



RAD APPLICATION LIVE Q&A

November 16, 2012

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RAD LIVE Q&A

Agenda

- Welcome
- Ongoing Application Period
- RAD Resources Reminder
- Case Studies
- Your Questions





WELCOME

Objective:

We're here to help you, the PHAs, answer questions related to submitting a successful RAD application for the Ongoing Application period





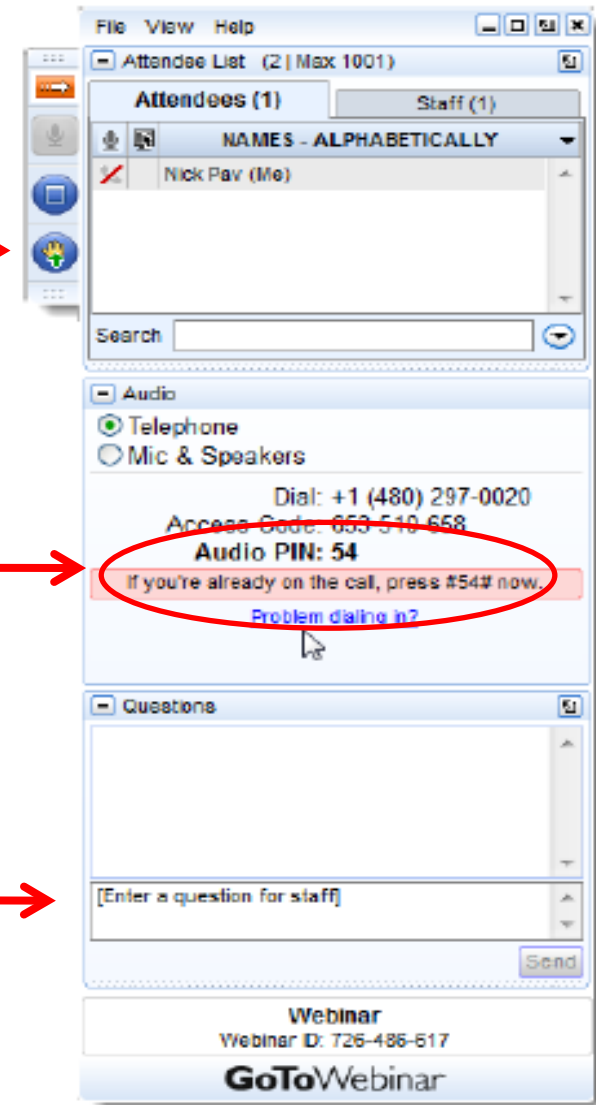
WELCOME

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ONGOING APPLICATION PERIOD

- Initial competitive application period closed on October 24, 2012
 - Awards anticipated by late-November/early-December
- Ongoing non-competitive application period opened on October 25, 2012
 - Awards allocated on first-come, first-served basis
 - No ranking factors/point system
 - Remains open until 60,000 unit cap is reached or until September 30, 2015





RAD RESOURCES REMINDER

- Applications available for download on www.hud.gov/rad
- Prerecorded webcasts available to walk you through completing an application
- Visit the RAD Resource Desk - www.radresource.net

THURSDAY, OCTOBER 04, 2012

 **HUD.GOV/RAD - Rental Assistance Demonstration**
U.S. Department of Housing and Urban Development
Secretary Shaun Donovan

HUD > Rental Assistance Demonstration > Application Materials

Mod Rehab Materials

- ▶ Final Mod Rehab Application
- ▶ Mod Rehab Application Webcast (coming soon)

Public Housing Materials



The map displays the United States with state abbreviations. States shown include WA, OR, ID, MT, ND, MN, WI, MI, NY, VT, NH, ME, CT, RI, MA, NJ, PA, DE, MD, DC, WV, VA, NC, SC, GA, FL, AL, MS, AR, OK, NM, AZ, UT, CO, KS, MO, IL, IN, OH, KY, TN, LA, TX, AK, HI, GU, and PR.



CASE STUDY 1: DEBT ONLY



Type of Conversion	Units	Immediate Needs (per unit)
PBRA (Project Based Rental Assistance)	351	\$9,021

Financing
FHA Financing 3.500% + 0.450% MIP / 35.0 years

Pro Forma Sources and Uses		
Sources of Funds	Amount	Per Unit
New First Mortgage Loan	\$3,725,000	\$10,613
Public Housing Operating Reserves	\$381,032	\$1,086
Public Housing Capital Funds	\$0	\$0
Replacement Housing Factor	\$0	\$0
Low Income Housing Tax Credit Equity - 4%	\$0	\$0
Low Income Housing Tax Credit Equity - 9%	\$0	\$0
Other	\$0	\$0
Other	\$0	\$0
Other	\$0	\$0
Total Sources of Funds	\$4,106,032	\$11,698
Uses of Funds	Amount	Per Unit
Acquisition Costs	\$0	\$0
Construction Costs	\$3,166,268	\$9,021
Relocation Costs	\$0	\$0
Professional Fees	\$354,301	\$1,009
Loan Fees and Costs	\$215,463	\$614
Reserves	\$0	\$0
Developer Fees	\$370,000	\$1,054
Total Uses of Funds	\$4,106,032	\$11,698



CASE STUDY 1: DEBT ONLY



Stabilized Cash Flow Pro Forma		
	<i>Total</i>	<i>PUPA</i>
Gross Potential Rents for RAD Units	\$2,105,460	\$5,998
Gross Potential Rents for Other Apartment Units	\$0	\$0
Gross Potential Rents for Commercial	\$0	N/A
Vacancy Loss and Bad Debt Loss	(\$105,273)	-\$300
Other Income	\$18,809	\$54
Effective Gross Income	\$2,018,996	\$5,752
Total Operating Expenses	(\$1,342,093)	(\$3,824)
Annual Deposit to Replacement Reserve	(\$195,910)	(\$558)
Net Operating Income	\$480,993	\$1,370
First Mortgage Debt Service	(\$201,503)	(\$574)
Operating Cash Flow	\$279,490	\$796



CASE STUDY 2: DEBT ONLY



Type of Conversion	Units	Immediate Needs (per unit)
PBRA (Project Based Rental Assistance)	100	\$23,858

Financing
Non-FHA financing 4.500% + 0.000% MIP / 30.0 years

Pro Forma Sources and Uses		
Sources of Funds	Amount	Per Unit
New First Mortgage Loan	\$1,835,000	\$18,350
Public Housing Operating Reserves	\$289,940	\$2,899
Public Housing Capital Funds	\$515,620	\$5,156
Replacement Housing Factor	\$0	\$0
Low Income Housing Tax Credit Equity - 4%	\$0	\$0
Low Income Housing Tax Credit Equity - 9%	\$0	\$0
Other	\$0	\$0
Other	\$0	\$0
Total Sources of Funds	\$2,640,560	\$26,406
Uses of Funds	Amount	Per Unit
Acquisition Costs	\$0	\$0
Construction Costs	\$2,385,761	\$23,858
Relocation Costs	\$0	\$0
Professional Fees	\$232,373	\$2,324
Loan Fees and Costs	\$22,426	\$224
Reserves	\$0	\$0
Developer Fees	\$0	\$0
Total Uses of Funds	\$2,640,560	\$26,406



CASE STUDY 2: DEBT ONLY



Stabilized Cash Flow Pro Forma		
	<i>Total</i>	<i>PUPA</i>
Gross Potential Rents for RAD Units	\$596,940	\$5,969
Gross Potential Rents for Other Apartment Units	\$0	\$0
Gross Potential Rents for Commercial	\$0	N/A
Vacancy Loss and Bad Debt Loss	(\$29,847)	-\$298
Other Income	\$7,125	\$71
Effective Gross Income	\$574,218	\$5,742
Total Operating Expenses	(\$415,330)	(\$4,153)
Annual Deposit to Replacement Reserve	(\$25,000)	(\$250)
Net Operating Income	\$133,888	\$1,339
First Mortgage Debt Service	(\$111,572)	(\$1,116)
Operating Cash Flow	\$22,316	\$223



CASE STUDY 3: NO DEBT



Type of Conversion	Units	Immediate Needs (per unit)
PBV (Project Based Vouchers)	72	\$8,514

Financing
No private financing

Pro Forma Sources and Uses		
Sources of Funds	Amount	Per Unit
New First Mortgage Loan	\$0	\$0
Public Housing Operating Reserves	\$628,000	\$8,722
Public Housing Capital Funds	\$0	\$0
Replacement Housing Factor	\$0	\$0
Low Income Housing Tax Credit Equity - 4%	\$0	\$0
Low Income Housing Tax Credit Equity - 9%	\$0	\$0
Other	\$0	\$0
Other	\$0	\$0
Other	\$0	\$0
Other	\$0	\$0
Total Sources of Funds	\$628,000	\$8,722
Uses of Funds	Amount	Per Unit
Acquisition Costs	\$0	\$0
Construction Costs	\$613,000	\$8,514
Relocation Costs	\$0	\$0
Professional Fees	\$15,000	\$208
Loan Fees and Costs	\$0	\$0
Reserves	\$0	\$0
Developer Fees	\$0	\$0
Total Uses of Funds	\$628,000	\$8,722



CASE STUDY 3: No DEBT



Stabilized Cash Flow Pro Forma		
	<i>Total</i>	<i>PUPA</i>
Gross Potential Rents for RAD Units	\$730,176	\$10,141
Gross Potential Rents for Other Apartment Units	\$0	\$0
Gross Potential Rents for Commercial	\$0	N/A
Vacancy Loss and Bad Debt Loss	(\$36,509)	-\$507
Other Income	\$25,168	\$350
Effective Gross Income	\$718,835	\$9,984
		\$ -
Total Operating Expenses	(\$659,263)	(\$9,156)
Annual Deposit to Replacement Reserve	(\$50,000)	(\$694)
		\$0
Net Operating Income	\$9,572	\$133
		\$0
First Mortgage Debt Service	\$0	\$0
		\$0
Operating Cash Flow	\$9,572	\$133

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