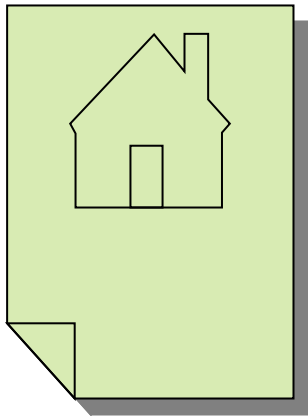


Rental Assistance Demonstration (RAD) Program & Section 18 ALFRED SPEER VILLAGE

Housing Authority of the City of Passaic

INITIAL RESIDENT MEETINGS

June 13th & June 27th, 2024



Presenters

William F. Snyder-Consultant

Joseph M. Billy Jr.

Ron Van Rensalier, Executive Director

Jonathan Cortell, Cortell Development Group



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.

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

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

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

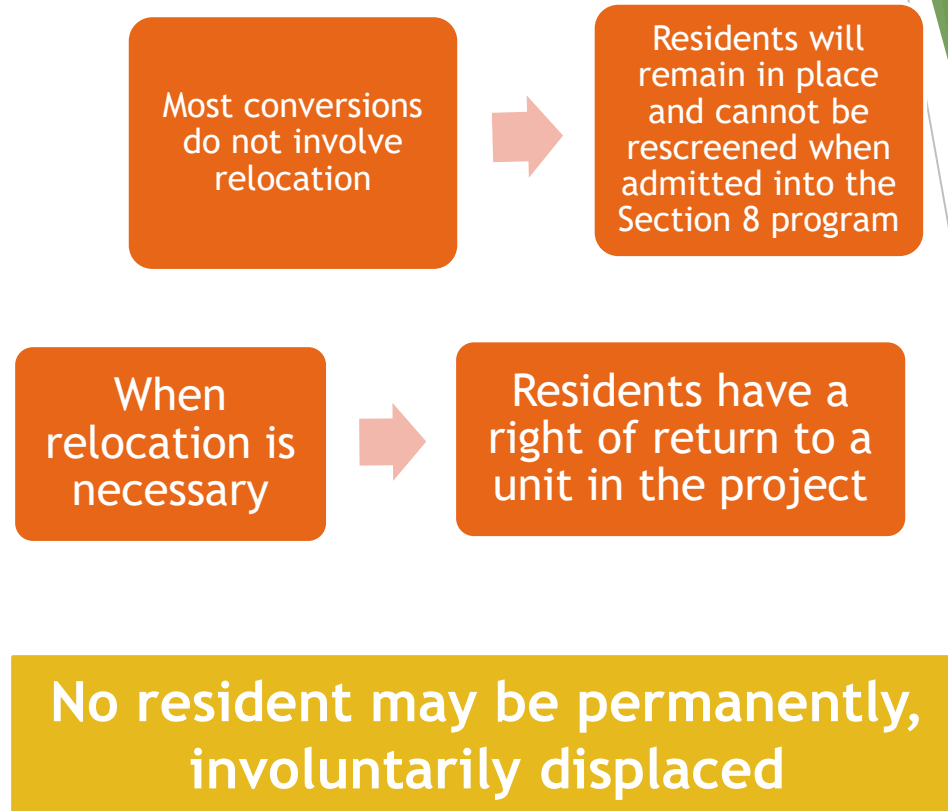
All RAD information materials will be uploaded to the Housing Authority website for access for people with disabilities. The Housing Authority will make a reasonable accommodation for those individuals that need such.

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



Resident rights

Right to Remain & Return



NO Rescreening!!

A conversion under RAD cannot be the basis for an eviction or loss of rental assistance

- ▶ Residents may not be rescreened as a result of the RAD conversion. This includes screening for income, criminal background, and credit.
- ▶ Following conversion, residents will be protected by standard Section 8 requirements related to tenancy.

Relocation

Where relocation is necessary, PHAs must provide residents with:

- Resident notices
- Moving assistance
- Benefits and assistance per the “Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA)”

Relocation cannot begin until HUD approves the Financing Plan and issues the RAD Conversion Commitment (RCC).

PHAs should maintain a resident log for all impacted residents, which should be provided to HUD upon request.

Alternative Housing Options

To maximize resident choice, PHAs may offer alternative housing options, such as vouchers, homeownership opportunities, etc.

Residents can voluntarily decline their right to return. Written consent by resident must be:


- **Informed** - written notification with counseling
- **Voluntary** - cannot be pressured and must be provided at least 30 days to decide
- **Documented** - retain evidence of notices, counseling, and resident's decision

Post Conversion Resident Rents

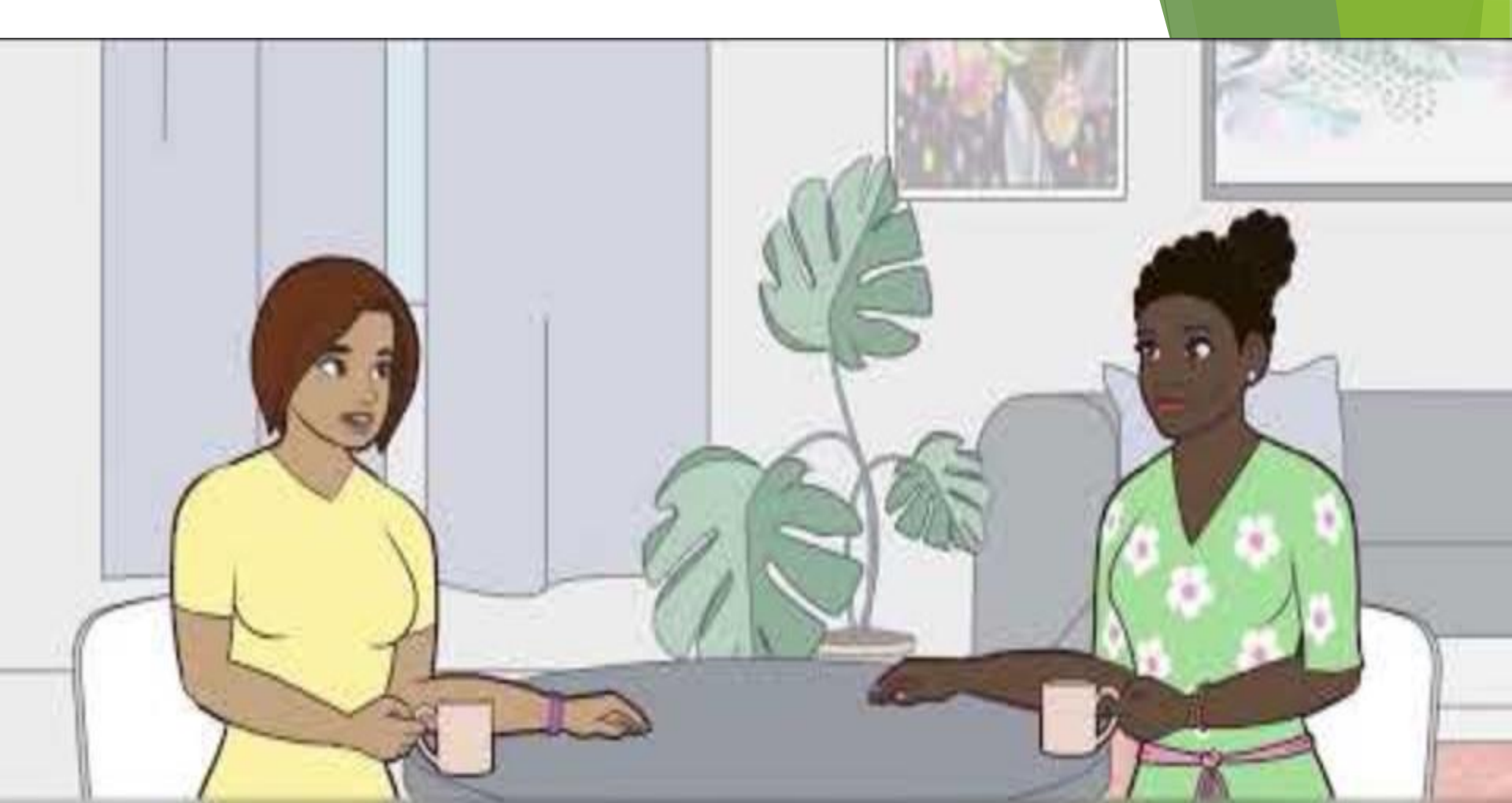
**Resident rents remain affordable
after conversion**

Under the Section 8 programs, residents pay 30% of their adjusted gross income in rent. This is mostly true for public housing residents except those paying a “flat rent.”

If tenant rent would increase by more than the greater of 10% or \$25 per month, the rent increase will be phased in over 3 or 5 years.

An illustration of a Black woman with her hair in a bun, wearing a green V-neck shirt with white and pink floral patterns and a pink belt. She is sitting on a grey couch, holding a brown mug. To her left is a large green plant with large, split leaves. The background shows a simple room with a white wall and a grey couch.

But the housing authority is still involved and will make all the day-to-day decisions.



¿Quién lo administrará?

Section 3 & RAD

- ▶ Any rehab or construction performed as part of a RAD conversion is subject to Section 3 low-income hiring and contracting requirements.
- ▶ PHAs must take proactive steps to hire local low-income persons and to award contracts to businesses that are owned by or substantially employ those persons.
- ▶ Preference for hiring opportunities is provided to public housing and Section 8 residents.

Resident Procedural Rights

- ▶ Resident organizing rights (24 CFR Part 245) safeguard:
 - Formation of resident organizations
 - Organizing activities
 - Meeting space
 - Resident organizers
 - Canvassing
- ▶ Resident participation funding (\$25 per unit per year)
- ▶ Grievance and termination procedures consistent with public housing requirements
- ▶ Rights must be incorporated into resident lease

Choice Mobility

Following conversion, residents may request a tenant-based voucher after a period of residency at the converted property (“choice-mobility”), except for certain conversions where the PHA does not have a voucher

This is a voluntary option for RAD residents that is not available to Public Housing residents.

Prior to closing, the PHA must notify residents of opportunities and procedures to exercise the choice-mobility option.

- For PBV, the resident may request a voucher after one year of residency.
- For PBRA, the resident may request a voucher after two years of residency and the PHA/owner may adopt certain other limitations on use. In some cases, HUD may approve a good-cause exemption.

This right must be included in the lease.

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.

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

RAD Processing

The RAD conversion process takes 6 to 18 months from application.

The major steps in RAD Conversion are listed below.

1. Submit Application to HUD. Prerequisites for submission:

- Conduct two meetings with residents of the properties to discuss the proposed conversion plans and solicit feedback
- Hold a board meeting and adopt a Certification of Board Approval

2. HUD issues an initial approval through a “Commitment to enter into a Housing Assistance Payment” (CHAP), this includes the rents that will go on the Section 8 contract.

3. PHA Plan Significant Amendment. A RAD conversion must be documented in the PHA’s annual or five-year plan (this is typically done after the CHAP is received). Any changes to a PHA plan must go through a public comment process, which includes a public meeting.

4. Financing Plan Submission

5. HUD issues a RAD Conversion Commitment (RCC) which means HUD has approved the RAD plans

6. Closing Speer Village RAD / Section 18 Strategy

Alfred Speer Village Proposed Phased Development

- Phase Office Building: Demolition of Existing Office Building and construction of +/-120 new units. These units will also serve as new housing for residents that may be displaced as a result of the Phase 3 development;
- Phase Renovation: Comprehensive renovation of 4 of the existing buildings;
- Phase State Street: 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 new public parking deck on State Street.

3 Phase Development Concept

NJ-21



EXISTING 8 STORY BUILDING

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REDEVELOPED COMMUNITY PARK

NEW 4 OVER 1;
GROUND LEVEL RETAIL (2,500 SF) + PARKING
18,621 SF PER FLOOR 100-120 UNITS

NEW 4 OVER 1;
GROUND LEVEL RETAIL (2,500 SF) + PARKING
27,446 SF PER FLOOR 100-120 UNITS

ASPEN STREET

PARKING

ASPEN PLACE

PARKING

STATE STREET

STATE STREET

Meet the Developer

The Developers are a team that includes Jon Cortell, principal of **Cortell Development Group LLC**, and Jeff Moelis, Eli Wise, Josue Sanchez all of **Sena Affordable Housing**.

Additional team members will be integrated along the way.

Where are we at?

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 you in writing.

Thank you for participating!

