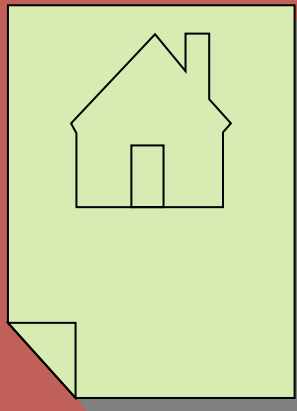


# Rental Assistance Demonstration (RAD) Program ALFRED SPEER VILLAGE



Housing Authority of the City of Passaic

INITIAL RESIDENT MEETINGS

June 13<sup>th</sup> & June 27<sup>th</sup>, 2024



# Presenters

***William F. Snyder-Consultant***

***Joseph M. Billy Jr.***

***Ron Van Rensalier, Executive Director***



# HUD Notice PIH 2012-32 Rev 4.

 Issued 9/5/19

 Provide Instructions for the RAD program

 Eligibility

 Selection Criteria



# What is RAD

- Rental Assistance Demonstration Program
- RAD converts the current public housing program Annual Contributions Contract (ACC) into a Project Based Voucher (PBV) or Project Based Rent Assistance (PBRA).
- The subsidy is tied to the unit, unlike the Section 8 Tenant Based Program
- Conversion from Section 9 to Section 8 of the Housing Act of 1937



# Why was RAD Created?

There is backlog in public housing capital needs of approximately \$115 billion dollars.

The annual HUD appropriation for the Capital Fund Program is approximately \$3 billion dollars.

The 2024 Passaic Housing Authority Capital Fund Program is \$1,525,199.00 or \$4,000.00 per unit.

HUD recognizes that Housing Authorities do not have enough funding to maintain, repair and replace their properties.

RAD allows the Housing Authority to have access to additional sources of funding to make significant repairs to public housing (i.e., Low Income Housing Tax Credit Program-LIHTC).

RAD was created as a tool to allow Housing Authorities to positively address the living conditions in public housing properties.



# 5 Things you should know about RAD

1. RAD allows PHAs to **leverage public and private debt and equity in order to reinvest in the public housing stock**. The backlog of public housing capital needs is estimated to be **\$115 billion** when analyzing the approximately 300 RAD transactions that closed over the last three years.
2. In RAD, units move to a Section 8 platform with a long-term contract that, by law, must be renewed in perpetuity. A Use Agreement is also recorded under RAD further enforcing HUD's long-term interest. **This ensures that the units remain permanently affordable to low-income households.**
3. Residents benefit from a right of return, a prohibition against re-screening, and robust notification and relocation rights. Residents continue to pay 30% of their adjusted income towards the rent, **maintain the same basic rights** as they possess in the public housing program, and gain a new option to request tenant-based assistance if they wish to subsequently move from the property.
4. RAD **maintains the ongoing public stewardship** of the converted property through clear rules requiring ongoing ownership or control by a public or non-profit entity.
5. RAD is highly cost-effective, **relying on shifting existing levels of public housing funds to the Section 8 accounts** as properties convert.



# Passaic Housing Authority

- PHA previously converted all elderly units under RAD
- PHA one of 3 original Housing Authorities to get HUD approval of its RAD application
- Conversion allowed for approximately \$5,900,000.00 in rehabilitation to the 3 projects (\$45,000.00 per unit).
- PHA is now considering also redeveloping Alfred Speer Village.
- This would complete the total conversion of all public housing units at PHA.



# What will this mean for you?

- There will be little effect on the residents.
  - Rent will remain the basically the same
  - Resident Fact Sheet:
    - [Hud.gov/RAD/residents/ResidentFactSheets](http://Hud.gov/RAD/residents/ResidentFactSheets)





# What will this mean for you?

- 2 New Buildings
- Substantial Rehabilitation of 4 Existing buildings
- Residents are guaranteed the right to ongoing housing assistance.
- All residents will either remain in their property, or if temporary relocation is needed to make repairs, they will be offered the opportunity to return to the property once the repairs are completed.
- Like public housing, Section 8 residents pay 30% of their income towards utilities and rent. Tenants will never pay more than 30% of their adjusted annual income towards their rent.



# Resident Involvement

## Resident Involvement

The Housing Authority must engage its residents in the RAD process to help ensure the best outcome.

The Housing Authority must conduct resident meetings to learn about the plans for the property, ask questions and provide feedback.

Resident comments/questions and Housing Authority responses must be submitted to HUD.

2 meetings before submitting the RAD application  
2 meetings after HUD Issuance of the CHAP  
1 meeting after HUD issuance of the RCC  
Other meetings as necessary

All RAD information materials will be uploaded to the Housing Authority website for access for people with disabilities. The Housing Authority will make a reasonable accommodation for those individuals that need such.

All presentations are being held in both English and Spanish with translation at the meetings.



# Current PHA need-Per CNA

- The RAD Program requires that the Housing Authority complete a Capital Needs Assessment.
- The assessment is prepared by an Engineering/Architectural firm which is currently under contract.
- The assessment provides an in-depth analysis of all work items that are needed currently and for the next 20 years.
- The assessment is currently being completed.
- Actual work-items will be discussed after completion of the CNA.



# Where are we going with the public housing program?

- The trend does not seem to indicate an increase in federal funding anytime soon!
- All of funding for Alfred Speer Village comes from HUD from 2 major sources:
  - Operating Fund
  - Capital Fund

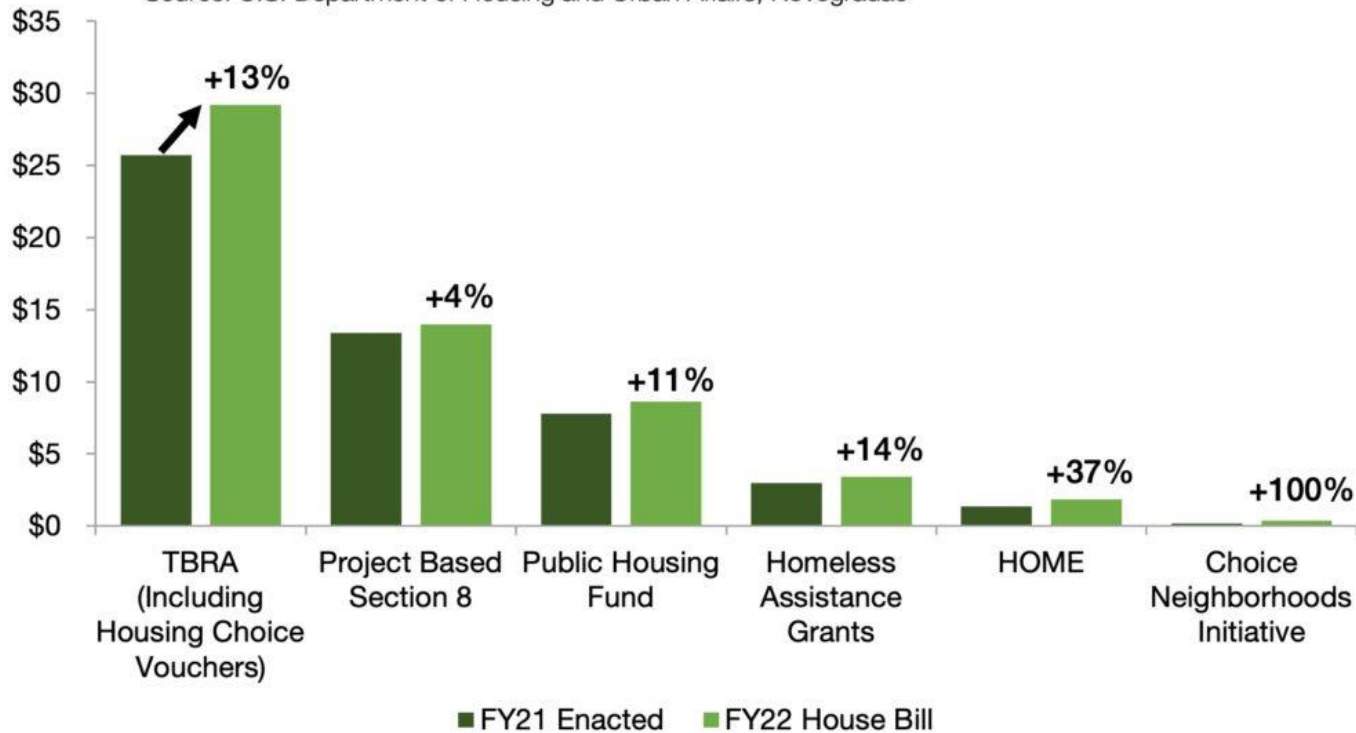


# HUD Budget by Program

CHART 1

## HUD Budget By Program: Fiscal Year 2021 Vs. Fiscal Year 2022 Measured in Billion \$

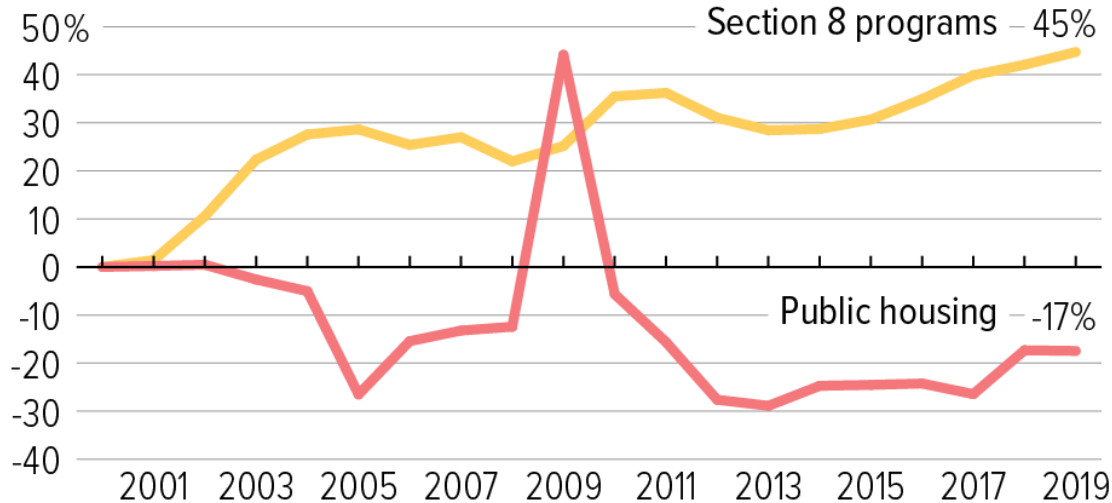
Source: U.S. Department of Housing and Urban Affairs; Novogradac



# HUD FUNDING

## Public Housing Funding Has Dropped While Section 8 Funding Has Responded to Cover Rising Needs

Percent change in funding since 2000, adjusted for inflation

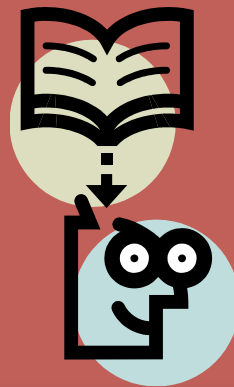


Note: "Public Housing" includes capital and operating funds. "Section 8 programs" includes outlays for the Housing Choice Voucher and Project-Based Rental Assistance programs. The graph reflects annual budget authority for public housing and (to avoid distortions from one-time recessions of funds and other factors) annual outlays for Section 8. Public housing funding for 2009 includes supplemental capital funds provided in economic recovery legislation.

Source: Office of Management and Budget Public Use Database, Department of Treasury expenditure data, and annual appropriations legislation

# RAD Goals

- Build on the proven Section 8 platform
- Leverage private capital to preserve assets
- Offer residents greater choice and mobility



# Resident Provisions

(Fact Sheet #1)






- Residents must be notified and have an ability to comment on the conversion. Resident comments must be responded to.
- Resident meetings must be held during the conversion process.
- Similar to Demo/Dispo process





# Selection of PBV or PBRA






## PBV

-  Project Based Vouchers will be administered by the agency on whose Annual Contribution Contract the voucher were assigned (most cases will be the agency doing the conversion)
-  Term-15 years (up to 20 with approval of administering voucher agency)
-  PBV rents will be equal to current funding subject to a cap and will be adjusted annually (OCAF)
-  PBV contracts will also carry a concurrent renewable RAD User Agreement
-  Must provide Choice Mobility Option to residents



# Selection of PBA or PBRA

## PBRA

-  Project Based Rental Assistance-the project will be administered by HUD's Office of Housing
-  PBRA Contract rents will be equal to the project's current funding, subject to a cap and will be adjusted annually
-  Term-20 years
-  PBRA Contract will also carry a concurrent 20 year renewable RAD User Agreement
-  A Choice Mobility Option will be a condition of the conversion



# Rehabilitation Consideration

- Temporary Relocation-Any temporary relocation must comply with the Uniform Relocation Assistance and real Property Acquisition Act of 1970 (see 49 CFR Part 24).
- The Passaic Housing Authority will attempt to minimize any relocation due to cost and inconvenience to the residents.



# Rent Calculation

- Once you convert to RAD, the Housing Authority will no longer receive Operating or Capital Fund subsidies.
- The OF and CF are built into the monthly rent and subsidized through the Housing Choice Voucher Program (S8).
- Resident will pay essentially the same amount as currently.
  - Flat Rent Payers
- No excess utility charges!



# Does it Make Sense for you to consider RAD Conversion?

- This is a decision that rest with each individual PHA at each individual project.
  - Consideration should be given to what funding will be in the future!
  - Consideration should be given to your rehabilitation needs.
  - Can we accomplish the overall financing within the conversion?
  - Is HUD going to eventually required that all PHA convert to the RAD system?



# Alfred Speer Village

## Proposed Phased Development

### 3 Phases

Phase 1-Demolition of Existing Office Building and construction of 120 new unit. These units will also serve as new housing for residents that may be displaced as a result of the Phase 3 development;

Phase 2-Comprehensive renovation of 4 of the existing buildings;

Phase 3-Demolition of 2 buildings along State Street and construction of 120 new units;

Introduce retail or community facility/office at State Street.

Parking to be located in public parking deck on State Street.



# 3 Phase Development Concept

NJ-21



# Where are we at?

## Currently

6/12/24-First Resident Meeting

Contracts awarded:

Consultant

Attorney

Capital Needs Assessment (CNA)

Part 58 Environmental Survey

Development Partner

## Next Steps

6/27/24 Second Resident Meeting

RAD Application Submission

Section 18 Application Submitted





# Does this make Sense?

What are the alternatives?

Is there another program that can accomplish the redevelopment of Alfred Speer Village?

What happens if we do nothing?

Does the redevelopment benefit the residents?

What can the Housing Authority do to better meet the needs of the residents?



# Question & Answers

Please ask your questions which we will summarize and respond to. If we don't know the answer, we will get back to you with an answer.

You can also submit written questions and comments directly to the Housing Authority which will be made part of the record. We will respond back to your in writing.

Thank-you for participating!

