



**THE HFA INSTITUTE**

**Using HOME and HTF for RAD**

January 14, 2019


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**Rental Assistance Demonstration**

- Created in 2012, expanded most recently in 2018
  - Context: Backlog of public housing capital needs \$40B+
  - Allows conversion of public housing (and legacy programs) to private ownership, providing ability to access lending and LIHTC equity
- Both HOME/HTF limit award to public housing, but RAD units lose public housing nature at “conversion”

Slide 2

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**Key Issues**

- Roles
  - RAD: Relationship between HUD & PHA
  - HOME/HTF: Relationship between project owner & PJ/State
    - Including commitment/written agreement and flow of funds
- PHA is not the owner
  - May have partnership/member interest in ownership entity
  - Not a subrecipient
  - Grant to PHA/loan to ownership entity NOT permitted

Slide 3

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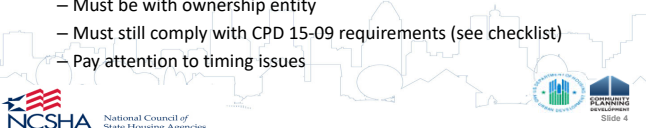
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### Compliance Pitfalls

- URA
  - RAD: PHA responsible, URA applies with specific RAD overlays
  - HOME/HTF: PJ/State responsible for compliance, RAD alone is not sufficient
- Commitment
  - Must be with ownership entity
  - Must still comply with CPD 15-09 requirements (see checklist)
  - Pay attention to timing issues



NCSHA National Council of State Housing Agencies

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### Discussion

- Have you been funding RAD deals?
  - Experience to date? Successes and pitfalls?
  - Plans to expand/shift your approach?
  - Do you provide priority (e.g. scoring preferences, set-asides, etc.) to RAD transactions within HOME, HTF, LIHTC?
- What guidance, resources, etc. do you need?



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