



OFFICE OF HOUSING

NYSAFAH's New York State Affordable Housing Conference: NYCHA PACT Transactions Panel

OFFICE OF MULTIFAMILY HOUSING PROGRAMS

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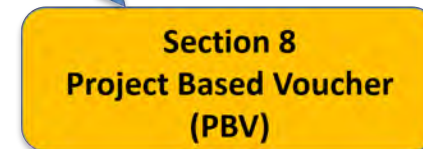
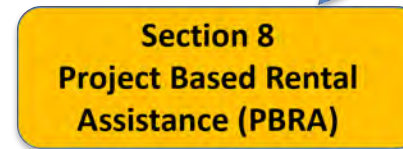
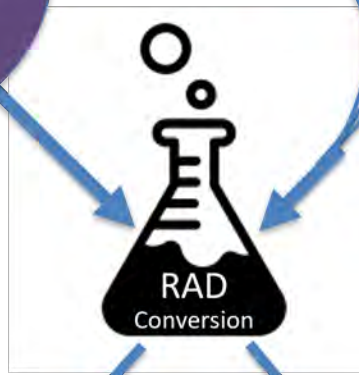
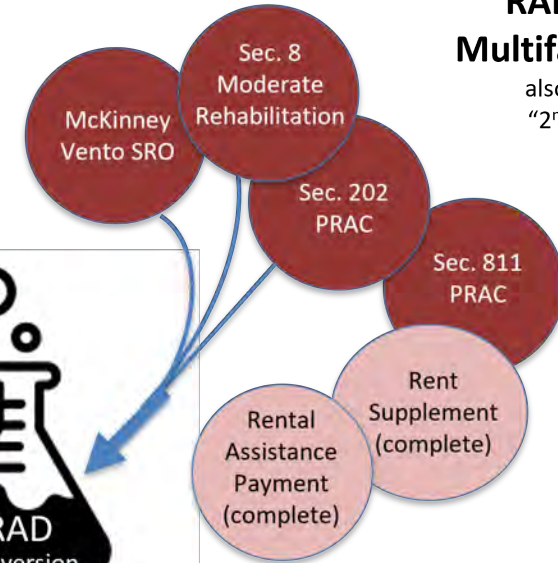
What is the Rental Assistance Demonstration?

- Created in 2012
- Moves a property from one regulatory platform to another
- The Section 8 (destination) platform offers advantages for the preservation and recapitalization of the property
- Section 8 is well understood and proven over time (resident rights, underwriting for private sector financing, etc.)

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



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



RAD for Public Housing – the National Perspective

- 2010 estimate of the deferred public housing capital needs exceeded \$25B.
- RAD doesn't provide additional subsidy.
- To participate, the property's 20-year capital needs must be addressed through up-front investment and annual deposits into the reserve for replacement (dependent on NOI, capital subsidies, debt and equity).
- Public housing authorities have demonstrated the power of RAD to address this backlog:
 - 160,000 units converted
 - \$14.6B invested in construction
 - \$14 leveraged for every \$1 in public housing funds used



San Francisco, CA RAD Conversion

Background Regarding Section 18 Disposition

- “Section 18” Governs Demolition or Disposition of Public Housing
 - Following a Section 18 approval, the PHA may request Tenant Protection Vouchers for units occupied within the last 24 months by assisted families
 - The PHA may project base the TPVs at the former public housing site
- Why consider Section 18?
 - If rental revenue from the project-based TPVs would be higher than rental revenue from the RAD rents
- PIH Notice 2021-17 governs Section 18 approvals
 - Construction Blends – RAD-Section 18 blends based on the extent of construction
 - Small PHA Blends – RAD-Section 18 blend based on PHA size (<250 units)
 - Non-RAD criteria for Section 18 approval – e.g., obsolescence

Current Issues

- Planning RAD transactions
 - Long lead time items, such as the up-front fair housing reviews
 - Relocation vs in-place rehabilitation
 - Due diligence and financing
- RAD Supplemental Notice
- Appropriations considerations
 - TPV Account Funding
 - President's FY2023 Budget Proposals
 - Funding to supplement RAD rents
 - Inclusion of Section 18 budget authority in RAD conversions
 - Continued access to resident services programs
 - Elimination of the cap on participation and the deadline by which conversions must begin



Cincinnati, OH

Before and after the RAD conversion & renovation

