



# Faircloth-to-RAD: PHA Peer Learning

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# Presenter/ Panelists

Tom Davis, Director of the Office of Recapitalization

PHA Speakers from Cambridge Housing Authority (CHA):

- Margaret Donnelly Moran, Deputy Executive Director of Development
- Clara Fraden, Director of Planning and Development for Planning
- Matt Zajac, Deputy Director for Planning

Jaime Bordenave, RAD TA Provider, Enterprise Community Partners







# About the Cambridge Housing Authority

- An original MTW participant
- Based in Cambridge MA, one of the highest-cost housing markets in country
- Manage over 3,000 apartments and almost 5,000 mobile vouchers
- 22,000 households on CHA's waitlist
- Staff of 240+ people, including 20+ person real estate development team
- 98% of portfolio converted to Section 8 PBVs using RAD or Section 18



# CHA's Redevelopment History

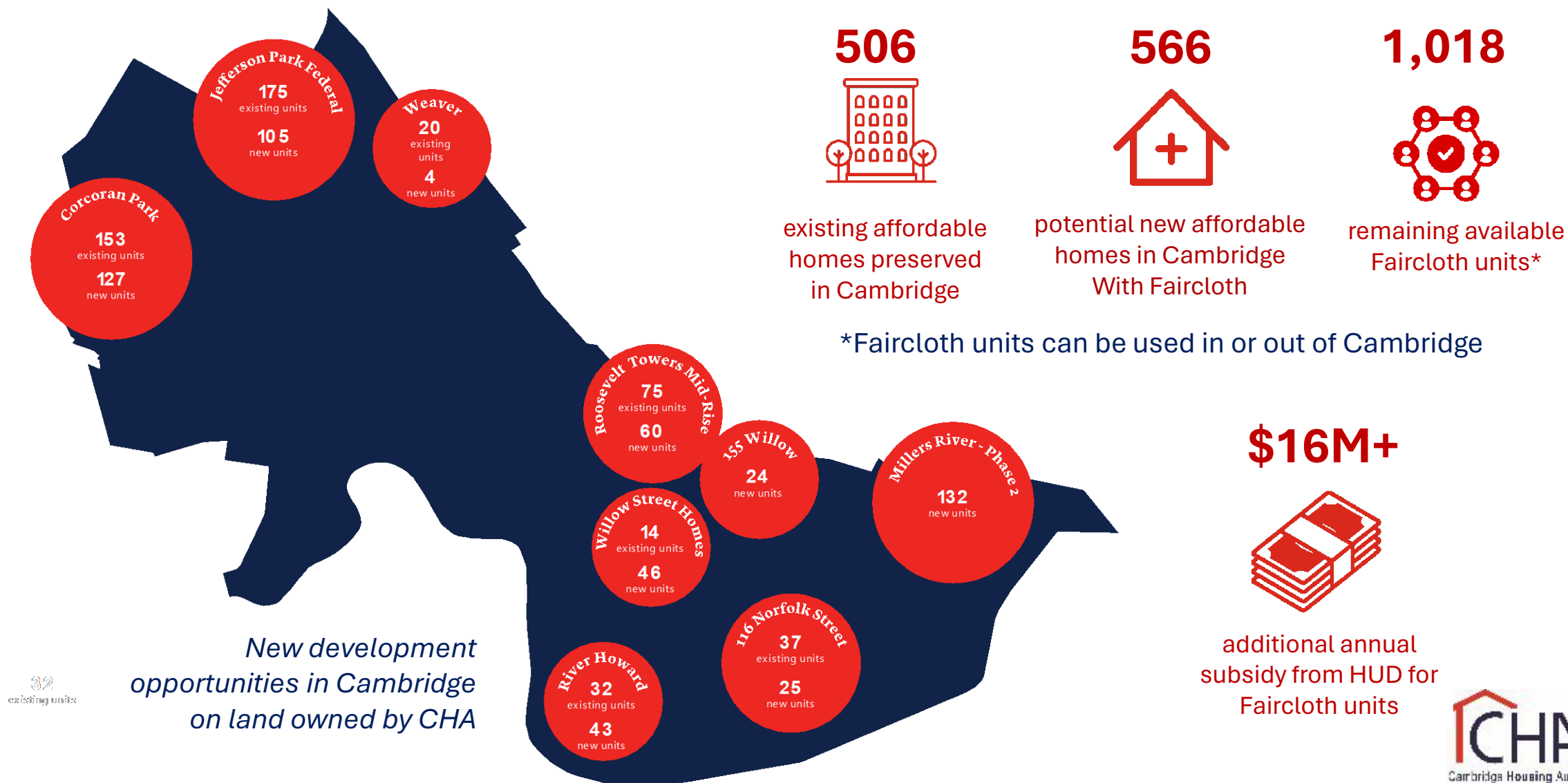


**\$763M in capital improvements affecting 2,283 units**

Phase 1 – 2010 - 2013: ARRA Funded Improvements - 4 properties, 318 units including 10 new units	\$75M
Phase 2 – 2013 – 2019: RAD Funded Improvements - 7 properties, 870 units including 11 new units with RAD rents supplemented by MTW	\$178M
Phase 3 – 2018 -2023: Section 18 Funded Improvements 6 properties, 755 units including 5 new units	\$280M
Phase 4 – 2023 – Ongoing: RAD Blend, Section 18, Faircloth Improvements In construction – 2 properties, 340 units including 128 new units - \$230M In planning- 10 properties, 750 units including 450 new units - \$550M	\$230M



# Faircloth unlocks opportunity for new units





# The Revitalization of 116 Norfolk



*Rendering of 116 Norfolk (left) and a photo of current construction progress (right).*

We used a RAD Blend to convert the existing PH units (brick building on left), and F2R for the new units in addition (blue building on right).





## *Renderings of 116 Norfolk.*

Combining rehab and new construction to create 62 units of permanent supportive housing.





# 116 Norfolk: Overview & Rents

- 62 units of Permanent Supportive Housing
  - 37 existing SRO units, 25 new units
  - 100% studios post-construction (no more SROs)
  - For people exiting chronic homelessness, 4+ full-time case managers onsite
- Blended RAD/Section 18 Conversion + Faircloth-to-RAD
  - 29 x Section 18 units, 8 x RAD units, 25 x Faircloth to RAD units
  - MTW overlay on RAD and F2R units to increase rents to FMR
- Rents for studios
  - Section 18: \$2,025
  - RAD: \$1,764
  - F2R: \$1,559 / \$2,227
  - MTW Overlay to increase all rents to 110% FMR: \$2,227

# 116 Norfolk: Schedule

- F2R process was less than 6 months from start to F2R approval!
- Request NARR & Concept Call: Summer 2022
- MFDP Submission: July 7, 2022
  - Included Mixed-Finance materials, RAD Conversion Overview, and RAD Blend materials
- Applied for Tenant Protection Vouchers: Nov 2022
  - Part of RAD Blend process for Section 18 units
- F2R Approval: Dec 16, 2022
  - RAD Blend approval, MF (F2F) approval, RAD F2R approval
- Closing: Dec 28, 2022
- Substantial Completion: Nov 2024
- DOFA & F2R Conversion: Nov 2024
  - Our goal is to convert to RAD before residents lease up



*Resident and neighborhood  
meetings onsite*



# The Revitalization of Jefferson Park Federal



*Site plan showing proposed new construction of six residential buildings.*







## JP Fed: Demo

11 buildings (175 units) demolished, to be replaced with six new buildings (278 units)

Advanced demo before LIHTC closing to keep things moving

Required approval from HUD for pre-development work

*At Jefferson Park Federal, demolition is complete*





*Renderings of different views within Jefferson Park (8 acres). The design prioritized family-sized apartments, introducing a typical street grid to the property, individual front entrances to apartments at the ground level, and ample open and amenity spaces for residents.*





# JP Federal: Overview & Rents

- 278 units for families
  - New construction
  - Phased development (Phase 1 = 195 units, Phase 2 = 83 units)
  - True family housing — almost 50% units are 3-BR, 4-BR, 5-BR
- 100% Faircloth-to-RAD
- MTW overlay on RAD and F2R units to boost rents

Unit Type	# Units	F2R Rents (NARR)	Contract Rent with Overlay (110% FMR)
1 BR	41	\$1,265	\$2,615
2 BR	106	\$1,528	\$3,110
3 BR	111	\$1,889	\$3,760
4 BR	19	\$2,072	\$4,142
5 BR	1	\$2,382	\$4,763



# JP Federal: Schedule

- MFDP Submission (take 1): July 6, 2022
- MFDP Submission (take 3): Feb 29, 2024
  - Over 1.5 years, CHA submitted three MFDPs to HUD as deal changed
- F2R Approval (Phase 1): May/June 2024
- Closing (Phase 1): June 2024
- Substantial Completion & DOFA: Oct 2025, Jan 2026, April 2026, June 26
  - DOFA dates by building
  - Important to be eligible for PH operating funds by building, as early as possible
- Faircloth-to-RAD Conversion: June 2026
  - One F2R conversion despite multiple Substantial Completion & DOFA dates
- Repeat approval process for Phase 2...

# Faircloth-to-RAD (F2R) is truly streamlined

## Resources and Support

- HUD's F2R Resource Guide (Nov 2023) is your best friend
- HUD's OPHI and RECAP staff are amazing resource
  - Special thanks to Maggie Curran, Tess Mullen, Onawa Simmons and Stacy Harrison
- HUD sets clear deadlines for their review each year
- HUD review/approval is coordinated

## Communication is Key

- Reach out to the OPHI team early and often
- Ensure everyone is on same page about your project deadlines and HUD's internal deadlines for review
- Identify quirks in your project that should be discussed before formal submission of docs (phasing, how to use specific funds, etc.)



# F2R Application Components

- Notice of Anticipated RAD Rents (NARR)
  - Request early for estimated rental subsidy from HUD and to get on HUD's radar, you can revise NARRs throughout process if deal changes
- FHEO/Site Neighborhood Standards & Accessibility Review
  - Review by other HUD agencies, can take some time
  - F2R units need to follow Uniform Federal Accessibility Standard (UFAS)
- Mixed-Finance Development Proposal (MFDP) & MF Calculator
  - Review with staff at OPHI early and often
  - Even if project is in flux, fill out Calculator early to flesh out questions, sources
- Evidentiary Documents
  - Highlight unique features of deal early before HUD legal teams review docs
- RAD Resource Desk & RAD Conversion Overview
  - This is essentially a condensed version of MFDP

# F2R Conversion Year

## Funding in the Conversion Year

- PHAs receive HAP payments from HUD on Jan 1 following effective date of HAP Contract, must plan for interim (carry \$ in development budget)
- PHAs may receive public housing operating subsidy in meantime, but depends on DOFA date and HUD processing date deadlines PH funds

## RAD Conversion

- Start working with HUD 60-90 days before Substantial Completion
- Goal = Prep everything for DOFA and RAD closing (legal docs, updated sources/uses, etc.) so that DOFA and RAD Conversion happen right after Substantial Completion



# Questions?



# Resources

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[Public Housing Repositioning: Wednesday Webinar Series: Faircloth-to-RAD Development](#)

[Faircloth-to-RAD Guide](#)

[radresource.net](#)

["Faircloth Limit" unit counts](#)

[RAD Notices, Statutes, and Tools](#)

## Email:

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