

Table of Contents

CHAPTER 1

Public Housing, HUD and RAD 1

1:01. Overview 1

1:02. History of U.S. Public Housing 1

1:03. HUD and Public Housing 2

1:04. RAD Arrives 3

1:05. How RAD Works 4

CHAPTER 2

Deciding Whether RAD is the Right Choice 7

2:01. Overview 7

2:02. PHA Eligibility 8

2:03. Big-Picture Issues for PHA 9

2:04. Working with a Private Developer 11

[1] PHA Guarantees 12

[2] PHA Maintain Control 14

2:05. PHA Role Continues 14

2:06. Arguments for a RAD Conversion 15

2:07. Key Questions 16

[1] Assessing the Needs 16

[2] Examining Financial Resources 18

[3] Determining RAD Rent 21

2:08. RAD Inventory Assessment Tool 23

2:09. RAD Application 24

CHAPTER 3	
Decisions Before Beginning a RAD Transaction	25
3:01. Overview	25
3:02. PBRA vs. PBV	26
[1] PBRA	26
[2] PBVs	27
3:03. Partial Conversion Issues	30
3:04. Streamlined Voluntary Conversions	30
3:05. Valuation of Public Housing for LIHTC Eligible Basis	31
3:06. Whether to Increase Rent	33
3:07. Best Practices	34
3:08. Communicate with Board	35
CHAPTER 4	
Financing Options for RAD	37
4:01. Overview	37
4:02. PHA Funds	37
4:03. Debt Only	38
4:04. LIHTCs	38
[1] 4% LIHTCs and Private Activity Bonds	41
[2] 9% LIHTCs	42
4:05. Other Tax Incentives	43
[1] Historic Tax Credit	43
[2] Renewable Energy Tax Credits	44
[3] New Markets Tax Credits	44
[4] Opportunity Zones Incentive	44
4:06. Other Federal Sources	44

4:07. Monetizing Losses	45
4:08. Developer Fees	45
4:09. Reserve Fund for Replacement	47
4:10. Public, Nonprofit Ownership	47

CHAPTER 5

Working with Residents **49**

5:01. Overview	49
5:02. Overarching Strategy	50
5:03. Proposal Notification	51
5:04. Possible Displacement	52
5:05. Rehousing Residents	53
5:06. Relocation Options	55
5:07. Right to Return	57
5:08. Resident Rights	57

CHAPTER 6

Doing the RAD Conversion **59**

6:01. Overview	59
6:02. Familiarization	60
6:03. Evaluation	60
6:04. Resident Notification	60
6:05. Application	60
6:06. Build Development Team	60
6:07. Identify the RAD Properties	61
6:08. Continue Working with Residents	61

6:09. Issue a Significant Amendment to PHA Plan	61
6:10. Receive HUD Approval and Commitment to Enter Into HAP	62
6:11. Submit Financing Plan to HUD	62
6:12. Confirm Financial Partners	62
6:13. Draft Key Documents, Policies	63
6:14. Receive RAD Conversion Commitment	63
6:15. RAD Closing	63
6:16. Construction	63
[1] PHA as Developer	64
[2] PHA as General Partner	64
[3] PHA as managing agent	64
6:17. Ongoing Monitoring	65

CHAPTER 7

Post-RAD Conversion Compliance 67

7:01. Overview	67
7:02. Tenants' Right to Return	68
7:03. Relocation Rules	68
7:04. Preparation for Occupancy	68
7:05. Changes in Rent	71
7:06. Tenant Education, Consultation	73
7:07. Civil Rights Requirements	73
7:08. LIHTC-Specific Issues	74
7:09. PHA as Property Manager	76

CHAPTER 8	
Accounting Issues with RAD Conversions	79
8:01. Overview	79
8:02. PHA Scoring	79
8:03. HAP Issuance and Transferring the Project	79
[1] PHA Maintains Ownership	80
[2] PHA Transfers Ownership to Tax Credit Partnership	81
8:04. Fee for Service or Cost Allocation	82
8:05. Component Unit Reporting	83
8:06. Recording the Sale of Public Housing Property	83
8:07. Eliminating Inter-Governmental Public Housing Subsidy and HAP Payments	85
8:08. Changing Fiscal Years—A Good Idea?	85
APPENDIX A	
RAD Statutory Language	87
APPENDIX B	
RAD Revision Notices	95
Full Implementation Notice: July 26, 2012	96
Final Implementation, Revision 1: July 2, 2013	102
Final Implementation, Revision 2: June 15, 2015	108
Final Implementation, Revision 3: Jan. 12, 2017	115
Final Implementation, Revision 4: Sept. 5, 2019	120

APPENDIX C

HUD Notices 431

PIH 2011-57: Instructions for Public Housing Agency on
Fiscal Year End Changes 432

H 2016-17: RAD Notice Regarding Fair Housing and
Civil Rights Requirements and Relocation Requirements
Applicable to RAD First Component–Public Housing Conversions 435

H-2020-09: Rental Assistance Demonstration (RAD) –
Supplemental COVID-19 Guidance 515

APPENDIX D

HUD RAD Tools 519

HUD Guide to Choosing Between PBVs and PBRA for
Public Housing Conversion 520

RAD Conversion Guide for Public Housing Agencies 527

APPENDIX E

Index 547