HUD Preservation Update

June 2014

RENTAL ASSISTANCE DEMONSTRATION

In order to preserve the public housing and at-risk legacy stocks, convert existing assistance to the project-based Section 8 platform, which will:

1. **Stabilize funding**
2. **Create access to private capital**
3. **Streamline HUD programs**
4. **Enhance housing options for residents**

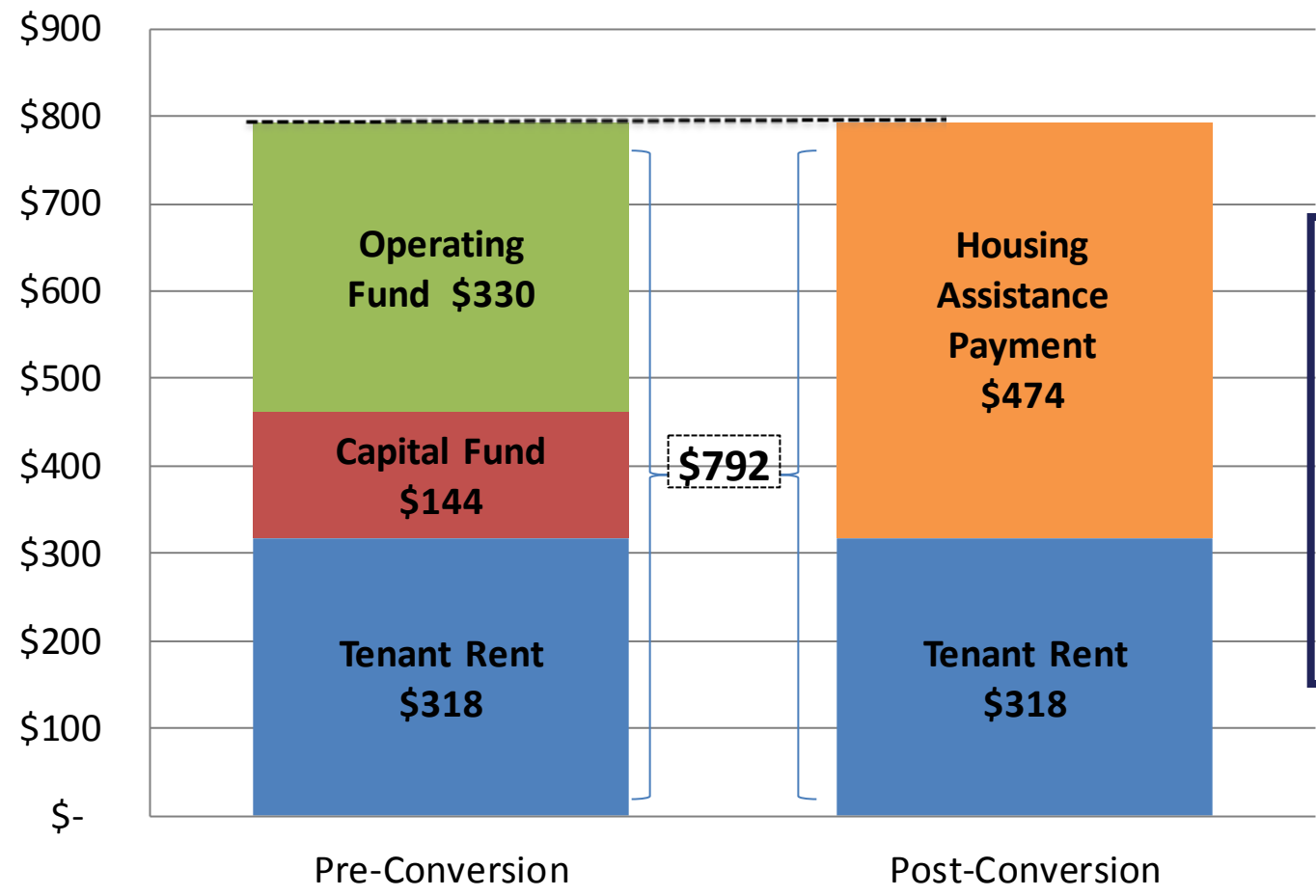HUD continues to ask Congress for additional authority and for funds.

Sample Public Housing Conversion
Per Unit Monthly (PUM)

At conversion, PHAs will convert funding to a Section 8 contract rent

RAD PROGRAM UPDATE – JUNE 2014

	No. Projects	No. Units
Total Active Public Housing CHAPs	290	38,173
Total Active Mod Rehab CHAPs	7	878
Closed Public Housing	35	3,184
Closed Mod Rehab	1	175

	No. Projects	No. Units
Portfolio Awards	21	15,034
Multiphase Awards	8	934
CNI Applicant Reservations	7	1,887
Pending CHAP Revocations		(265)
Total		**60,000**

	No. Projects	No. Units
Completed CHAP Revocations & Withdrawals	25	2,507*

	No. Projects	No. Units
Pending RAD Applications	705	117,104

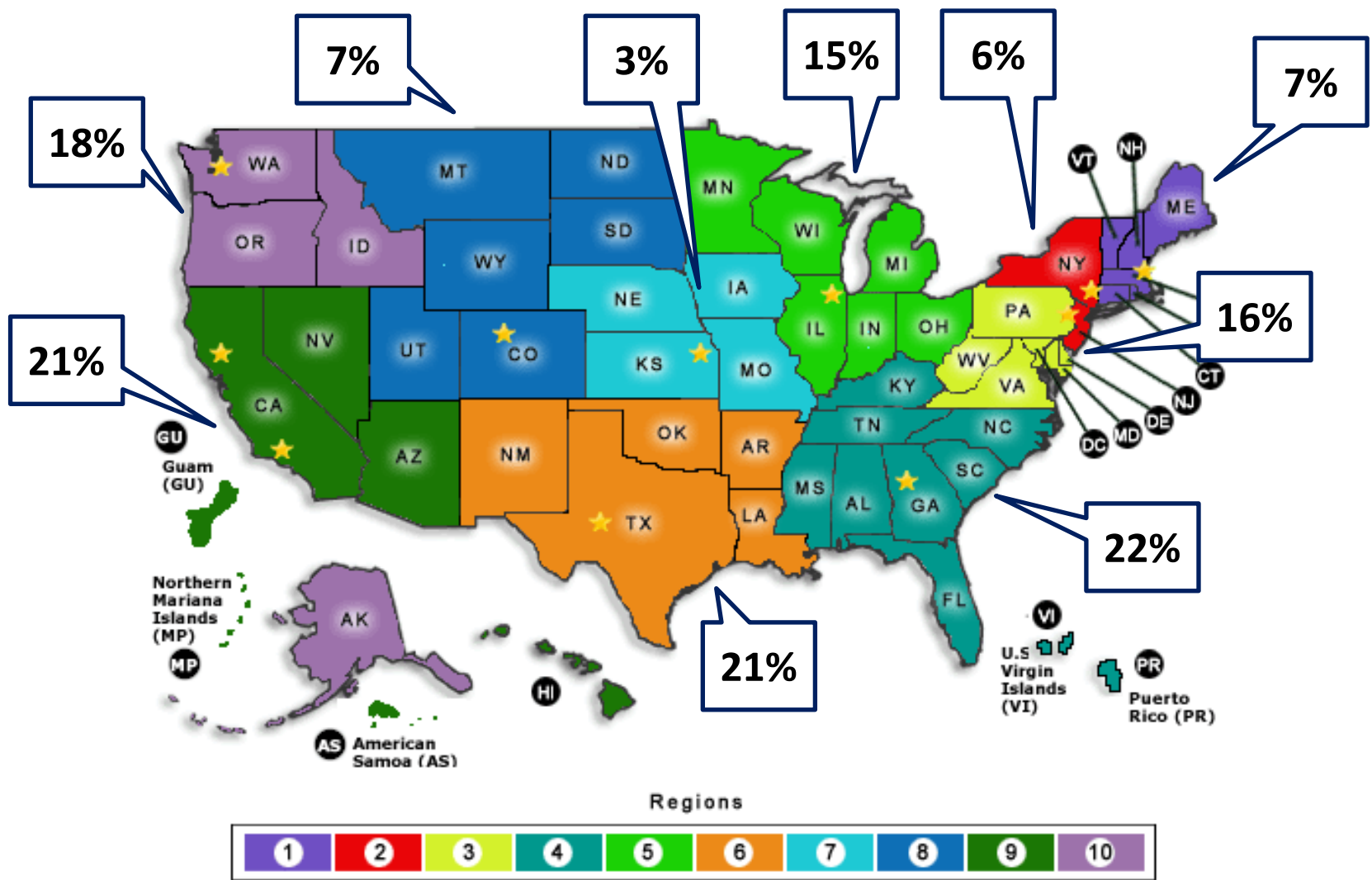*Withdrawn/revoked units represent approximately 4% of 60,000 reserved units

What will HUD do for waiting list applicants?

- **Continue to work with Congress to lift the unit cap**

- **Complete reviews of RAD applications – expect most reviews will be completed within 30 days, the rest in 60 days**

- **Issue conditional approvals pending the lifting of the unit cap**

- **Provide technical assistance for applicants to help prepare to make transactions go smoothly**

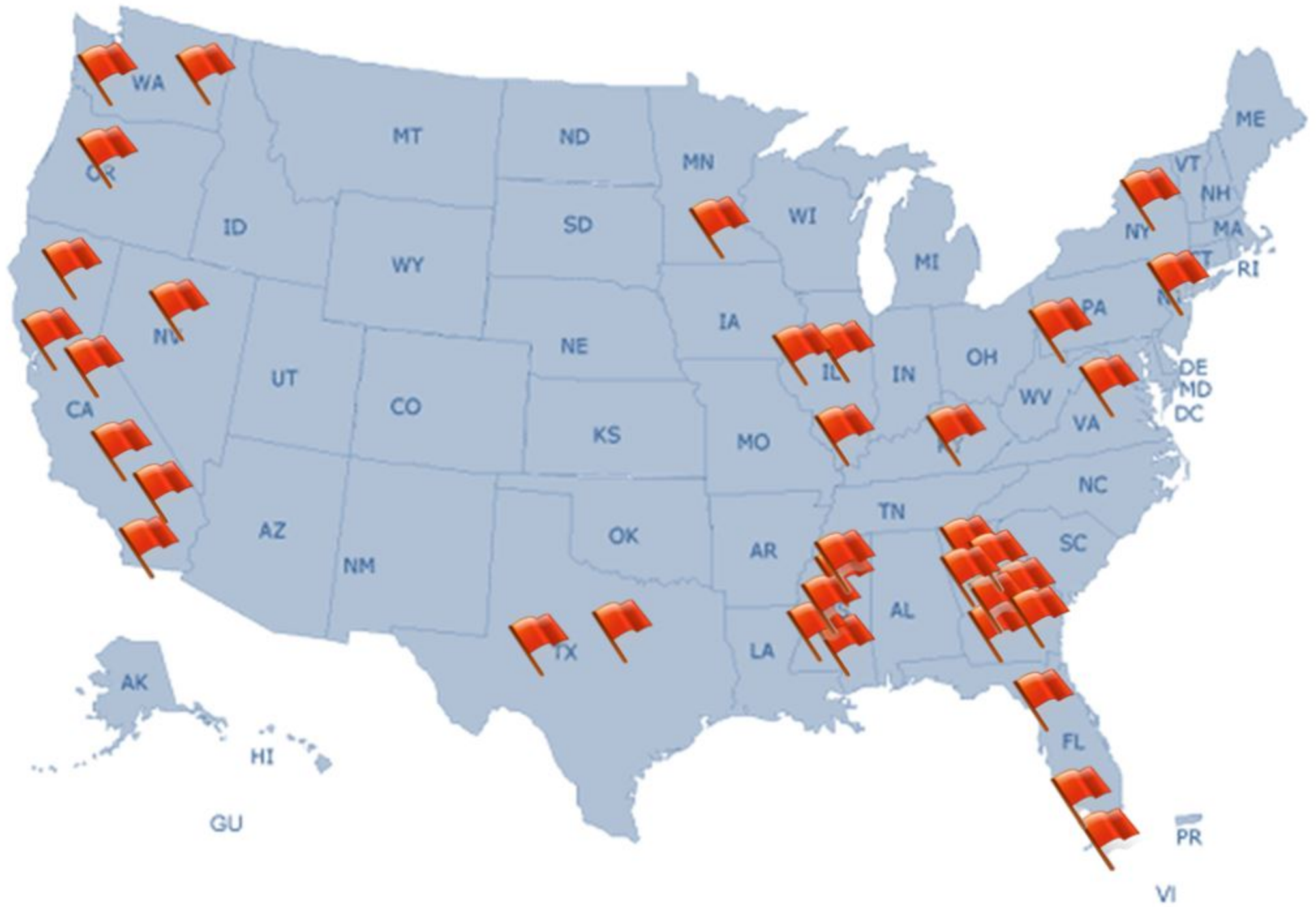- **If and when CHAPs are withdrawn/revoked, pull projects from wait list – small number to date**

Note: This data reflects the percentage of PH units in each HUD region that have applied for RAD; note that units are considered public housing until the RAD closing is complete.
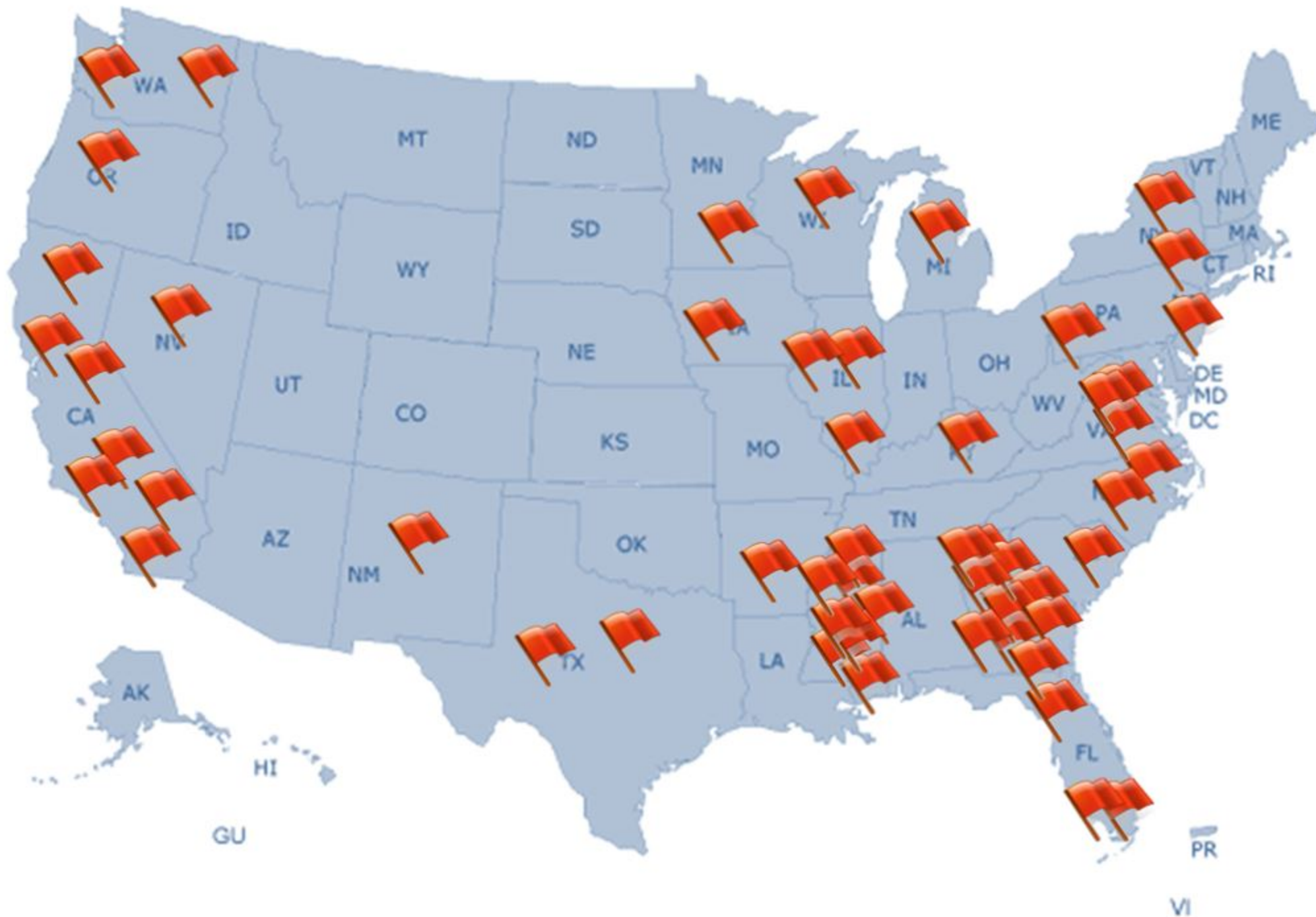
RAD Closings To Date
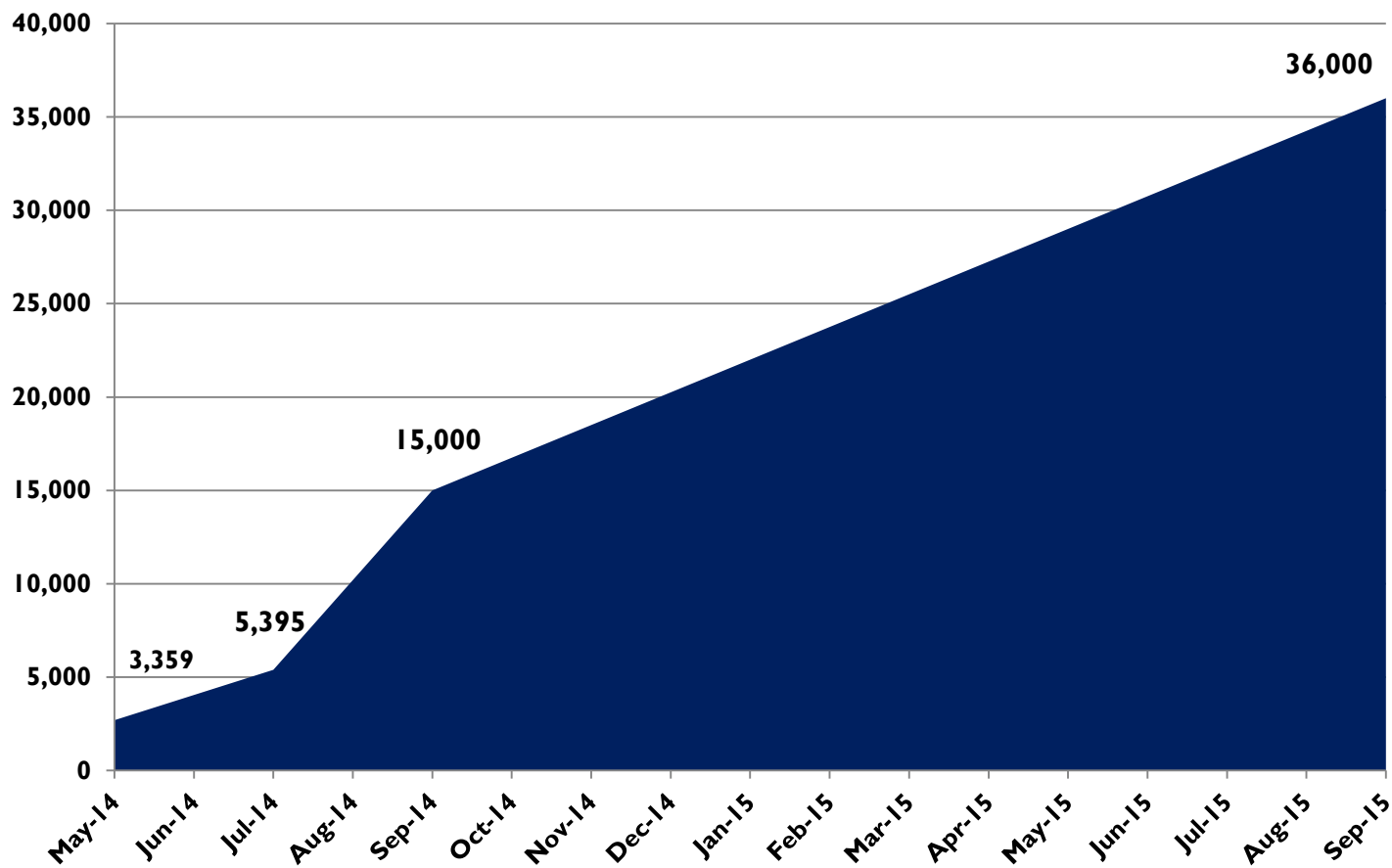
RAD Closings as of 6/4/14

CUMULATIVE RAD CLOSINGS IN NEXT 45 DAYS

RAD Closings as of 6/4/14 and Active RCCs

CUMULATIVE RAD CLOSINGS

Current & Projected

*Projections based on current RAD pipeline estimated closing dates

LIHTC Fast Tracking

- Streamlined submission requirements
- Compresses milestones to one deadline 60 days after award/approval
- Focuses HUD review on areas where we add value
- Helps PHA & development team meet LIHTC time frames

FHA/RAD Fast Tracking

- **Centralized processing**
  - Contract support for Section 223(f)/RAD underwriting
  - Special centralized team in Chicago for Section 221(d)(4)s
- **Streamlined approval processes**

KEY RAD PROGRAM IMPROVEMENTS

Updated Guidance

- **Relocation Notice**
  - Clarifies process for resident relocation in RAD conversions
  - Demystifies program requirements to shorten approval process

- **Closing Documents**
  - Clarifying lender rights and responsibilities in event of foreclosure
  - Clarifying HAP contract language with regard to future changes in policy

- **Conversion Guides**
  - Written protocols on PBRA and PBV conversion
  - Public Housing close-out guide

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Proposed FY 15 Budget

- Eliminates the 60,000 unit cap and extends the application deadline for 1st component to September 30, 2018;

- $10 million in gap financing for RAD conversions

- Section 8 MR Single Room Occupancy (SRO) properties eligible for RAD;

- PBRA conversion option for Rent Supplement and RAP properties and extends the sunset date for Rent Supp and RAP conversions to September 30, 2016.

MULTIFAMILY HOUSING PRESERVATION

Initiatives to preserve and recapitalize assisted housing

- **Section 236 preservation**
  - Streamlined, centralized processing of Section 236 prepayments and related approvals through electronic application. www.hudmfpreservation.net

- **RAD 2nd Component**
  - Received 16 proposals to convert Rent Supp/RAP contracts, 30 more en route.

KEY PRESERVATION INITIATIVES

- **Section 202 Senior Preservation Contracts (SPRAC)**
  - 12 projects initially approved; 8 prepayments; one closing
  - Pursuing options for additional funding

- **Mark to Market**
  - Pipeline of approximately 40 transactions, and
  - Another 20 post M2M Assumption/Subordination transactions

- **Technical Assistance**
  - New Technical Assistance initiative for MF owners
  - Track geared to small owners and track for large owners
    - Focus on maturing mortgage properties – tools, info
    - GIS mapping

OTHER KEY INITIATIVES

- **Better Buildings Challenge**

- **Transfers of Section 8 Assistance**

- **MF Transformation changes**