

RAD Curriculum Guide: Your roadmap for understanding RAD:
Rental Assistance Demonstration

RAD 101

A. WHAT IS RAD AND WHY IS IT HAPPENING?

B. WHAT CAN YOU EXPECT?

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RAD 101: What is RAD and Why is it Happening?

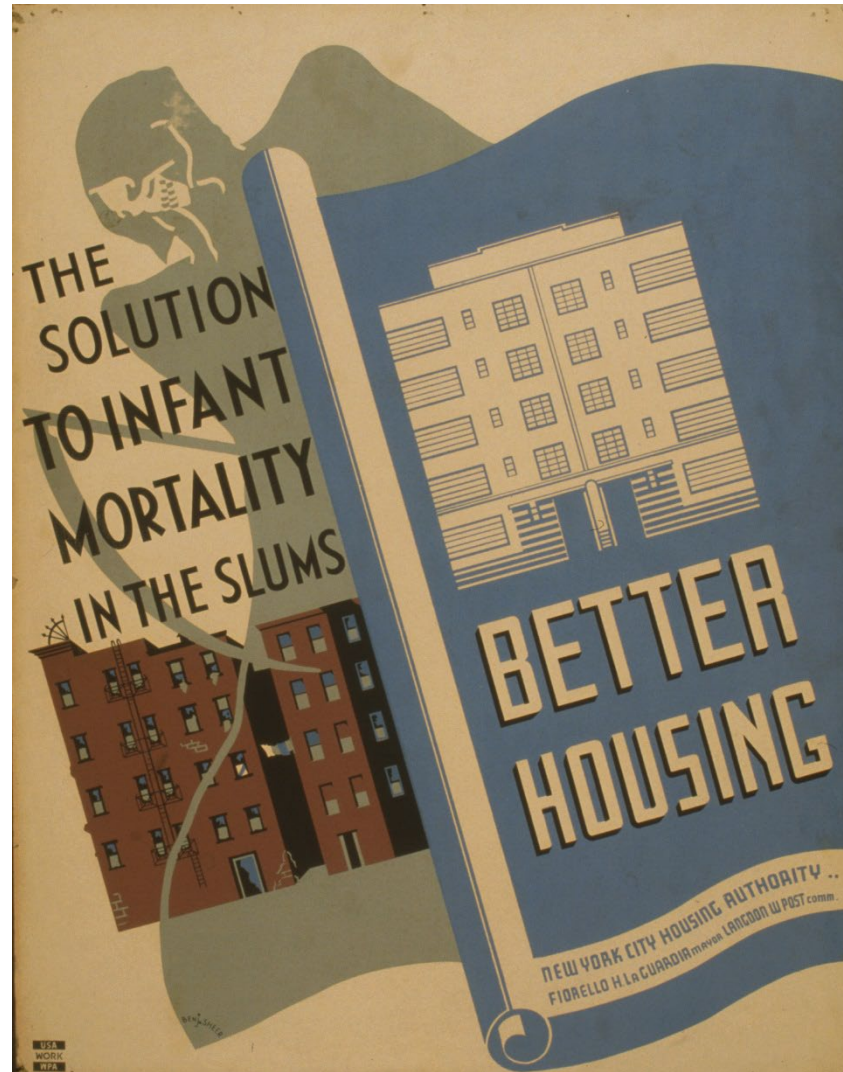
- Origins of Public Housing
- RAD at a Glance
- Conversion Basics

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ORIGINS OF PUBLIC HOUSING

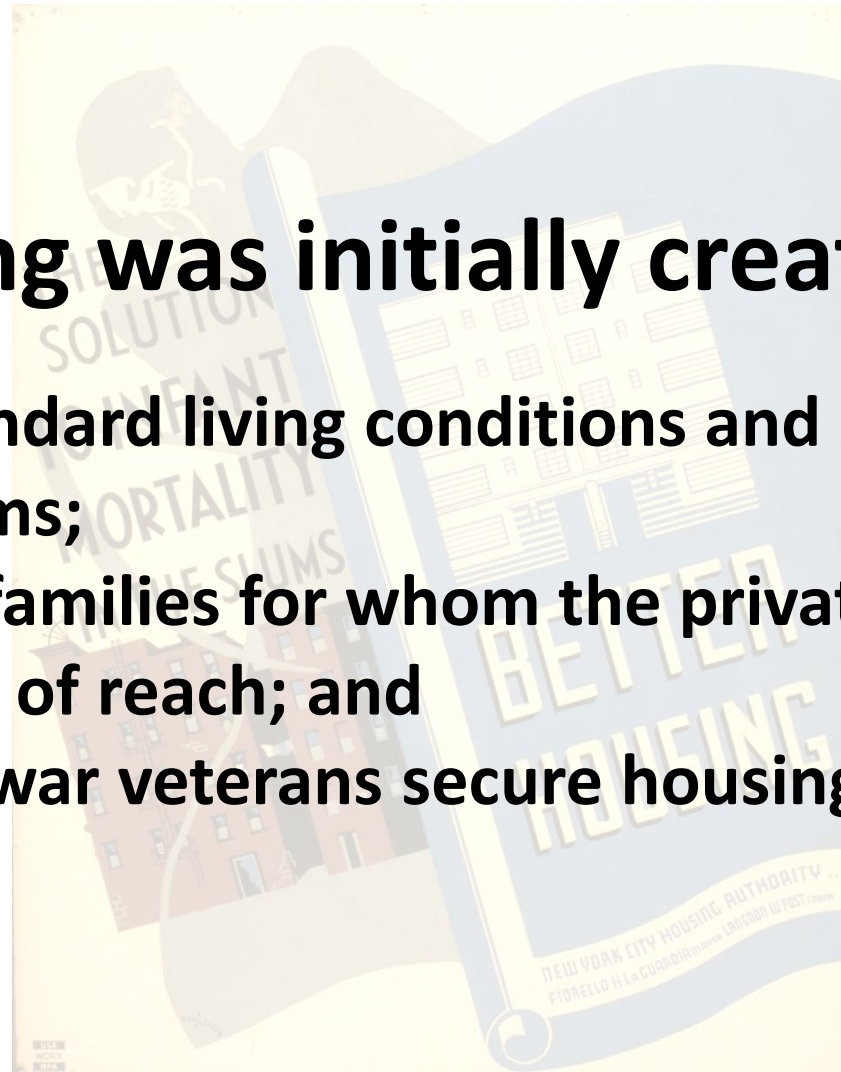
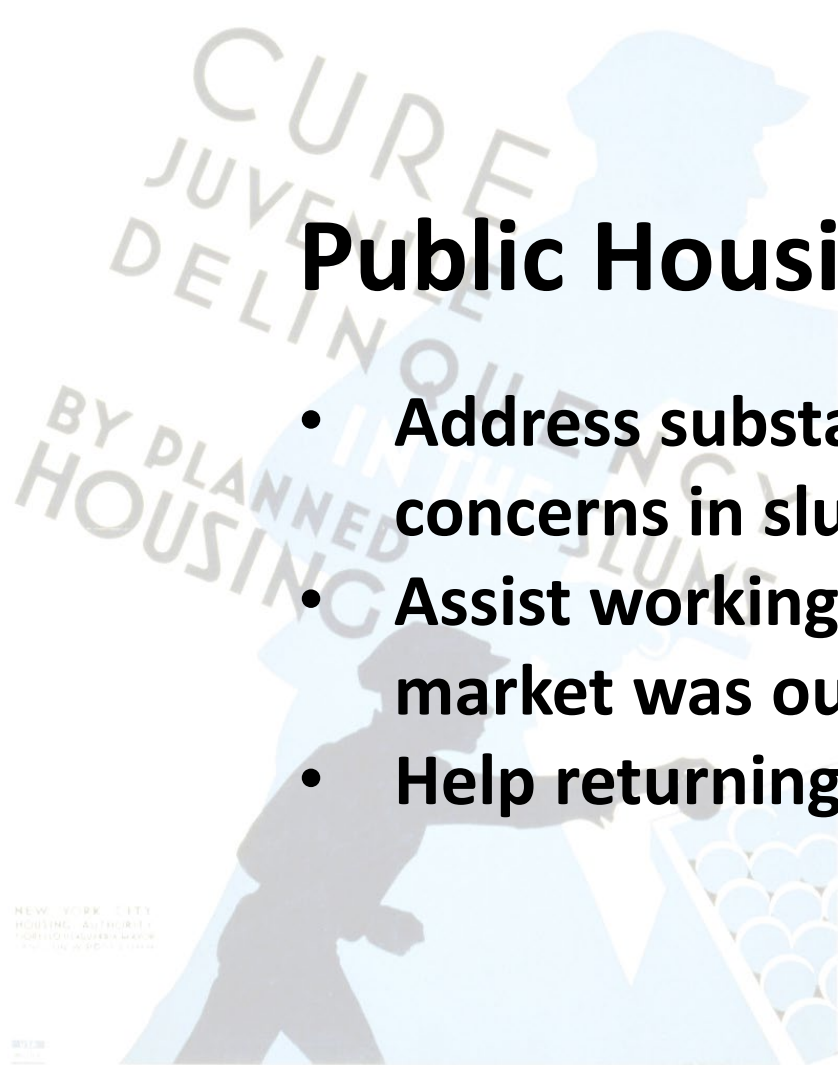
RAD 101: What is RAD and Why is it Happening?

ORIGINS OF PUBLIC HOUSING



Public Housing was initially created to:

- Address substandard living conditions and public health concerns in slums;
- Assist working families for whom the private housing market was out of reach; and
- Help returning war veterans secure housing



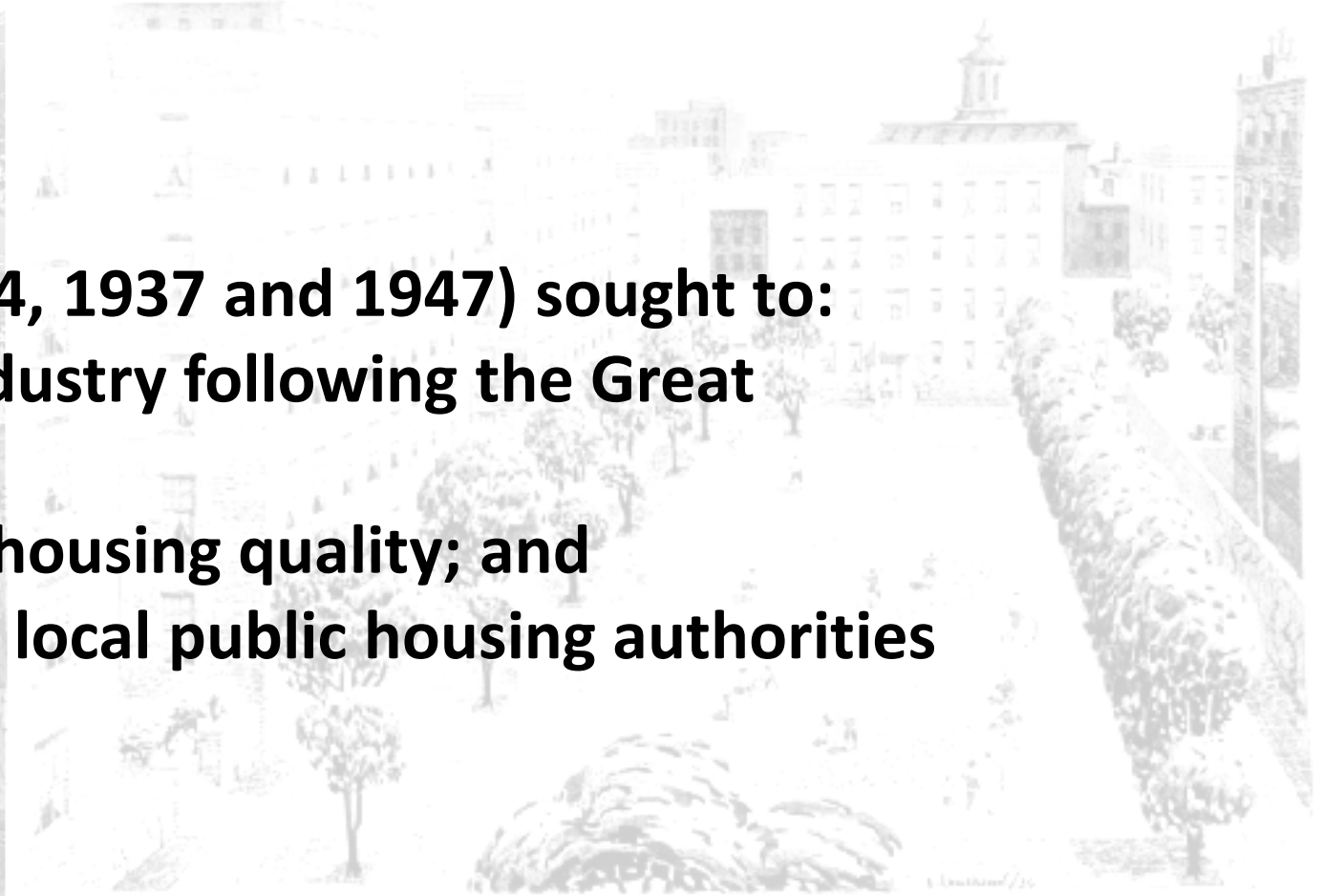
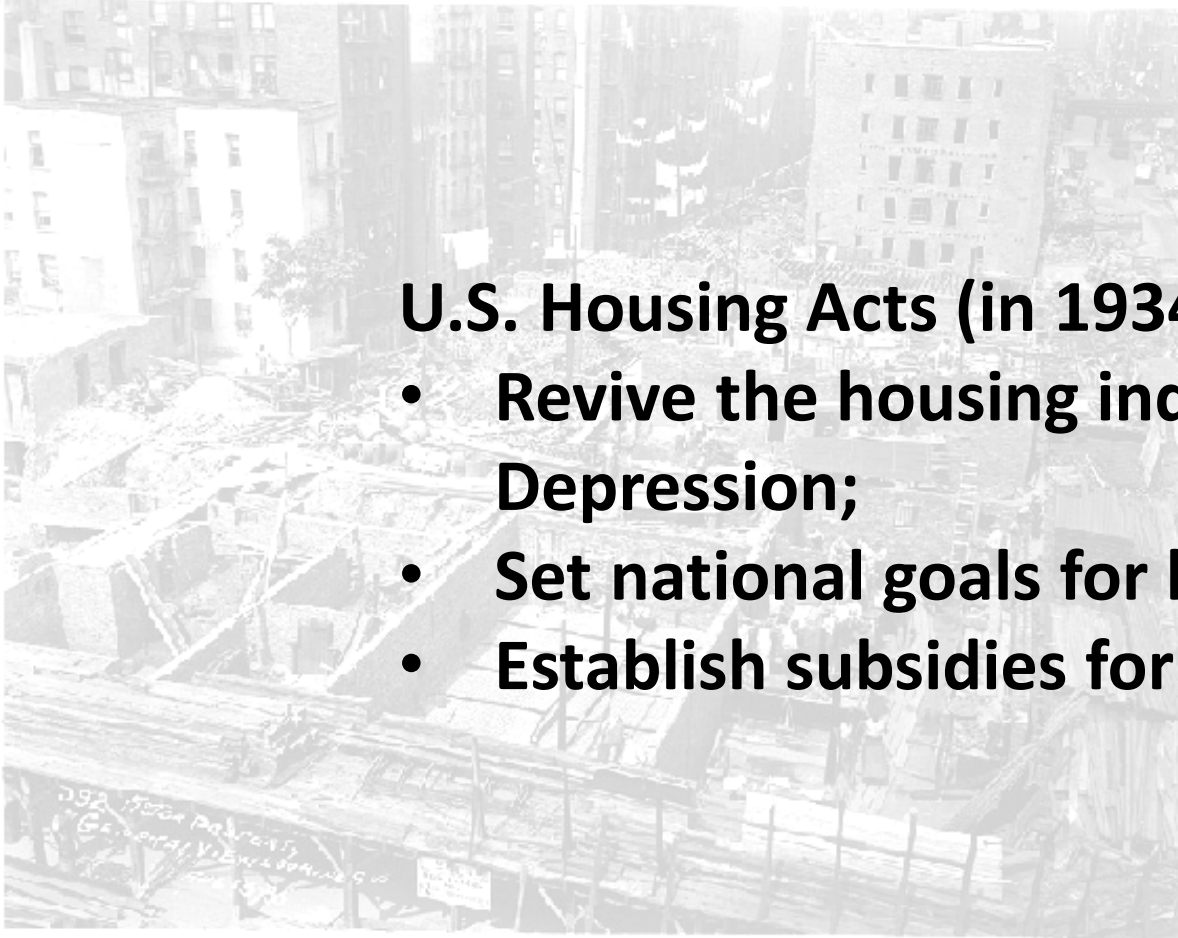
RAD 101: What is RAD and Why is it Happening?

ORIGINS OF PUBLIC HOUSING



U.S. Housing Acts (in 1934, 1937 and 1947) sought to:

- **Revive the housing industry following the Great Depression;**
- **Set national goals for housing quality; and**
- **Establish subsidies for local public housing authorities**



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ORIGINS OF PUBLIC HOUSING



Housing

Project H-1301



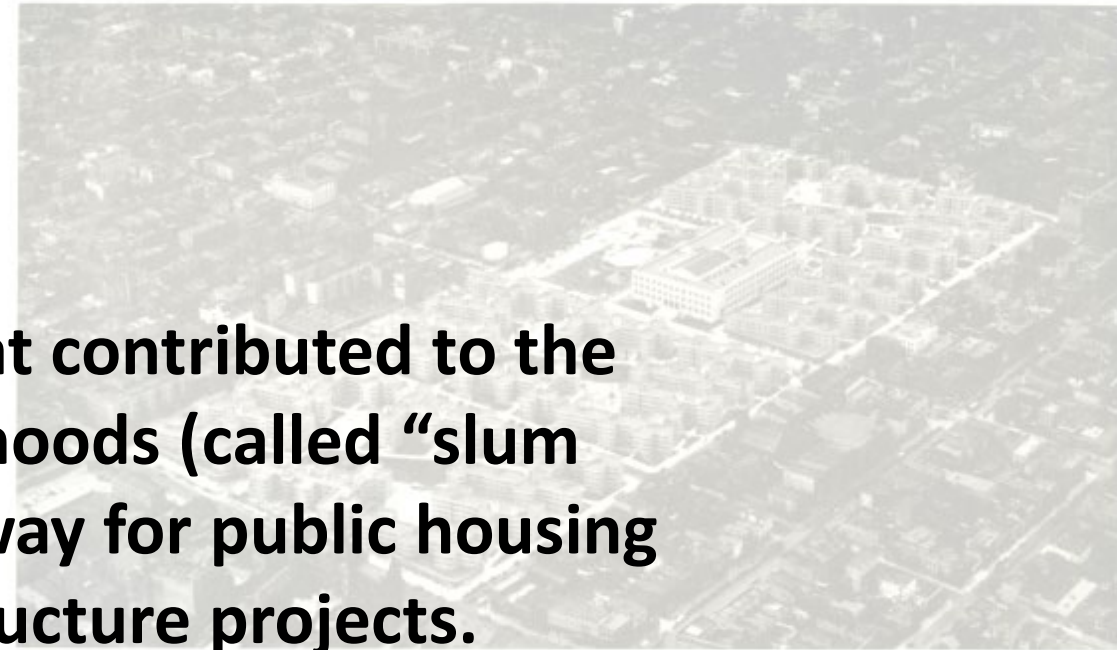
Williamsburg Houses, Brooklyn, New York



ORIGINS OF PUBLIC HOUSING

Large urban renewal projects that contributed to the destruction of existing neighborhoods (called “slum clearance”) were used to make way for public housing developments and other infrastructure projects.

Housing



Williamsburg Houses, Brooklyn, New York



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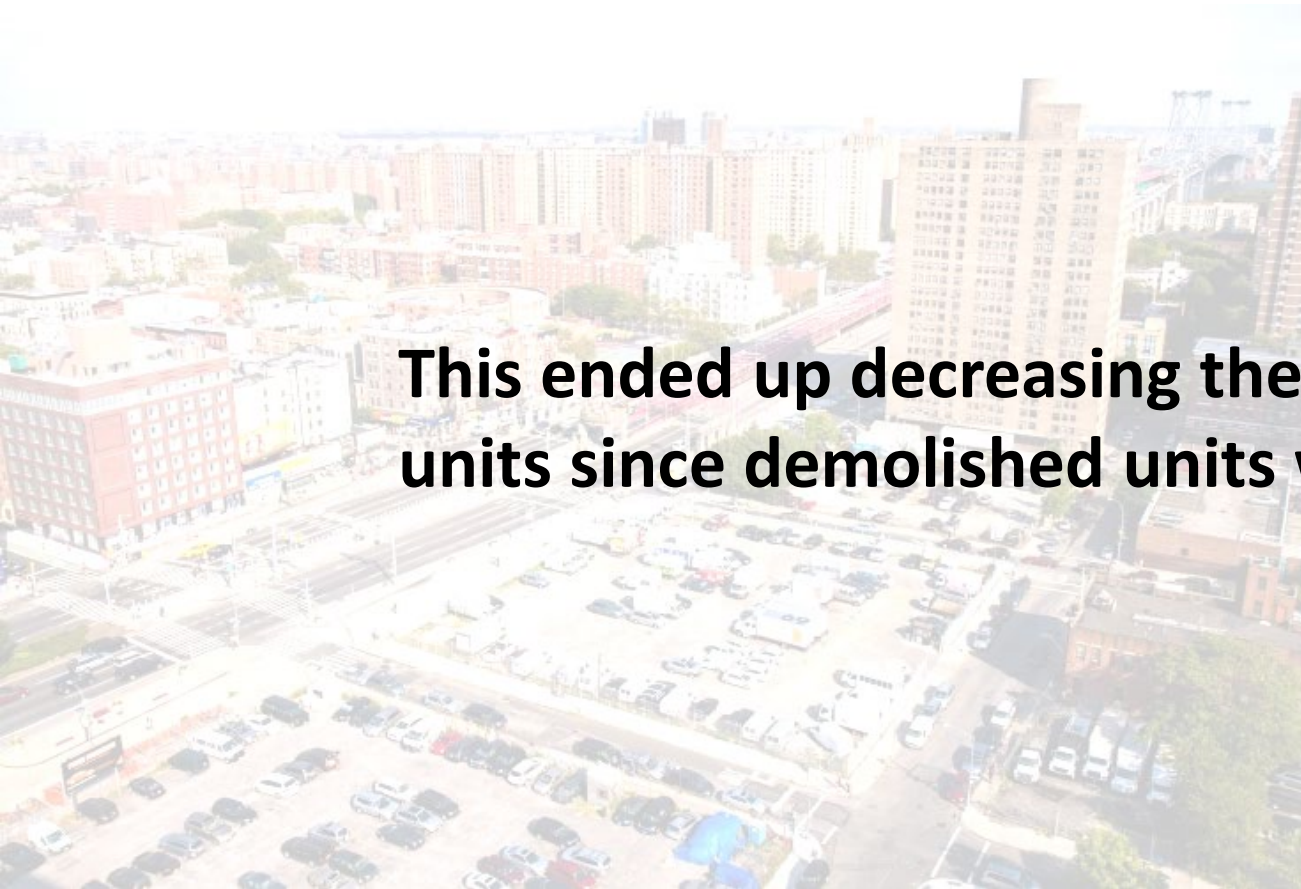
ORIGINS OF PUBLIC HOUSING





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ORIGINS OF PUBLIC HOUSING



This ended up decreasing the number of total housing units since demolished units were not always replaced.



RAD 101: What is RAD and Why is it Happening?

ORIGINS OF PUBLIC HOUSING



HUD was created in 1965 to address housing challenges throughout the country, and address city-related problems.

DEPARTMENT
OF
HOUSING
AND
URBAN
DEVELOPMENT



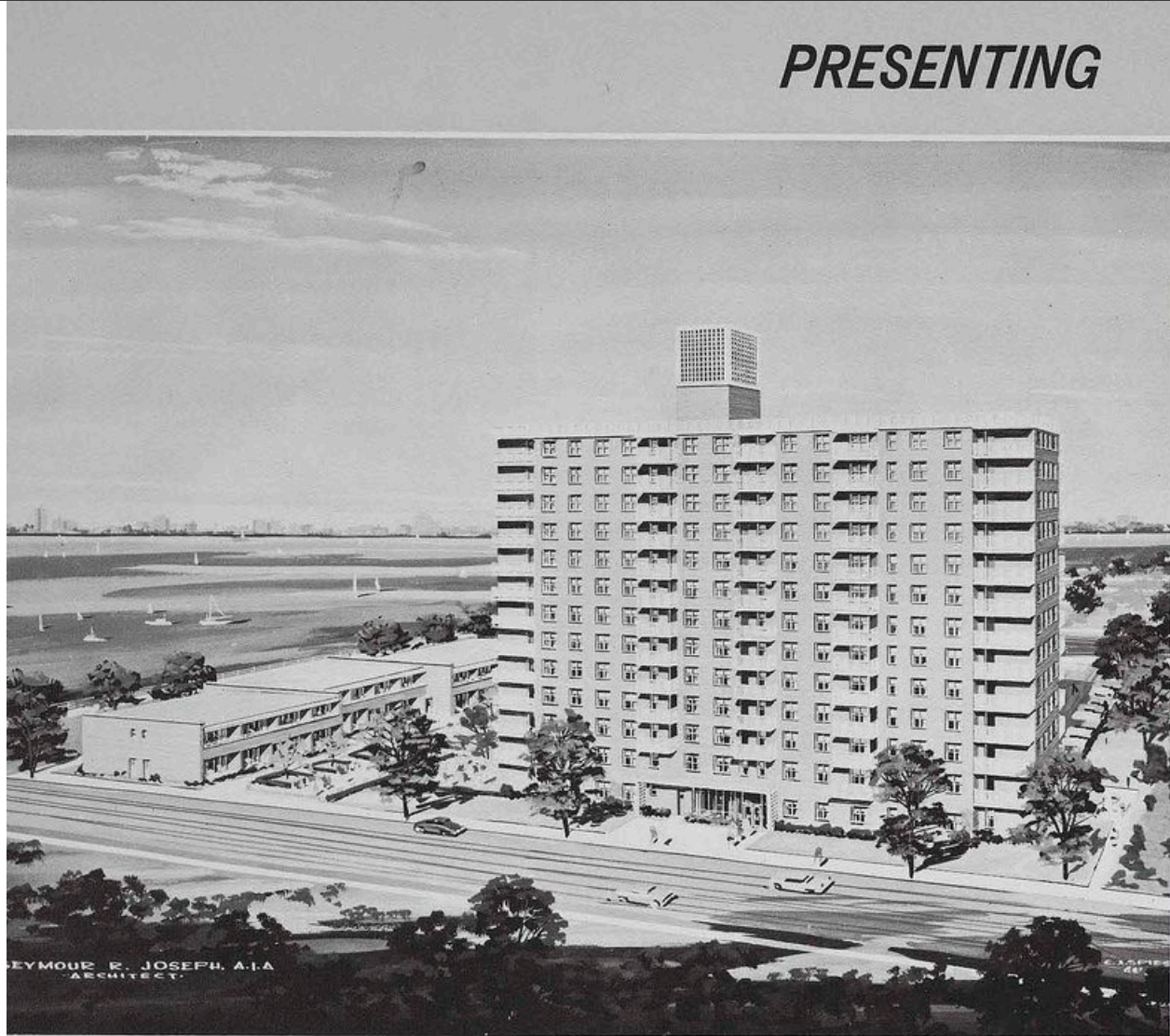
NAME OF DEVELOPMENT

- Built in 19XX
- Home to roughly XXX residents

Insert photo of development

RAD 101: What is RAD and Why is it Happening?

ORIGINS OF PUBLIC HOUSING



PRESENTING

THE
EXCITING
NEW

SAM
BURT
HOUSES

A DEMOCRATIC,
INTEGRATED
HOUSING COMMUNITY
DESIGNED
FOR
VACATION LIVING
THE
YEAR 'ROUND

PRESENTING

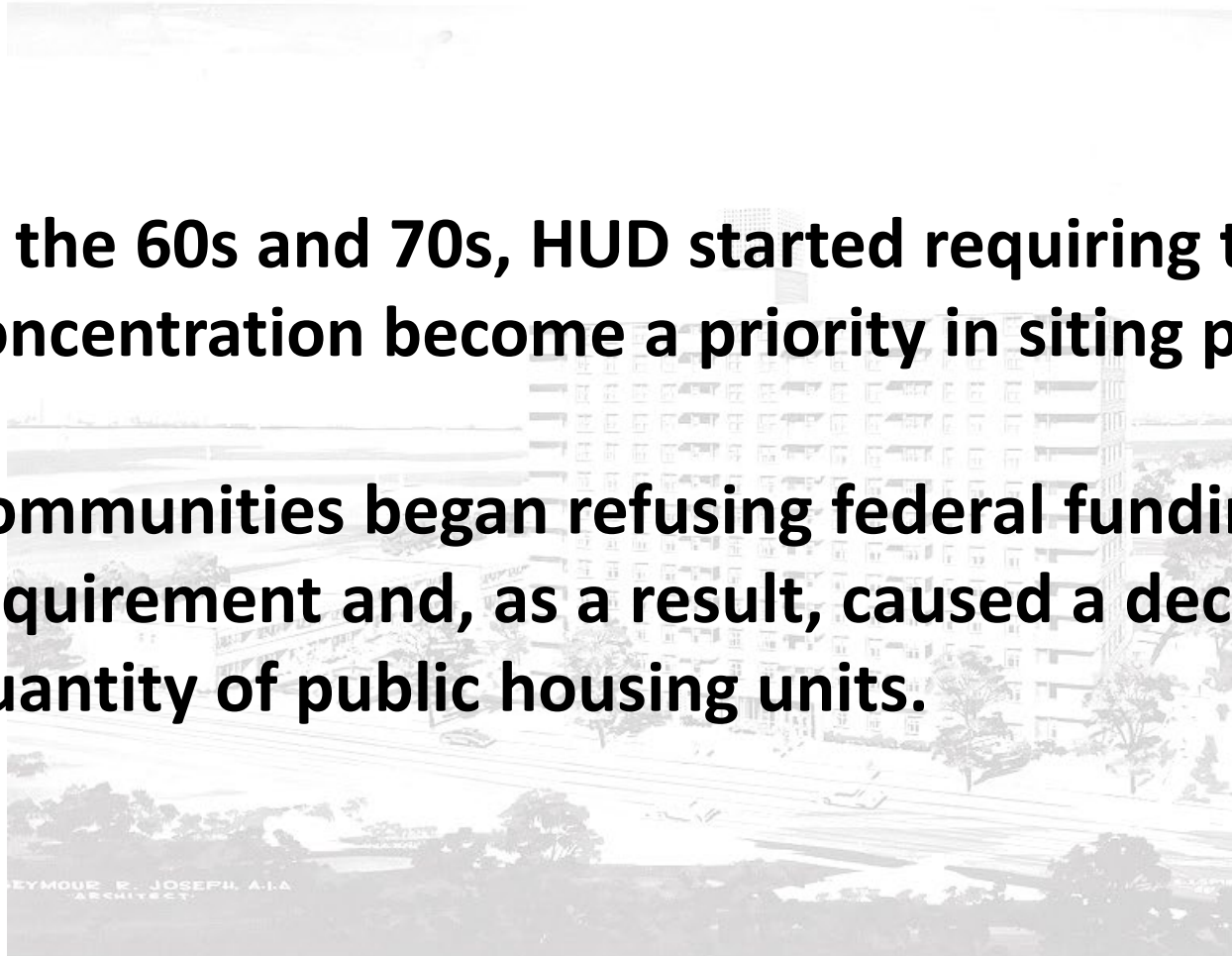
THE
EXCITING
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SAM
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In the 60s and 70s, HUD started requiring that racial de-concentration become a priority in siting public housing.

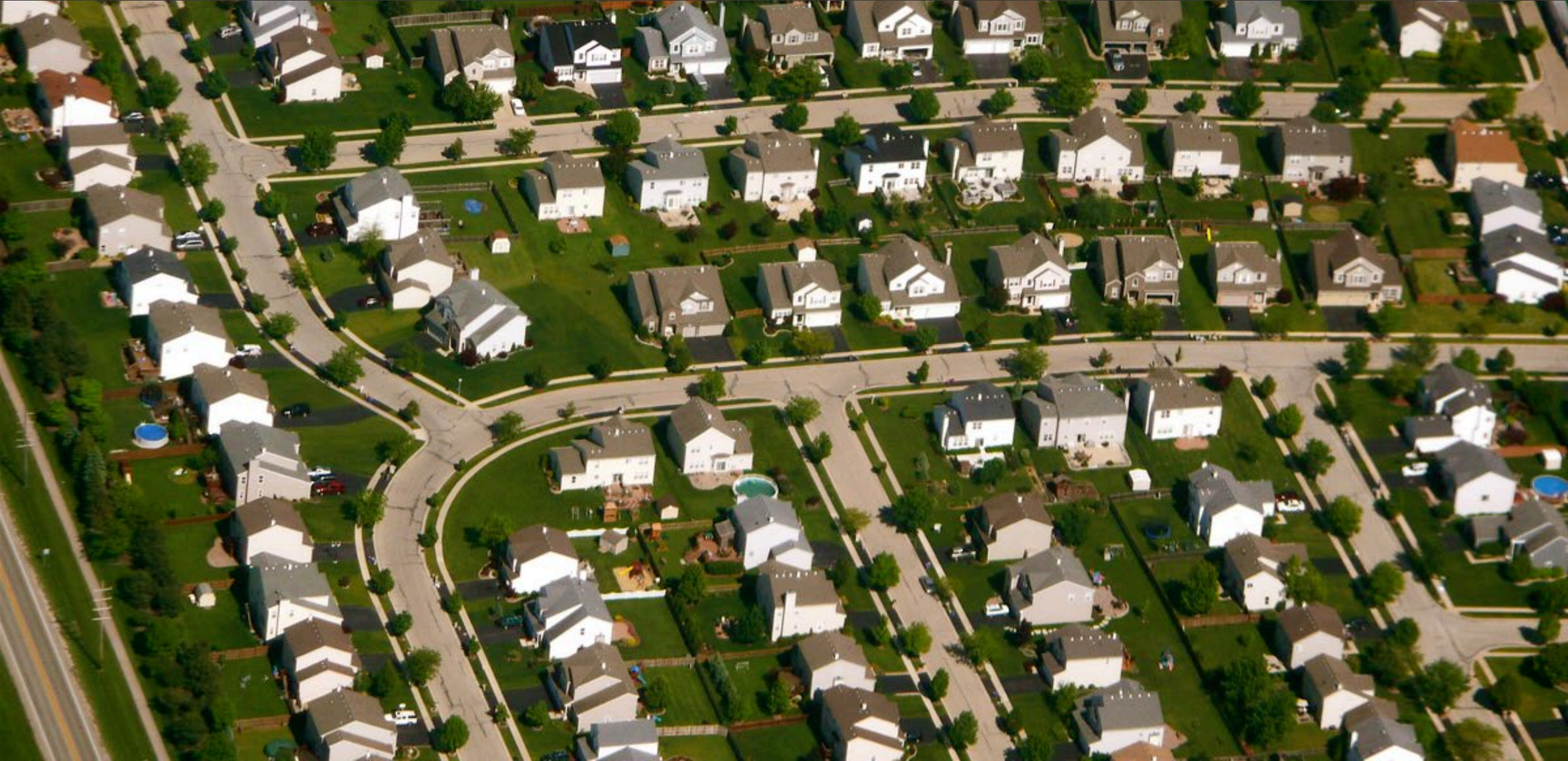
Communities began refusing federal funding to avoid the requirement and, as a result, caused a decline in the quantity of public housing units.





RAD 101: What is RAD and Why is it Happening?

ORIGINS OF PUBLIC HOUSING



Incentives for home and car ownership supported white flight from cities to the suburbs, and contributed to:

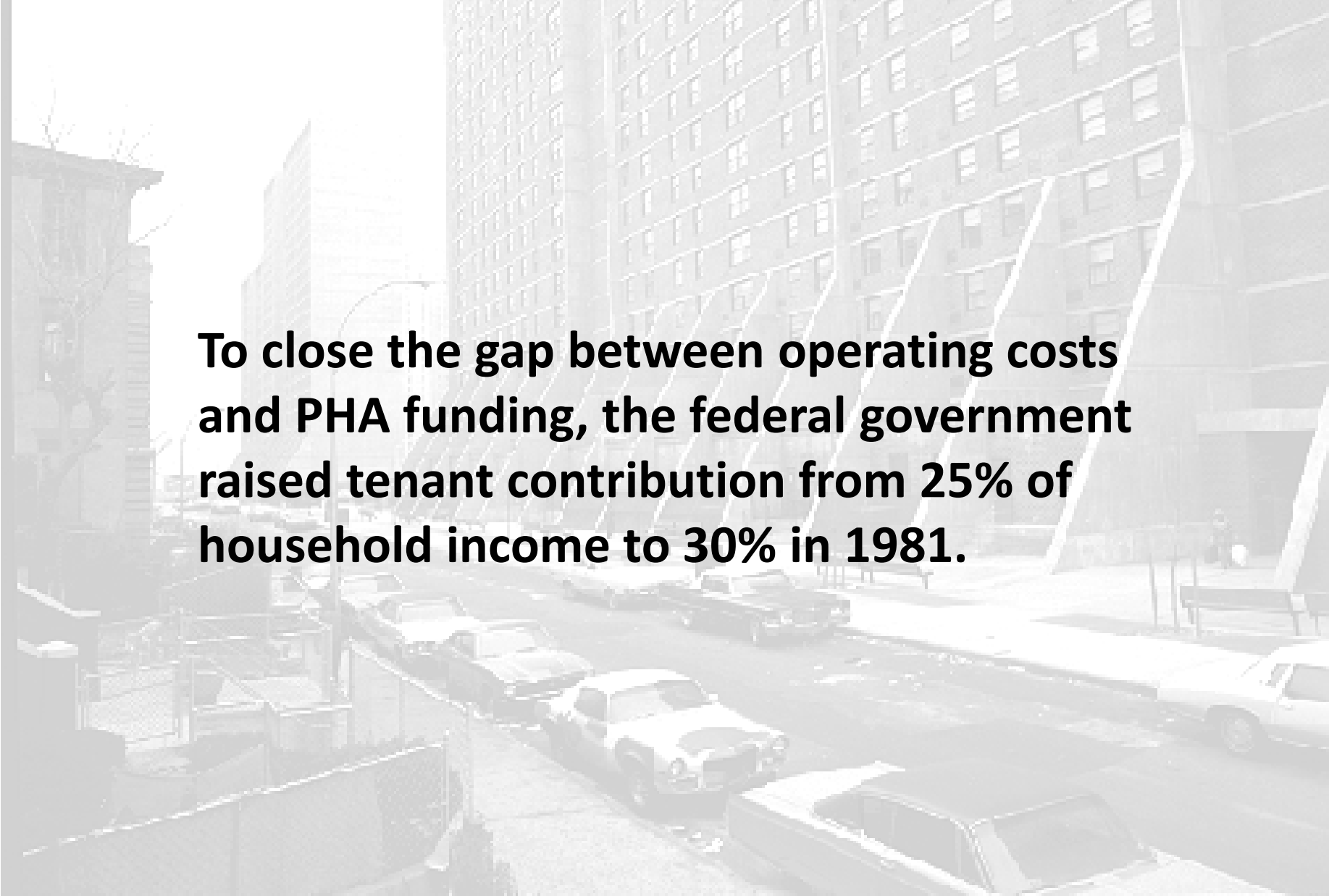
- **The isolation of public housing sites;**
- **Reduced public support; and**
- **A decline in funding from the federal government**



RAD 101: What is RAD and Why is it Happening?

ORIGINS OF PUBLIC HOUSING



A black and white photograph of a city street. In the foreground, several cars are parked along the side of the road. In the background, there are tall, multi-story apartment buildings with many windows. The image is slightly faded and has a grainy texture.

To close the gap between operating costs and PHA funding, the federal government raised tenant contribution from 25% of household income to 30% in 1981.



RAD 101: What is RAD and Why is it Happening?

ORIGINS OF PUBLIC HOUSING





Public and political support for subsidized housing declined in the 80s, and many units were lost



RAD 101: What is RAD and Why is it Happening?

ORIGINS OF PUBLIC HOUSING





Public housing falls under Section 9 regulations, and cannot access any private funding.

HUD contracts are unable to cover the difference between rents received and operating costs and NYCHA has been unable to keep up with the necessary maintenance.



RAD 101: What is RAD and Why is it Happening?

ORIGINS OF PUBLIC HOUSING



In 2017, NYCHA received a total of \$440 million:

- **\$300M from the federal government**
- **\$40M from the State**
- **\$100M from the City**

At this amount, it would take NYCHA almost 40 years to complete their current backlog of repairs.

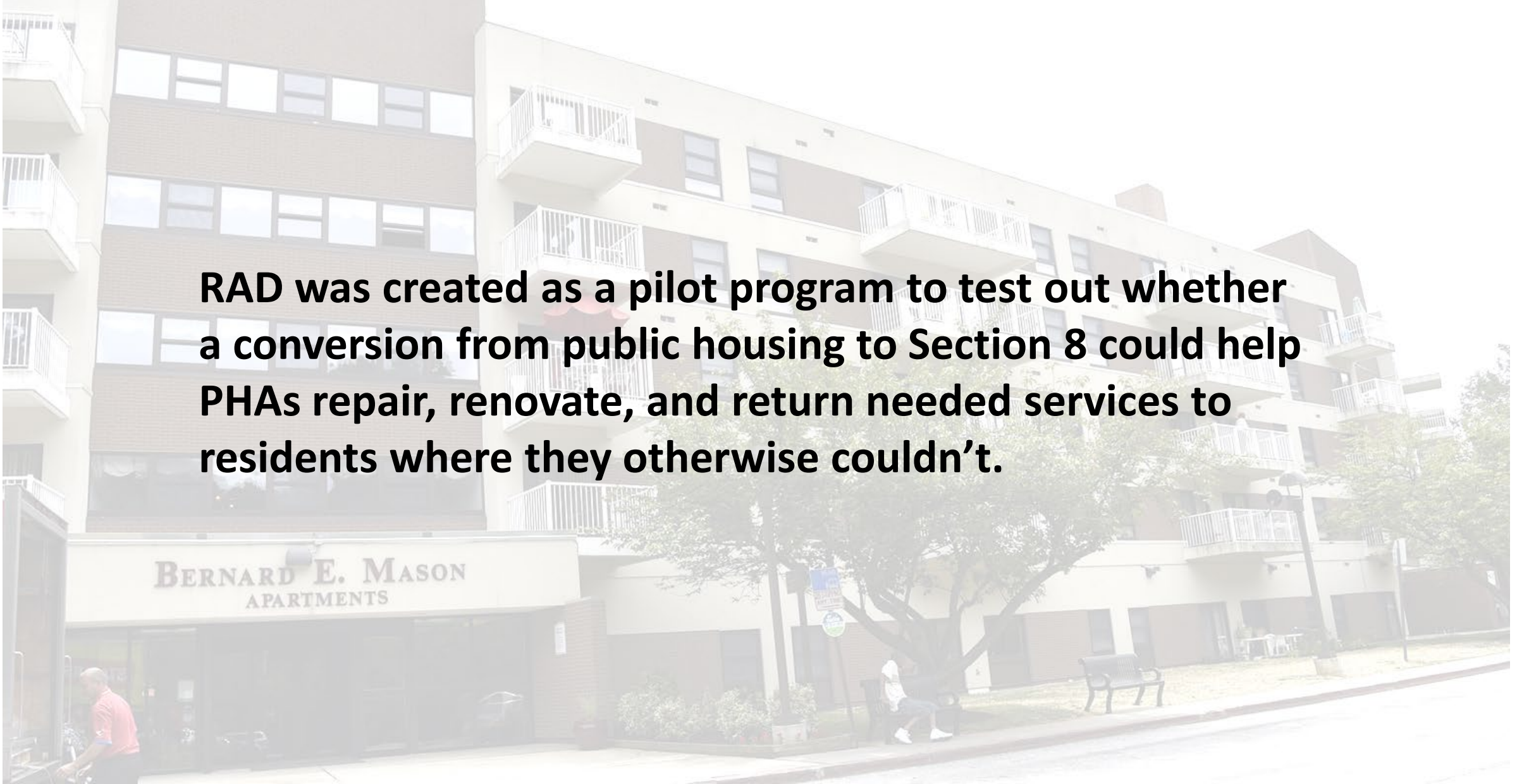
RAD 101: What is RAD and Why is it Happening?

ORIGINS OF PUBLIC HOUSING



RAD was created as a pilot program to test out whether a conversion from public housing to Section 8 could help PHAs repair, renovate, and return needed services to residents where they otherwise couldn't.

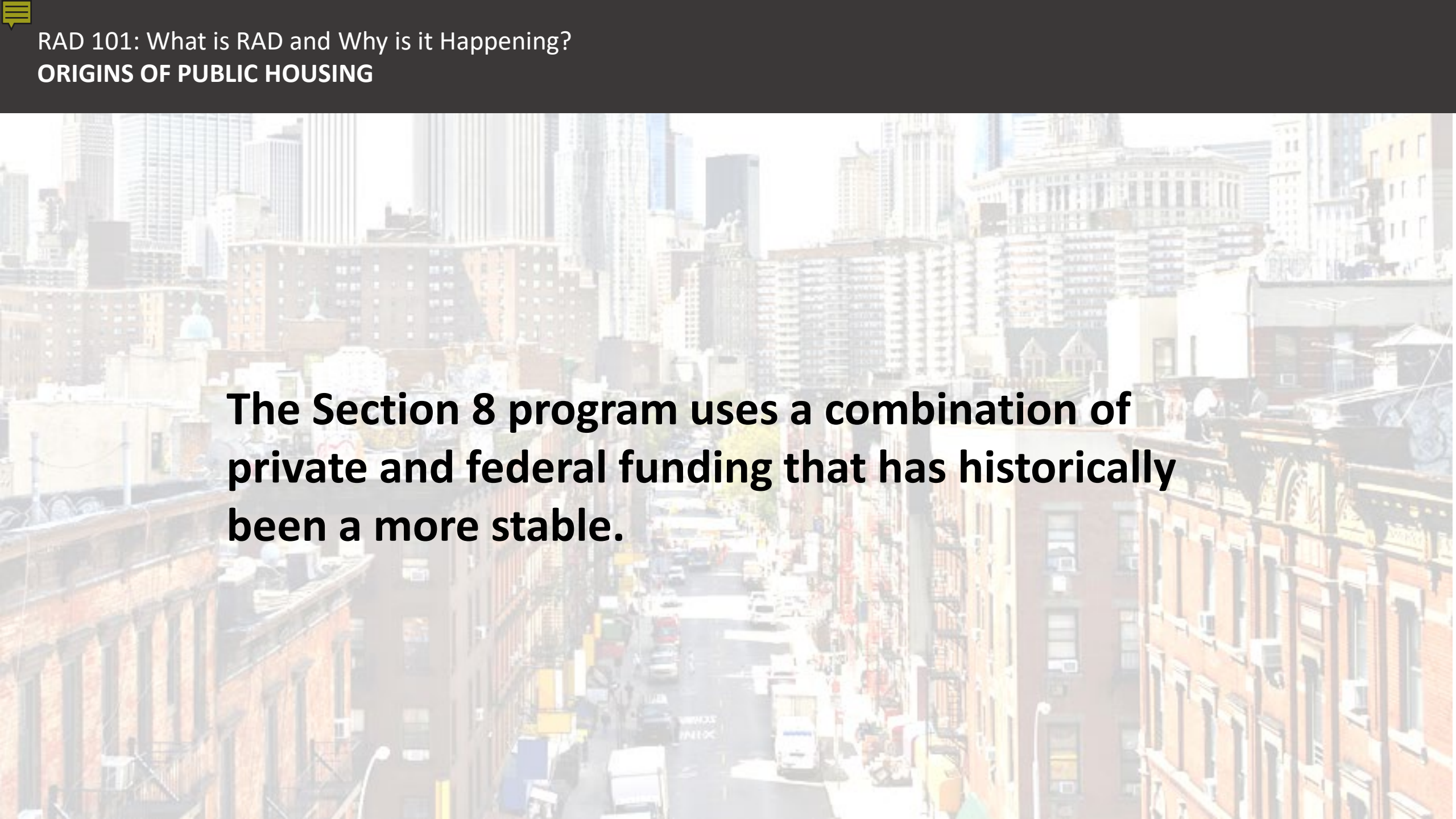
**BERNARD E. MASON
APARTMENTS**



RAD 101: What is RAD and Why is it Happening?

ORIGINS OF PUBLIC HOUSING



An aerial, high-angle view of a dense urban street, likely in New York City. The street is filled with cars and a streetcar. The buildings are tall and multi-story, with a mix of brick and modern glass facades. The sky is clear and blue.

The Section 8 program uses a combination of private and federal funding that has historically been a more stable.



RAD 101: What is RAD and Why is it Happening?

ORIGINS OF PUBLIC HOUSING



With market-rate rents and home sales prices continuing to rise, Public Housing plays a crucial role in maintaining affordable housing.

The need to preserve existing units is a big part of why the Rental Assistance Demonstration (RAD) program was created in 2011.



RAD 101: What is RAD and Why is it Happening?

ORIGINS OF PUBLIC HOUSING





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RAD transitions public housing properties regulated by Section 9 to the Section 8 program.

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RAD AT A GLANCE

RAD 101: What is RAD and Why is it Happening?

RAD AT A GLANCE



Goals of the RAD Program:

- **Help PHAs become more financially stable through private market financing.**
- **Guarantee long-term affordability and stability for existing public housing residents**
- **Address capital needs AND anticipated maintenance and repairs for a selected property over a 20-year period.**

PUBLIC HOUSING

Deterioration and disrepair.
Difficulty in getting repairs.

Rents *up to 30%* of income



OWNER:
NYCHA



MANAGEMENT:
NYCHA or Current Manager



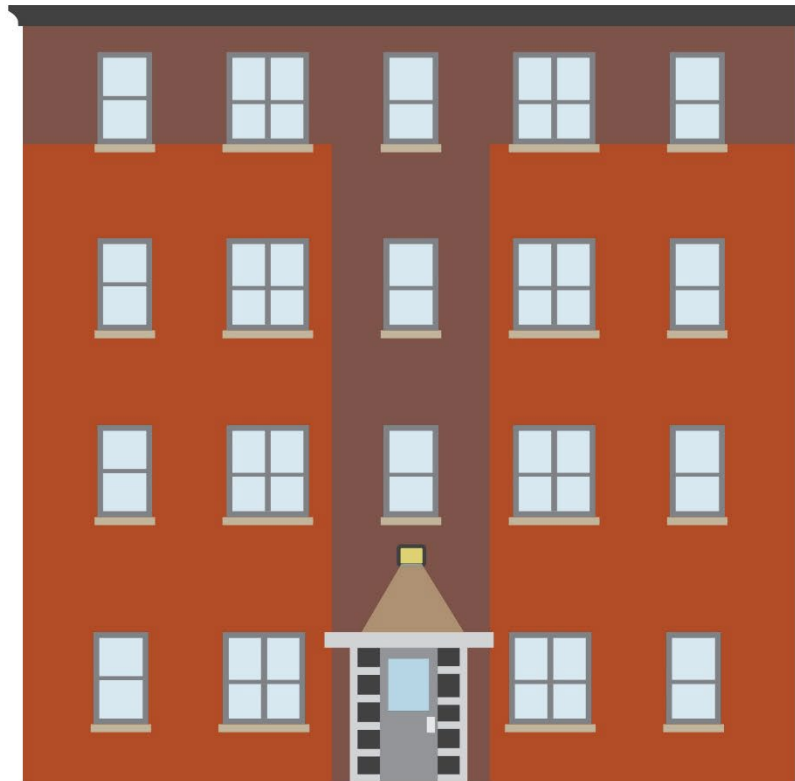
FUNDING:
Public Housing (Section 9)
Starvation
federal funding



RAD

Major renovations in 2 years. Inspections every 2 years to assure federal quality standards are met.

Rents set at 30% of income



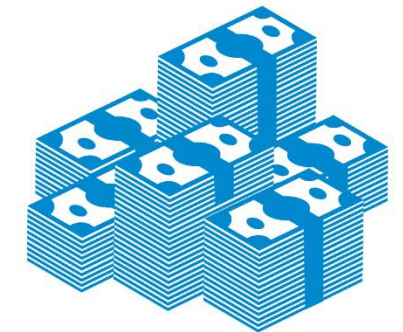
OWNER:
Public-Private Entity



MANAGEMENT:
New Private Manager



FUNDING:
Section 8 Housing
New capital from private investors and lenders



KEY FEATURES

**Transfer from the
HUD public
housing program
to the Section 8
program**

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Transfer to alternative ownership and management

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Transfer to alternative ownership and management

Funding for major capital improvements needed over the next 20 years

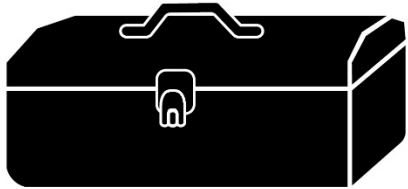
KEY FEATURES

Transfer from the HUD public housing program to the Section 8 program

Transfer to alternative ownership and management

Funding for major capital improvements needed over the next 20 years

Ongoing affordability - rents set at 30% of household income

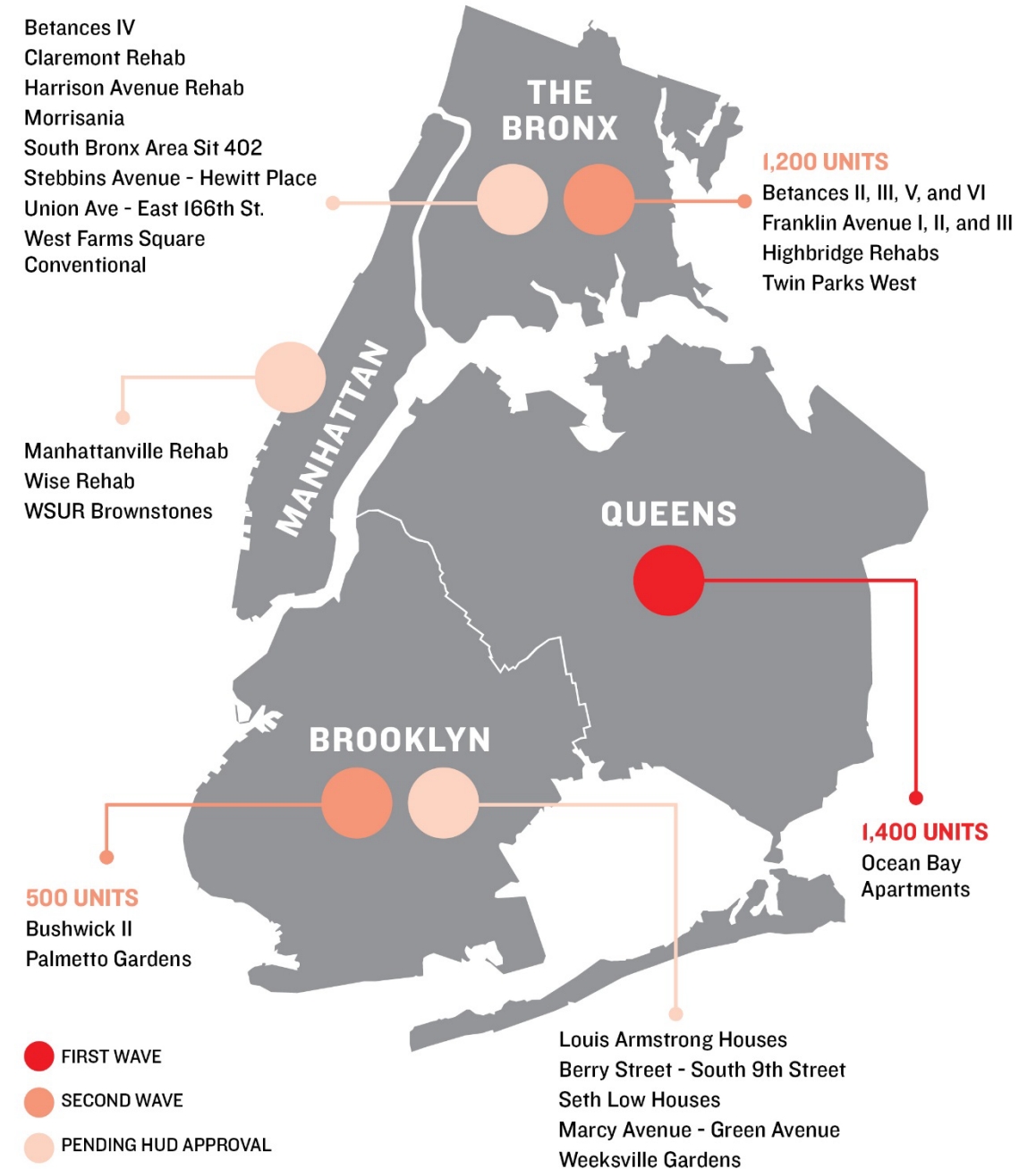


WHO IS THE DEVELOPMENT TEAM?

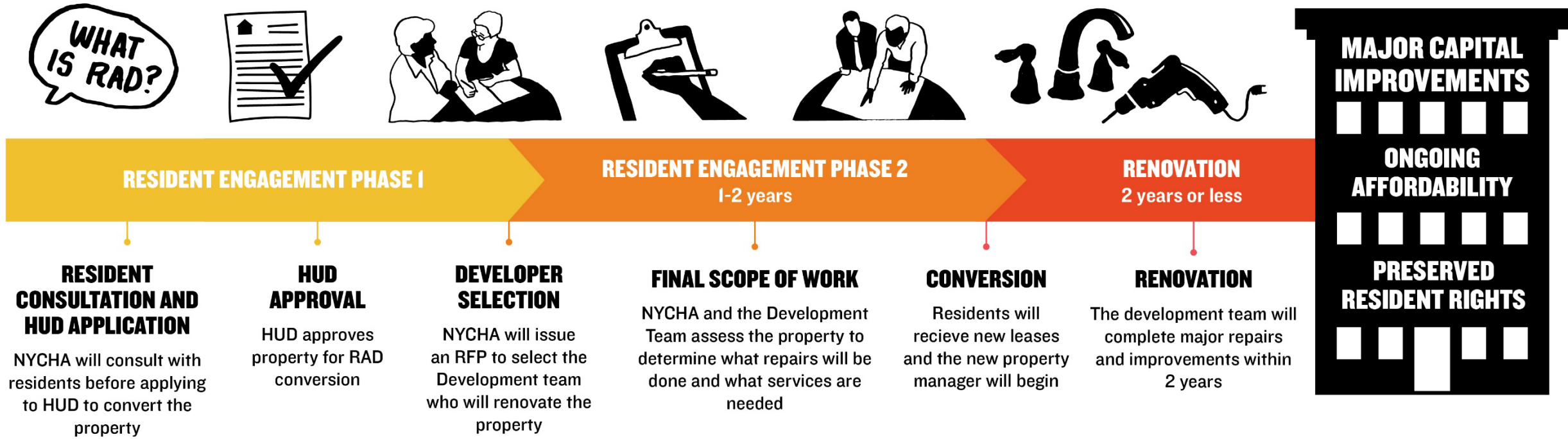
1. **Developer:** responsible for carrying out renovations
2. **Property Manager:** responsible for day-to-day management
3. **Service Provider:** responsible for on site service programs

NYCHA'S PLAN

- Applied for 5,200 units as of June 2016
- 1,400 converted in Ocean Bay, Queens
- 1,700 approved in January 2017 split between Brooklyn and the Bronx
- Goal is to convert 15,000 units – which represent 8% of portfolio and 18% of capital needs



CONVERSION TIMELINE



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RAD 101: What Can You Expect?

- Benefits and Risks for Residents



BENEFITS AND RISKS **FOR RESIDENTS**

LIVING CONDITIONS

BENEFITS:

The renovation will cover major capital improvements projected over the next 20 years at your development.

RISKS/UNCERTAINTIES:

The risk that the developer may not complete renovations to quality standards may be minimized by the investors' incentive to protect their investment.

LIVING CONDITIONS

BENEFITS:

NYCHA must inspect your apartment every two years to make sure it continues to meet federal housing quality standards. The owner will be required to address any deficiencies promptly to maintain Section 8 funding.

RISKS/UNCERTAINTIES:

You will have to provide access to your apartment for the inspector and for any needed renovations.

RENTS AND LEASES

BENEFITS:

Residents on the NYCHA lease at conversion will have the “right to stay” without rescreening. Those temporarily relocated during renovations will be guaranteed the “right to return” to their same development.

RISKS/UNCERTAINTIES:

- After conversion, anyone living with you, who you have not added to the lease, may be required to leave.
- If you are living in an under-occupied apartment, you may be moved to a different unit in the same development after renovation.



RENTS AND LEASES

BENEFITS:

Your rent will be affordable and set at 30 percent of household income.

RISKS/UNCERTAINTIES:

Households now paying less than 30 percent will experience a rent increase, to be phased in over a 5-year period.

RENTS AND LEASES

BENEFITS:

Your development will remain affordable low-income housing. Every 20 years HUD and the owner are required to renew arrangements.

RISKS/UNCERTAINTIES:

RAD and the public housing program—like any other federal program—are subject to legislative and funding changes in Washington.

PROGRAM ARRANGEMENTS

BENEFITS:

Your resident organization will continue to be funded each year at up to \$25 per occupied unit.

RISKS/UNCERTAINTIES:

Arrangements will have to be worked out with the new manager for receiving and using the funds.

PROGRAM ARRANGEMENTS

BENEFITS:

As a result of this work, resident training and job opportunities will open up in construction and in permanent management.

RISKS/UNCERTAINTIES:

- Residents may lose access to NYCHA-run job training programs
- If existing NYCHA employees are not hired by the new property manager they will be relocated to other sites

CHANGE IN FINANCING AND OWNERSHIP

BENEFITS:

The private financing that RAD unlocks will allow for quick repairs and renovation, and work should be completed within 2 years. With private ownership, the new property management may be better quality.

RISKS/UNCERTAINTIES:

Because each development will have a different new property manager, the quality of new management is unknown.

To maximize the benefits of RAD conversion and minimize the risks, residents need to help keep each other informed throughout the conversion process.

NEXT UP: PREPARE FOR RAD