

Faircloth to RAD

NH&RA Annual Meeting
2024



Agenda

I. About CSG

II. Faircloth to RAD Summary

III. Dover HA - Owens Queen Manor

- **Overview**
- **Sources & Uses**
- **Key Issues**



About CSG

CSG provides a wide range of financial advisory, program design, and real estate services to state and local public agencies, including public housing authorities, throughout the U.S.

**National
Leadership**

01

CSG has advised the largest PHAs on some of the most complex financings in the country, addressing 80,000+ public housing units.

**#1 Financial
Advisor**

02

Over the past 22 years, CSG has advised on more long-term housing issues and a higher volume of issues than any other financial advisory firm.

**Strategic
Advisory
Services**

04

In addition to financings, CSG focuses on creating real estate and financial strategies, programs, analyses, and repositioning approaches for public agencies.

**Real Estate
Transactions**

04

CSG has successfully closed an extensive range of real estate transactions combining RAD, Section 18, and other HUD programs in new and innovative ways.



Faircloth to RAD Summary

**PHA's cannot
build more
units than they
had as of
October 1, 1999.**

HUD developed the Faircloth to RAD pathway to allow PHAs to leverage their existing public housing "Faircloth Authority" to create new RAD units

The Faircloth Limit is adjusted for PHA transfers of ACC units, consolidations, and RAD removals

Section 18 units in a RAD Blend are added to the Faircloth pool



Faircloth to RAD Summary

● **Allows PHAs to leverage their existing public housing “Faircloth Authority” to create new RAD units with long-term, reliable rental subsidy contracts.**

● **PHAs develop public housing units using HUD’s mixed-finance program with pre-approval to convert to Section 8 following construction.**

● **PHA will then convert the newly activated ACC units to RAD.**

● **Results in net new subsidized units.**

● **Allows more low-income families to be served in the community.**



Dover HA - Owens Queen Manor Overview

- 110-unit Acquisition/Rehab project
- Two adjacent buildings
- One building built with 4% Low Income Tax Credits – “Year 15”
- Public housing proper - RAD Blend



Owens Queen Manor before construction



Owens Queen Manor under construction



Dover HA - Owens Queen Manor

Sources & Uses

Permanent Sources

Permanent Loan	<i>\$4,800,000</i>
LIHTC Equity	<i>\$10,213,815</i>
Developer Fee from Cash Flow	<i>\$500,000</i>
DSHA HOME Funds	<i>\$1,000,000</i>
DSHA HDF/AHRP Funds	<i>\$6,500,000</i>
DSHA Reserves Transferred	<i>\$485,142</i>
Interim Income	<i>\$320,000</i>
Dover ARPA Funds	<i>\$400,000</i>
Seller Note	<i>\$4,091,879</i>
Total Sources	<i>\$28,310,836</i>

Permanent Uses

Land & Acquisition	<i>\$7,950,000</i>
Hard Costs	<i>\$13,101,566</i>
Soft Costs	<i>\$1,007,049</i>
Relocation	<i>\$355,000</i>
Financing Fees	<i>\$4,097,221</i>
Developer Fee	<i>\$1,800,000</i>
Total Uses	<i>\$28,310,836</i>



Dover HA - Owens Queen Manor

Key Issues

Tenancy analysis

Existing vouchers

Timing of subsidy

4 HAP Contracts

