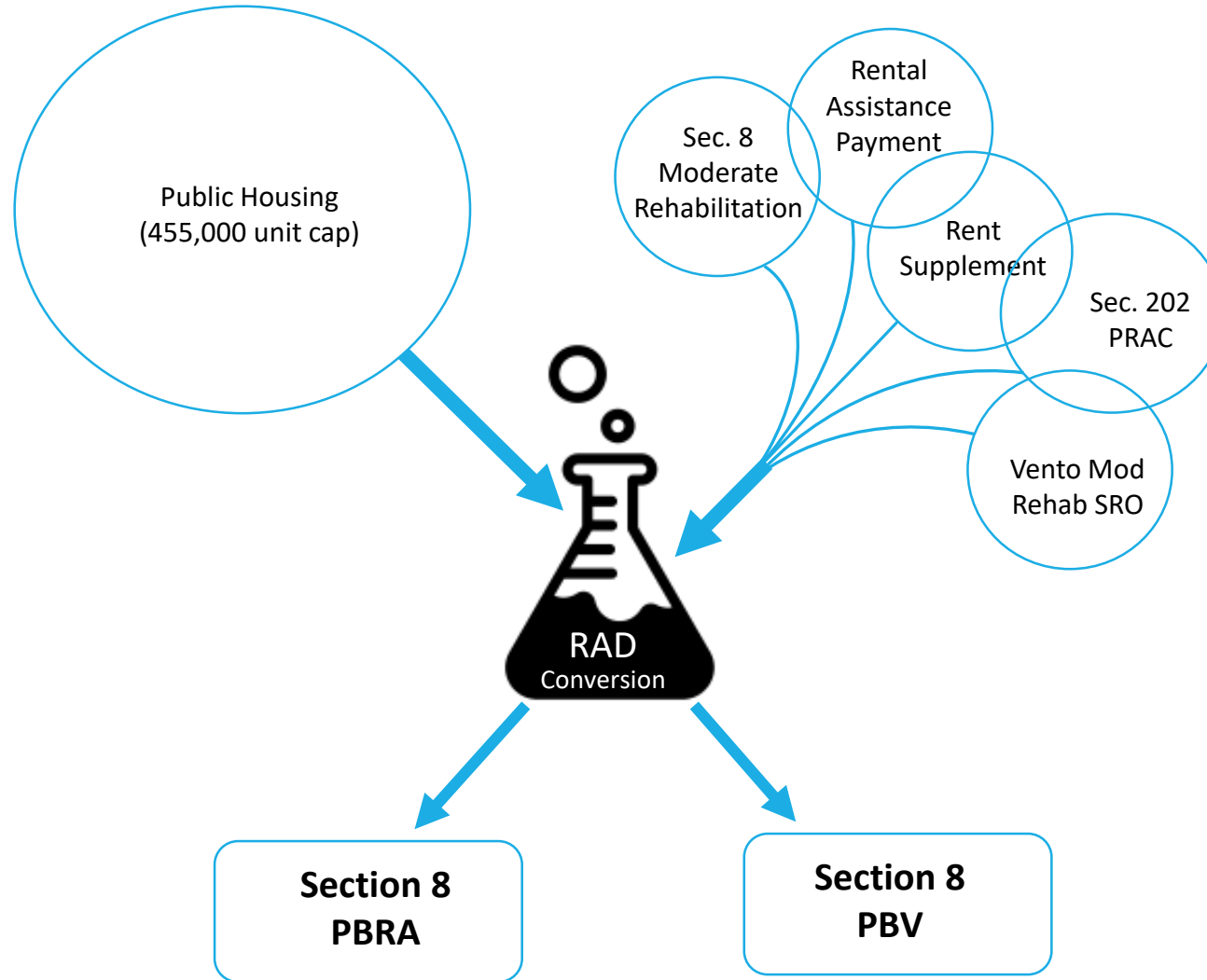
Ownership/control by public or non-profit with use agreement
Long-term HAP contract renewable at expirations

RAD Key Features

- *RAD is the only repositioning option that allows public housing funds/reserves to be used to directly support conversion to Section 8 (i.e., Public Housing funds can be used towards development budget, relocation, Replacement Reserves, etc.).*
- *RAD is the only repositioning option that allows conversion to PBV or PBRA.*

RAD Conversion Types

RAD for Public Housing
also known as the
"1st Component"



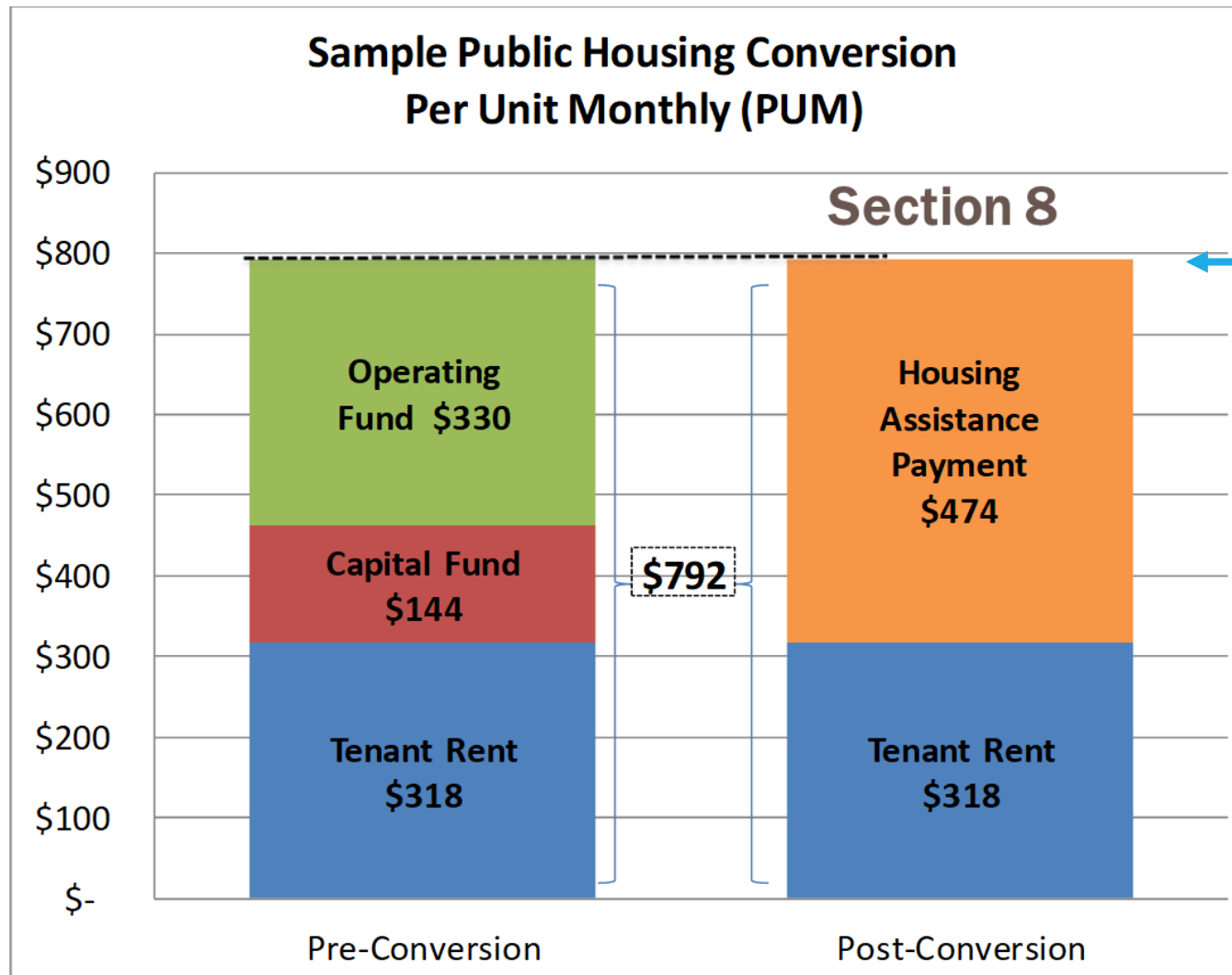
RAD for Other Multifamily Housing
also known as the
"2nd Component"

Program Requirements

Contracts and Rents

- Predictable initial contract rent setting – rents based on public housing funding levels with certain flexibilities
- Automatic annual adjustment of rents based on Annual Operating Cost Adjustment Factor (OCAF), subject to certain rent caps.
- RAD HAP funding begins at construction closing – “Rehab Assistance Payments”
- No limitation on use of project cash flow

Sample Public Housing Conversion



This \$792 becomes a **Contract Rent** which becomes a dependable revenue source that can be used to plan for the future (i.e., leverage debt).

This is BIG

HUD posts the RAD Rents for EVERY Public Housing Project Online.

- Just go to the HUD RAD Website (<https://www.hud.gov/RAD/library/notices>)
- Click on “[2018 RAD Rents](#)” or the most current RAD Rent Table

RAD TOOLS

The below guides and resources may be useful for PHAs that may be considering applying or are planning for a RAD 1 Conversion.

RAD Rents for Public Housing Conversions

- [2018 RAD Rents](#) (Updated 6/7/2019): The table includes HUD's calculations of RAD Contract Rents for each public housing property based on 2018 Appropriation levels. These rents will form the basis of the conversion rents for properties awarded CHAPS or with amended CHAPs on or after January 1, 2019. For additional information on the process of revising RAD rents for existing CHAPs, the ["FAQs on Securing RAD Rents"](#) document is also available.

RAD Guides and References

- [RAD Conversion Guide for Public Housing Agencies](#)
- [RAD Inventory Assessment Tool \(Third Version\)](#) (Save to your computer and enable macros. [Get instructions here.](#)) Updated 6/25/2019 | [Webinar Training](#) (Note: The link to the webinar is listed on the RAD Resource Desk)

HUD posts the RAD Rents for EVERY Public Housing Project Online.

The table below includes HUD's calculations of RAD Contract Rents for each public housing property based on 2018 Operating Fund, Tenant Rent, and Capital Fund levels. These rents will form the basis of the conversion rents for properties awarded CHAPs or with amended CHAPs starting on Jan 1, 2019. *RAD contract rents listed are net of any tenant-paid utilities. Converting properties utilize the utility allowance in effect at the public housing property at the time of conversion. Average utility allowances presented in this table are estimates derived from tenant files in order to estimate the "Gross Rent" that can be compared to the PBV or PBRA rent caps. The PHA is the definitive source of data for the current utility allowances at each property.

| Project Identifier | | | | Public Housing Units | | | | | | | Rent Calculation | | | 2018 Contract Rent | | | |
|--------------------|-------------|--|--------------------------------|----------------------|------|------|------|------|------|-------|-----------------------|-----------------------|------------------|-----------------------------------|--------------------------------------|-----------------------|-------------------------------|
| PIC Number | PHA Name | PHA Code | PROJECT NAME | Public Housing Units | 0-BR | 1-BR | 2-BR | 3-BR | 4-BR | 5+-BR | 2018 PUM Capital Fund | 2018 PUM Tenant Rents | 2018 PUM Op Fund | 2018 PUM Contract Rent (weighted) | Estimated Average Utility Allowance* | Estimated Gross Rent* | RAD Rents as a percent of FMR |
| 4 | AK001000213 | Alaska Housing Finance Corporation | AK001 Wrangell | 20 | 0 | 4 | 4 | 12 | 0 | 0 | \$224 | \$416 | \$788 | \$1,428 | \$36 | \$1,464 | 137% |
| 5 | AK001000216 | Alaska Housing Finance Corporation | AK001 Cordova | 16 | 0 | 0 | 0 | 16 | 0 | 0 | \$235 | \$705 | \$605 | \$1,544 | \$36 | \$1,581 | 106% |
| 6 | AK001000244 | Alaska Housing Finance Corporation | AK001 Wasilla | 32 | 0 | 32 | 0 | 0 | 0 | 0 | \$203 | \$418 | \$518 | \$1,136 | \$73 | \$1,209 | 145% |
| 7 | AK001000247 | Alaska Housing Finance Corporation | AK001 Anchorage Central | 120 | 0 | 120 | 0 | 0 | 0 | 0 | \$202 | \$466 | \$666 | \$1,234 | \$0 | \$1,233 | 119% |
| 8 | AK001000257 | Alaska Housing Finance Corporation | AK001 Bethel | 117 | 0 | 0 | 0 | 92 | 20 | 5 | \$137 | \$750 | \$747 | \$1,633 | \$29 | \$1,652 | 86% |
| 9 | AK001000260 | Alaska Housing Finance Corporation | AK001 Nome | 33 | 0 | 0 | 0 | 20 | 5 | 0 | \$129 | \$902 | \$482 | \$1,512 | \$29 | \$1,541 | 84% |
| 10 | AK001000263 | Alaska Housing Finance Corporation | AK001 Valdez | 7 | 0 | 0 | 4 | 3 | 0 | 0 | \$121 | \$362 | \$770 | \$1,252 | \$53 | \$1,304 | 99% |
| 11 | AK001000265 | Alaska Housing Finance Corporation | AK001 Kodiak | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$20 | \$1,335 | 111% | |
| 12 | AK001000271 | Alaska Housing Finance Corporation | AK001 ANCHORAGE SOUTH | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | \$41 | \$1,405 | 91% | |
| 13 | AK001000274 | Alaska Housing Finance Corporation | AK001 ANCHORAGE EAST | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$35 | \$1,359 | 90% | |
| 14 | AK001000275 | Alaska Housing Finance Corporation | AK001 FAIRBANKS | 1 | 0 | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | \$29 | \$1,403 | 81% | |
| 15 | AK001000277 | Alaska Housing Finance Corporation | AK001 JUNEAU | 1 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | \$15 | \$1,245 | 81% | |
| 16 | AK001000279 | Alaska Housing Finance Corporation | AK001 KETCHIKAN | 73 | 0 | 57 | 0 | 16 | 0 | 0 | 0 | 0 | 0 | \$6 | \$1,265 | 115% | |
| 17 | AK001000280 | Alaska Housing Finance Corporation | AK001 SITKA | 44 | 0 | 24 | 8 | 10 | 2 | 0 | 0 | 0 | 0 | \$46 | \$1,265 | 99% | |
| 18 | AL001000001 | Housing Authority of the Birmingham District | AL001 ELYTON VILLAGE | 478 | 0 | 38 | 382 | 58 | 0 | 0 | \$186 | \$126 | \$444 | \$756 | \$103 | \$859 | 95% |
| 19 | AL001000004 | Housing Authority of the Birmingham District | AL001 SOUTHTOWN | 455 | 0 | 164 | 199 | 92 | 0 | 0 | \$180 | \$48 | 0 | 0 | 0 | 0 | 89% |
| 20 | AL001000006 | Housing Authority of the Birmingham District | AL001 CHARLES P MARKS VILLAGE | 500 | 0 | 50 | 201 | 201 | 40 | 8 | \$201 | \$87 | 0 | 0 | 0 | 0 | 89% |
| 21 | AL001000007 | Housing Authority of the Birmingham District | AL001 JOSEPH H LOVEMAN VILLAGE | 280 | 0 | 18 | 101 | 101 | 50 | 10 | \$204 | \$52 | 0 | 0 | 0 | 0 | 93% |
| 22 | AL001000009 | Housing Authority of the Birmingham District | AL001 SMITHFIELD COURT | 456 | 16 | 300 | 100 | 40 | 0 | 0 | \$172 | \$124 | 0 | 0 | 0 | 0 | 90% |
| 23 | AL001000010 | Housing Authority of the Birmingham District | AL001 TOM BROWN VILLAGE | 248 | 0 | 32 | 20 | 42 | 108 | 46 | \$221 | \$97 | 0 | 0 | 0 | 0 | 79% |
| 24 | AL001000011 | Housing Authority of the Birmingham District | AL001 MORTON SIMPSON VILLAGE | 456 | 0 | 64 | 163 | 181 | 48 | 0 | \$202 | \$41 | 0 | 0 | 0 | 0 | 98% |
| 25 | AL001000013 | Housing Authority of the Birmingham District | AL001 COLLEGEVILLE CENTER | 394 | 0 | 54 | 114 | 126 | 64 | 36 | \$210 | \$30 | 0 | 0 | 0 | 0 | 97% |
| 26 | AL001000014 | Housing Authority of the Birmingham District | AL001 RUSSELL B HARRIS HOMES | 188 | 0 | 52 | 59 | 57 | 10 | 10 | \$202 | \$212 | \$388 | \$803 | \$105 | \$907 | 89% |
| 27 | AL001000016 | Housing Authority of the Birmingham District | AL001 NORTH BIRMINGHAM HOMES | 271 | 0 | 39 | 62 | 94 | 45 | 31 | \$215 | \$55 | \$626 | \$895 | \$127 | \$1,022 | 88% |
| 28 | AL001000017 | Housing Authority of the Birmingham District | AL001 COOPER GREEN HOMES | 227 | 0 | 50 | 69 | 67 | 36 | 5 | \$212 | \$160 | \$447 | \$819 | \$96 | \$915 | 88% |
| 29 | AL001000018 | Housing Authority of the Birmingham District | AL001 RALPH KIMBROUGH HOMES | 231 | 0 | 68 | 64 | 66 | 20 | 13 | \$206 | \$90 | \$506 | \$802 | \$117 | \$919 | 89% |
| 30 | AL001000023 | Housing Authority of the Birmingham District | AL001 ROOSEVELT CITY | 118 | 0 | 4 | 12 | 55 | 39 | 8 | \$231 | \$0 | \$595 | \$826 | \$286 | \$1,111 | 90% |

Sort for you PHA and Project Name

Here is your current funding data

Here is your Per Unit Month RAD Contract Rent

Here is how your RAD Rent Compares to local Fair Market Rent (FMR)

| ITEM | PBV | PBRA |
|------------------------|---|--|
| Appropriations | <ul style="list-style-type: none"> • Tenant-Based Rental Assistance account | <ul style="list-style-type: none"> • Project-Based Rental Assistance account |
| Rent Setting | <ul style="list-style-type: none"> • Current funding, unless that exceeds 110 % of FMR, less utility allowances, or Rent Reasonableness. | <ul style="list-style-type: none"> • Current funding, unless that exceeds 120% of FMR, less utility allowance and is supported by a Rent Comparability Study, which may then support up to 180% of FMR. |
| Contract Administrator | <ul style="list-style-type: none"> • PHA with an HCV Program | <ul style="list-style-type: none"> • HUD Office of Multifamily Housing |
| Contract Term | <ul style="list-style-type: none"> • 15-20 years • Required renewal | <ul style="list-style-type: none"> • 20 years • Required renewal |
| Inspections | <ul style="list-style-type: none"> • HQS (performed by PHA or Independent Entity) | <ul style="list-style-type: none"> • UPCS (performed by REAC) |
| Choice Mobility | <ul style="list-style-type: none"> • Household may request voucher after one year | <ul style="list-style-type: none"> • Household may request voucher after two years • Additional constraints allowed |
| Other | <ul style="list-style-type: none"> • Normal PBV competitive selection, income-mixing, and PBV program cap requirements does not apply | <ul style="list-style-type: none"> • N/A |

Project-Based Voucher vs. Project-Based Rental Assistance

RAD Rent Caps

PBRA

Current funding, except if current funding exceeds 120% of FMR, in which case lower of current funding, market rent (based on Rent Comparability Study), or 150% of FMR.

PBV

Lower of current funding; reasonable rent; or 110% FMR minus utilities

1st Mortgage Debt

- **FHA-insured debt:**
 - - 223(f) (light/mod rehab) or
 - - 221(d)(4) (sub rehab/new construction)

Equity

- **4% LIHTC**
- **9% LIHTC**
- **Historic Tax Credits**

Public Housing Funds

- **Operating Reserves**
- **Capital Funds**
- **Demo/Dispo Transition Funding (DDTF)**
- **Sales Proceeds**

Other Secondary Financing

- **HOME**
- **CDBG**
- **CDBG-DR and FEMA**
- **Housing Trust Fund**
- **Federal Home Loan Bank AHP**

Common Financing Sources

Note: RAD Inventory Assessment Tool can help better assess project feasibility and the ability to leverage debt and equity.

Development Requirements

Capital Needs Assessment

- Identifies all immediate and long-term capital needs
- Financing Plan must cover all capital needs through upfront capitalization and/or ongoing capital “replacement reserve” deposits

Environmental Review

- PBRA or FHA-insured conversion
 - Part 50
 - HUD performs review
- All other PBV
 - Part 58
 - Responsible Entity performs review

Substantial Conversion of Assistance

- Conversion may not result in a reduction of assisted units (greater of 5% or five units)
- Exceptions for consolidation of efficiencies or supportive services units

Note: RAD Streamlined process for very small PHAs (50 or fewer units).

Development Requirements (cont.)

Site and Neighborhood Standards

- All new construction subject to HUD FHEO review when site is in an area of minority concentration.

Ownership and Control

- Property must be owned or controlled by a public or non-profit entity, except in the case of tax credits, where PHA must maintain an “interest” in the project (often satisfied by PHA entering a long-term ground lease).

Davis Bacon and Section 3

- Davis Bacon prevailing wage requirements and Section 3 low-income hiring requirements apply to any construction activity.

Transfer of Assistance

- Transfer of assistance refers to a change in the geographic site of the assistance. It has the potential to improve the location and quality of housing.
- HUD will assess:
 - that the transfer does not place housing in neighborhoods with highly concentrated poverty
 - whether conversion on-site is economically non-viable (physically obsolete or severely distressed)

Resident Rights and Requirements: Prior to Conversion

- **Resident meetings** required prior to application and additional meetings required following CHAP-issuance
- **Resident notices:**
 - RAD Information Notice (RIN)
 - General Information Notices (GIN)
- RAD conversion is a **Significant Amendment to the PHA plan**
- No relocation activities can occur until the execution of the RAD Conversion Commitment (RCC)
- **Residents may not be involuntarily displaced**



Resident Rights and Requirements: Current Residents

- Residents have an absolute **right to return** post-rehab
- **Prohibition of re-screening** residents upon “move-in” to the Section 8 property
- A “**phase-in**” of **resident rents** if residents were paying less than 30% of adjusted income prior to conversion, e.g. “flat-renters”
- Continued participation in **ROSS and FSS**
- “Grandfathered” **Earned Income Disregard**



Resident Rights and Requirements: Ongoing

- **Resident Procedural Rights** outlined in section 6 of the Act and detailed in the RAD Notice, including:
 - Resident organizing rights
 - Resident participation funding (\$25 per unit per year)
 - Grievance and termination procedures consistent with public housing requirements



Relocation

- RAD provides residents with relocation protections
 - Uniform Relocation Act (URA) applies (in some cases RAD requirements are in excess of URA)
 - Residents have a right to return post-rehab
 - No relocation activities can occur until the execution of the RAD Conversion Commitment

Common Relocation Options


On-site

Other public
housing owned by
the PHA

Other affordable
housing owned by
the PHA

Private Housing

Using housing
vouchers
administered by
the PHA



HUD will help
you identify
your options

Knowledge Check



True or False?

When a PHA converts assistance of a public housing project to Section 8 PBRA or Section 8 PBV, at expiration of the initial contract and each renewal contract, the Agency and Project Owner must accept a renewal contract.

True

Knowledge Check



True or False?

A property converted from public housing to PBV or PBRA must be owned or controlled by a public or non-profit entity.

True

Knowledge Check



True or False?

RAD is the only repositioning tool that allows a PHA to carryover existing public housing funds/reserves and use them toward a Replacement Reserve to support the future Section 8 units (PBV or PBRA) following conversion.

True

RAD Conversion Process

RAD Conversion Process



Strategic Planning

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



RAD Application

Confirms project eligibility

Ensure residents and Board consulted

CHAP Award

Reserves conversion authority under the cap

Sets forth the contract rents



Financing Plan

Demonstrate physical and financial viability and compliance with program requirements

(Note PHAs below 50 units, may submit a streamlined financing plan and avoid a physical needs assessment.)



RAD Conversion Commitment

HUD approval of the Financing Plan

Sets out terms of closing and construction



Closing & Conversion

Removal of public housing ACC and DOT

Entry into Section 8 HAP Contract & RAD Use Agreement



Rehabilitation/Construction

If applicable, work completed in accordance with RCC

Getting Started: RAD Application

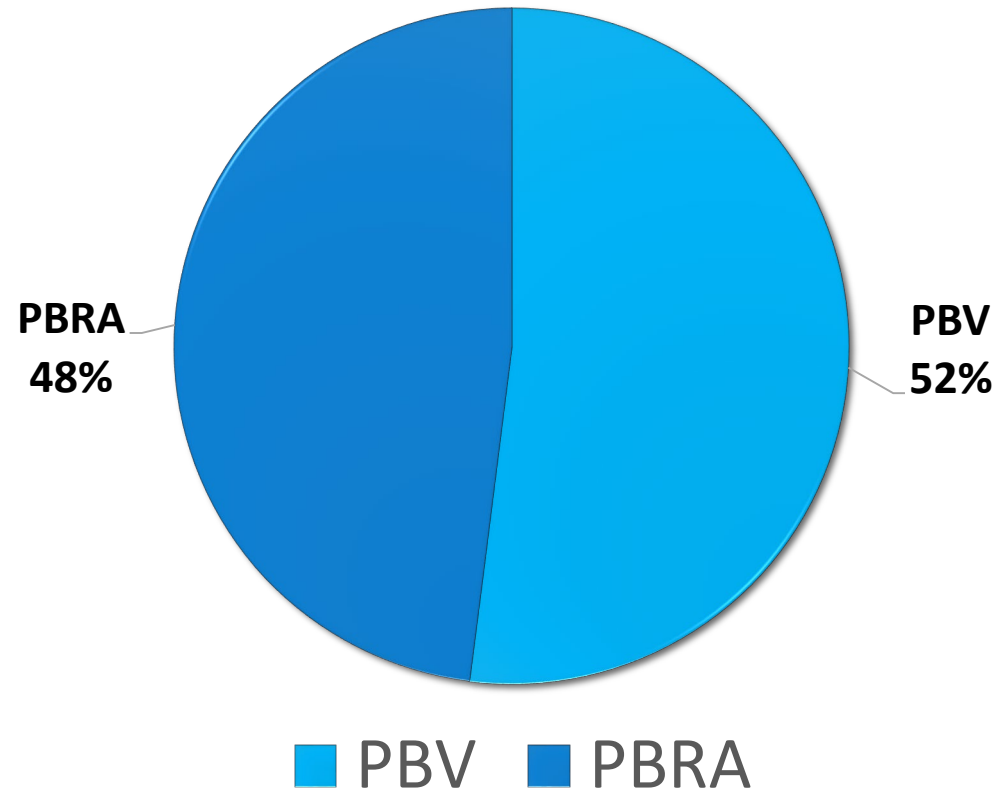
- Application recently streamlined and available at www.RADresource.net
 - Check out RAD Resource Desk for recorded webcast on how to submit a RAD application
- Must include:
 - Board Approval
 - Resident Comments
- For PHAs that have multiple properties, additional application flexibilities available through:
 - Portfolio Award
- An approved RAD application is not a binding commitment on behalf of the PHA. A PHA can withdraw from RAD at any point up until final closing, and there is absolutely no penalty from HUD.

Current Efforts

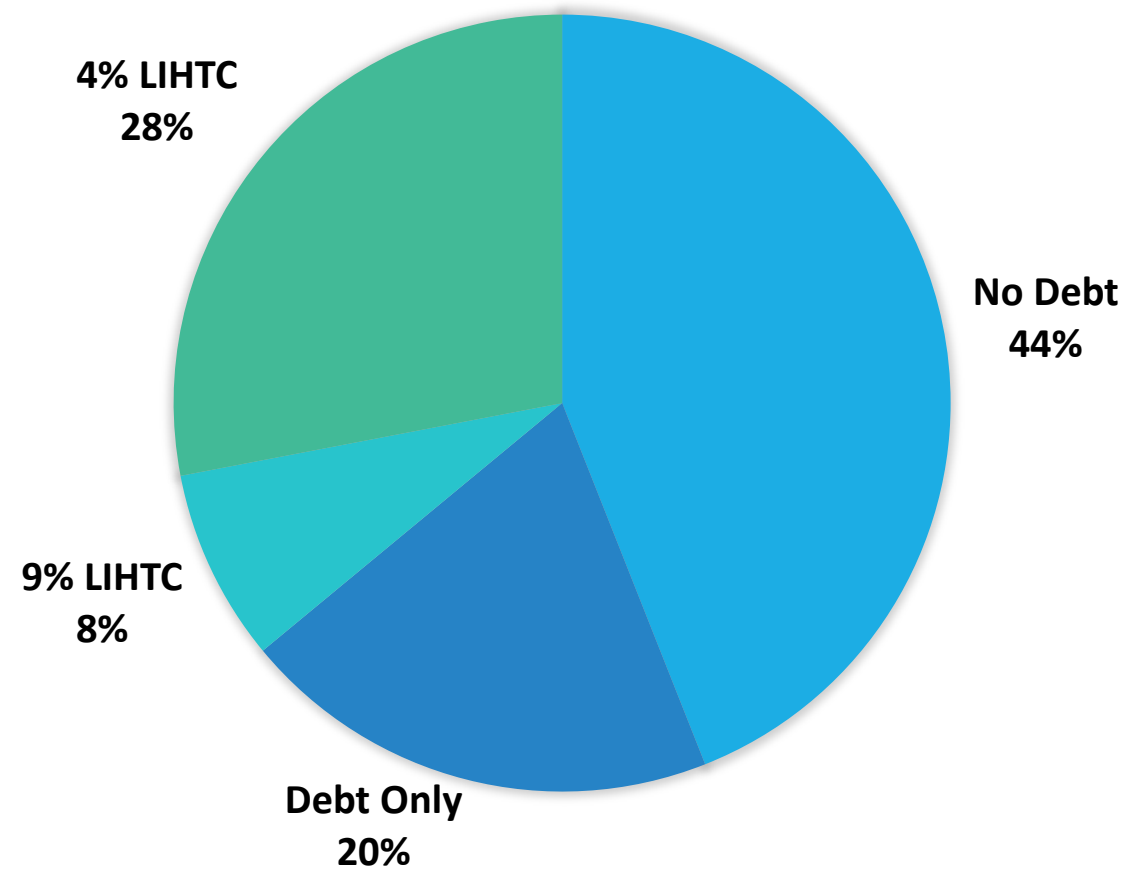
- RAD Notice Revision 4 released on September 5, 2019
- RAD Inventory Assessment Tool update
- Post-closing oversight of public housing conversions
 - Completion certification
 - On-boarding to PBRA
 - Asset management of PBV properties

New RAD Notice, Revision 4 released

- RAD rents will be updated every two years (ATT 1C)
- “Concept call” step added to the RAD process (Section 1.12.C)
- More stringent resident notice requirements (Section 1.8)
- Same resident rights from RAD-PBVs extended to regular PBVs used in RAD conversions (Section 1.6)
- Mechanisms for PHAs to enter into partnerships with each other (Section 1.5L)
- Rent increases in certain scenarios for PBRA (e.g., in Opportunity Zones) (Section 1.7.A.5)
- Changes in when the Capital Needs Assessment Tool must be submitted (Section 1.4.A.1)



Closed Conversions: PBV vs. PBRA



Conversion Financing

Important Resources

- RAD Statute
- Rental Assistance Demonstration – Final Implementation, Revision 4: H-2019-09 PIH-2019- 23 (HA)
- Fair Housing, Civil Rights and Relocation Notice: H 2016-17 PIH 2016-17 (HA)
- Guides and FAQs (<http://www.radresource.net/>)
- RAD Inventory Assessment Tool
- RAD Notice, application materials and additional resources can be found at <http://www.hud.gov/rad>



Knowledge Check



Describe a resident's right to return requirement.

Any resident that may need to be temporarily relocated to facilitate rehabilitation or construction has a right to return to an assisted unit at the Covered Project once rehabilitation or construction is completed.

Knowledge Check



True or False?

A resident does not have the right to request a tenant-based voucher after a period of residency at the converted property.

False

RAD Exercise

Go to the RAD 2018 Rents File and find the RAD Rents for Oxnard, CA, project number CA031000001. (PHA has 7 projects for a total of 666 units)

- What is the weighted average RAD Rent? **\$926**
- How does that amount compare with the FMR? **48%**
- Is this project likely to be affected by a PBRA rent cap? **No**
- Is this project likely to be affected by a PBV rent cap? **No**

RAD – Key Takeaways

- **More Stable Funding Platform** - The Section 8 program is a much more stable and reliable funding platform for the long-term preservation of low-income housing, with long-term subsidy contracts and automatic annual rent adjustment factors.
- **More Rational Regulatory Environment** - By converting to Section 8, PHAs leave behind a much more complicated regulatory environment, including such requirements as Annual Plans, Community Service, and the Public Housing Assessment System.
- **Better Able to Leverage Debt and Equity** - Section 8 is a much more reliable tool for leveraging private capital (mostly due to the long-term housing assistance payments contracts that have annual adjustments in contract rents).

RAD – Key Takeaways (continued)

- **Long-term Public/Non-Profit Ownership or Control and Affordability Restrictions** - The RAD statute requires converting projects to be owned or controlled by a public or non-profit entity, enforced through perpetual use agreements that get recorded with local land records.
- **Strong Resident Rights and Protections** - All residents of converting projects have an absolute right to return and any temporary relocation is covered by the Uniform Relocation Act. RAD also requires significant resident input. When the project converts to Section 8, tenants pay 30% of their income.
- **Utilization of Public Housing Funds** - RAD is the ONLY repositioning tool that allows a PHA's public housing funds (including any public housing reserves) to be broadly utilized for conversion related expenses such as pre-development costs, construction costs, establishing a project reserve, etc.

End of Session 1

Things to consider:

- How could repositioning help your PHA?
- What are your Public Housing Project RAD Rents?
- How could you leverage these Rents to improve your housing?