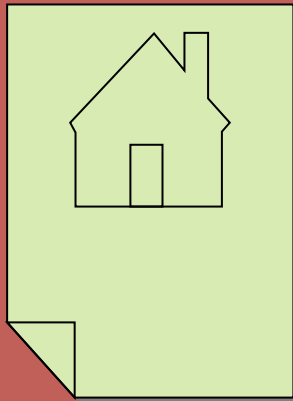


Rental Assistance Demonstration (RAD) Program



Newton Housing Authority
Presentation 4/16/24

Presenters:
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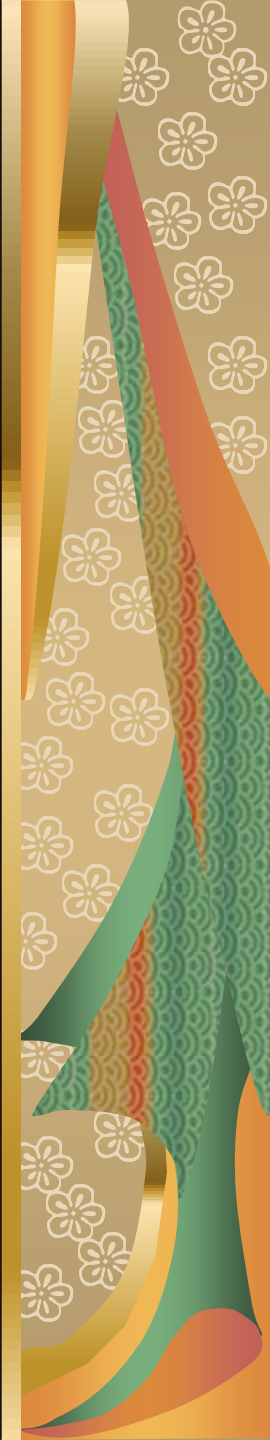
Newton Asset Repositioning options

- Rental Assistance Demonstration Program (RAD)
 - Converts the current Section 9 (Public Housing) to Section 8 Project Based Vouchers (PBV).
 - Rents are based upon the prorated monthly amount of Operating Subsidy (OFP) and Capital Fund(CFP). Tenants' rents would largely remain the same.
 - RAD would provide less cashflow than the other option. Less cashflow means less improvements.



What is RAD?

- It is the conversion from Section 9 Public Housing Assistance to Project Based Section 8 Assistance.
- You will be released from your Public Housing Annual Contributions Contract and the Declaration of Trust.
- You will have less administrative burden (HUD estimates about 15%).
- You will be relieved from the burdens imposed by REAC (PASS, FASS, MASS).
- RAD is an attempt to recapitalize public housing through private debt & equity.



Newton HA Asset Repositioning options

RAD/Section 18 Blend

- ❏ Converts the current Section 9 (Public Housing) to Section 8 Project Based Vouchers (PBV).
- ❏ 20% of the rents will be at the RAD rents and 80% can be at the Section 8 Payment standard. Most tenants will still pay the same amount of rent.
- ❏ Tenants will receive Project Base Vouchers.
- ❏ The Blend would provide more cashflow that would allow for more capital improvements at Liberty Towers.



Streamlined Voluntary Conversion-SVC

The Newton Housing Authority has withdrawn from this program at the recommendation of HUD and a lawsuit that no longer makes this program attractive to NHA.

The RAD/Blend for Small Housing Authorities will provide much more cashflow than the current SVC Program or the basic RAD Program rents.

This is the best alternative to the SVC Program.



Green Physical Condition Assessment-PCA

- The PCA is at the center of the conversion process.
- It provides the 20-year capital needs for the property.
- It is not the same as your Physical Needs Assessment-PNA.
- It is very important to the overall project financing.
- All PCA capital needs must be supported through the upfront financing and an annual deposit to a reserve for replacement (R&R) or a combination of both.
- If this cannot be accomplished, the project is not feasible!



Financing Plan Includes the following:

- Election of Conversion Type:
 - PBV
 - PBRA
- Development Team Members
- Physical Condition Assessment (PCA)
- Environmental Review
- Accessibility Checklist
- Development Cost Budget
- Project Pro Forma
- Proposed Financing
- Market Study
- Construction Management
- Miscellaneous items: Procurement of GC. Construction inspections, etc.



Closing

Official Step in removing your project from the Public Housing Program

- You will be assigned a Closing Coordinator.
- Project moved from Section 9 to Section 8
- Placed under a Section 8 Housing Assistance Payments (HAP) contract
- All financing is closed at this time
- You are released from the Annual Contributions Contract and related Declaration of Trust
- Locate the DOC before closing!



Closing within 360 days of CHAP issuance

- The closing will include the following:
 - Release of the Declaration of Trust
 - Removal from the public housing ACC
 - Execution of the new PBRA or PBV HAP contract
 - Closing of any bridge, construction or permanent debt or equity financing.
 - Closing of the Terms and Conditions of the RCC



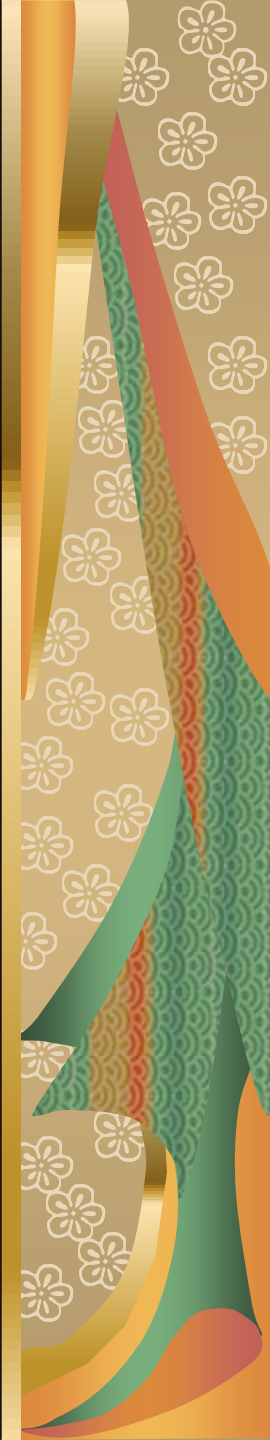
Construction

 Will commence shortly after closing.



Resident Rights

- No resident may be permanently displaced. We do not anticipate any relocation during construction.
- Residents have a right to maintain or form a resident association which may address any issue concerning their living conditions, including the term and conditions of residency.
- The Grievance Procedure process will remain in effect for any actions taken by the Housing Authority.
- Resident will still pay 30% of their adjusted annual income towards their rent (unless on then flat rent).



Nest Steps

- Submit the RAD application on-line
- HUD Issues a CHAP
- Update with the Physical Condition Assessment.
- Finalize a financial proforma to determine the potential rehabilitation amount.
- Proceed to closing

REMEMBER YOU CAN WITHDRAW FROM THE PROCESS ANYTIME PRIOR TO CLOSING.



Question & Answers

Thank-you!

