

# Case Studies: The Many Faces of RAD

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# Baltimore RAD – Attorney’s Perspective

- Template Document Approach
  - Share Costs
  - Share Wisdom
  - Avoid First Deal Setting Precedent and Foreclosing Options
- Baltimore-Specific Issues
  - Present and Future Applicability of Bailey Consent Decree
  - Role of Advocates and Department of Justice
  - Long-Term Affordability program (Section 8 conformed to public housing)
  - HABC Affiliates
    - Insulation from HABC liabilities
    - Structuring for PILOT



# Baltimore RAD – Attorney’s Perspective Cont’d

- Baltimore-Specific Issues Cont’d
  - High proportion of NEDs
  - No previous scrubbing of title/survey/zoning issues
- Flexibility/Inflexibility of Procurement
- RAD Issues encountered
  - Allocating rents across portfolio
  - Uncertainty of over-income occupancy
  - First-year funding
  - Multiple HUD offices processing different deals



# Waterman Gardens RAD Conversion

- Revitalization project aims to replace a 252-unit public housing community with 411 mixed-income units (HOPE VI / CNI without a grant).
- Joint venture of Housing Authority of San Bernardino, National Community Renaissance of California, and the Clancy Companies
- HACSB is a Moving TO Work (MTW) public housing authority
- Initial 75-unit adjoining offsite phase closed (twice) in 2015
- First on-site phase of 62 units closing March 2016
- 9% LIHTC, FHA-insured debt, public subordinate financing



# Waterman Gardens HUD/RAD Issues & Observations

- “Transfer of Assistance”
  - HUD Vacillation
  - Phase One:
    - RAD Closing with
      - Master Lease of existing units
      - Pass-through leases using RAD interim subsidy
    - Extreme Investor Concern
    - Subsequent Relocation
- Site and Neighborhood Standards
- Use of PBV Commitment to Bridge FHA/RAD Delays
- Excellent Support from RAD/FHA team and leadership

