



RAD APPLICATION LIVE Q&A

November 30, 2012

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RAD LIVE Q&A

Agenda

- Welcome
- Ongoing Application Period
- Initial Application Period Stats
- RAD Resources Reminder
- Tax Credit 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





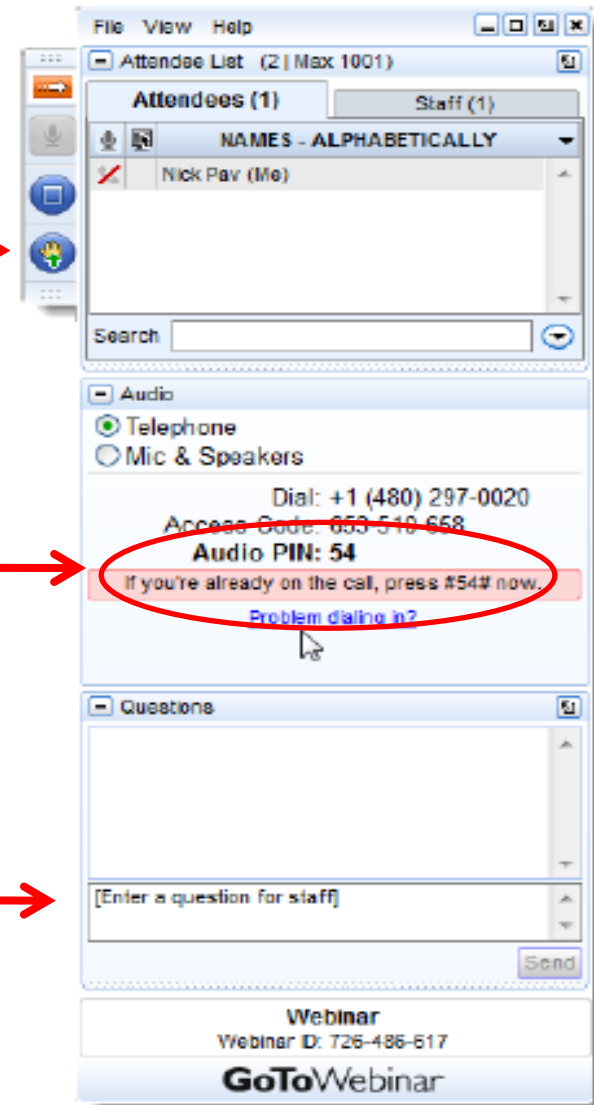
WELCOME

Ask questions at the end! Here's how:

- “Raise your hand” by clicking on the hand icon and the presenter will un-mute your line so you can ask your question live →

Note: To do this, you MUST call the dial-in number shown on your attendee control panel and input the audio PIN shown, which is unique to each attendee →

- Send in questions via the “Question” feature or email them to hud@rad.gov; answers to those questions will be provided after the webcast and posted to the FAQs →





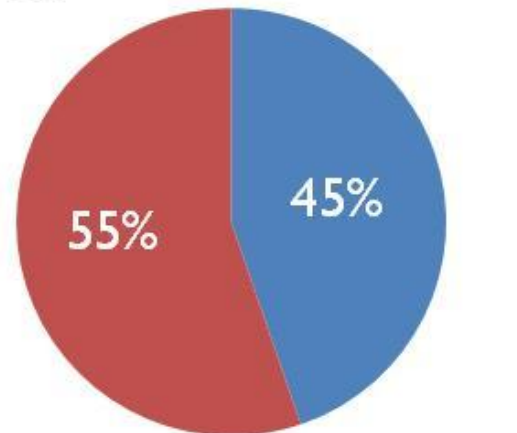
ONGOING APPLICATION PERIOD

- Initial competitive application period closed on October 24, 2012
 - Awards anticipated in 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



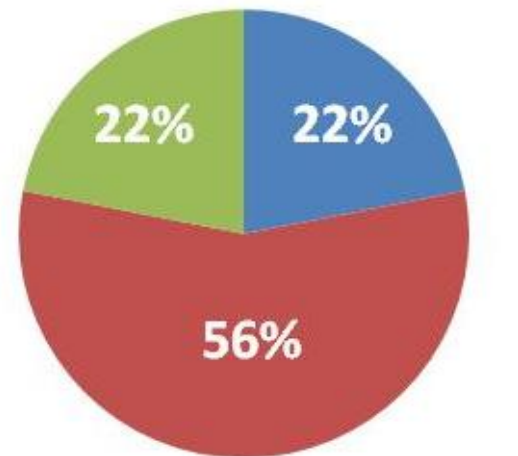
INITIAL APPLICATION PERIOD STATS

Type of Conversion



■ PBRA (Project Based Rental Assistance)
■ PBV (Project Based Vouchers)

PHA Size



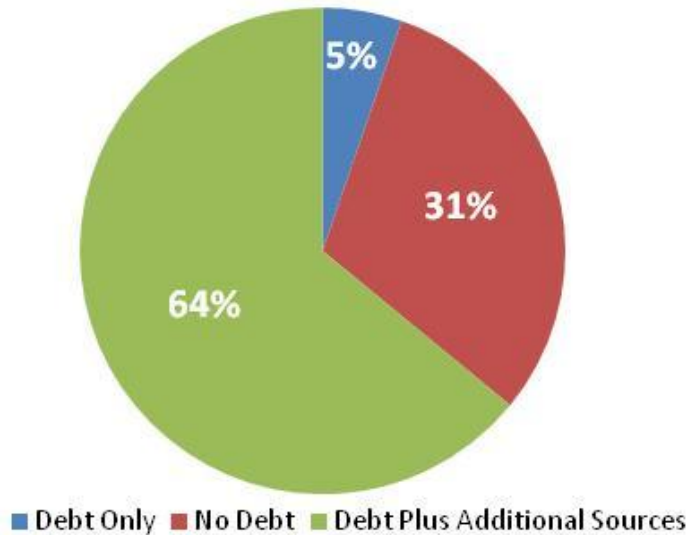
■ Large ■ Medium ■ Small

*Preliminary data subject to change

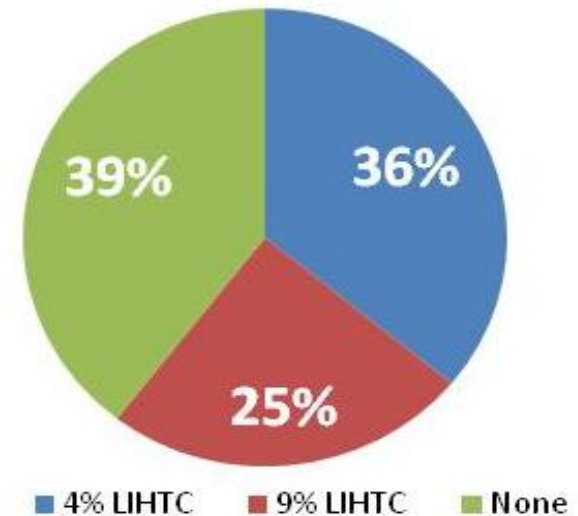
INITIAL APPLICATION PERIOD STATS



Types of Financing



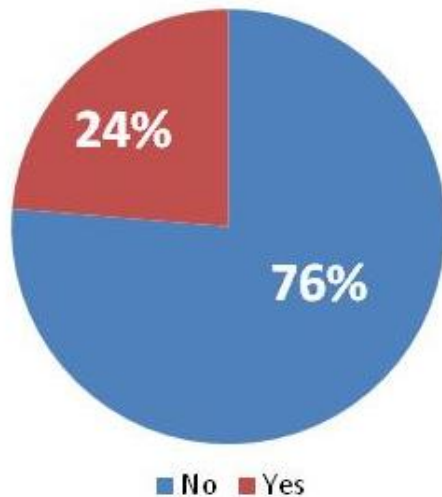
Tax Credits



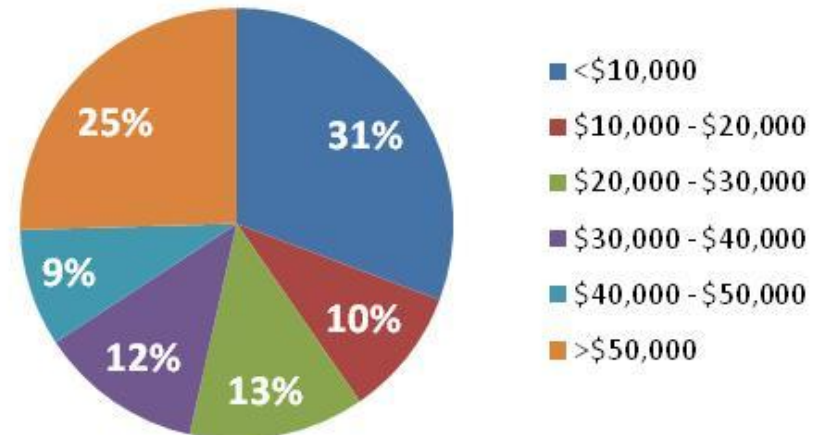
*Preliminary data subject to change

INITIAL APPLICATION PERIOD STATS

New Construction



Amount of Proposed Rehab (PU)



*Preliminary data subject to change



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

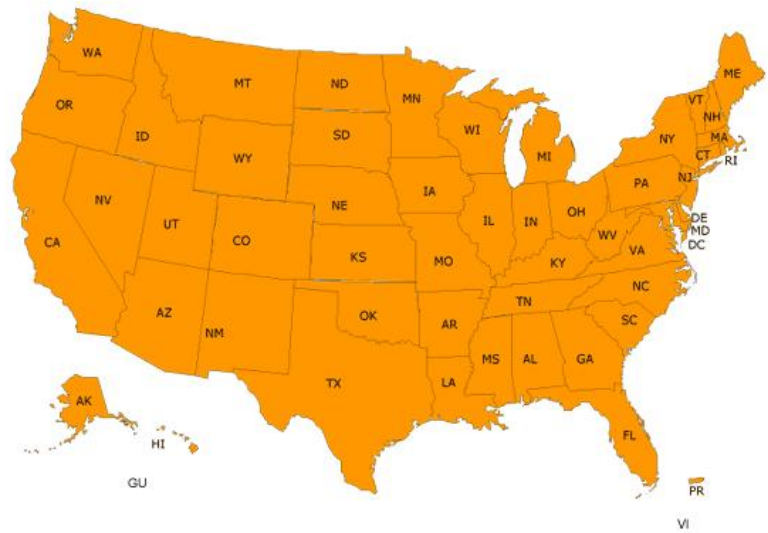
 **HUD.GOV/RAD - Rental Assistance Demonstration**
U.S. Department of Housing and Urban Development
Secretary Shaun Donovan

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, WY, ND, SD, MN, IA, MO, IL, IN, OH, PA, NY, VT, NH, ME, CT, RI, MA, NJ, DE, MD, DC, WV, VA, NC, SC, GA, FL, AL, MS, AR, OK, KS, NE, CO, UT, NV, CA, AZ, NM, TX, LA, TN, KY, and HI. Territories shown include AK, GU, and VI.

CASE STUDY 1: 9% CREDITS



Type of Conversion	Units	Immediate Needs (PU)
PBV (Project Based Vouchers)	172	\$61,164
Financing		
4.00% Interest Rate; 30 years; 1.25 DSCR; non-FHA		
Pro Forma Sources and Uses		
Sources of Funds	Amount	Per Unit
New First Mortgage Loan	\$3,684,989	\$21,424
Public Housing Operating Reserves	\$0	\$0
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%	\$11,413,586	\$66,358
Owner Take-Back Financing	\$4,369,240	\$25,403
Deferred developer fee	\$440,660	\$2,562
Other	\$0	\$0
Total Sources of Funds	\$19,908,476	\$115,747
Uses of Funds	Amount	Per Unit
Acquisition Costs	\$6,184,813	\$35,958
Construction Costs	\$10,520,264	\$61,164
Relocation Costs	\$137,600	\$800
Professional Fees	\$459,514	\$2,672
Loan Fees and Costs	\$719,800	\$4,185
Reserves	\$177,006	\$1,029
Developer Fees	\$1,709,478	\$9,939
Total Uses of Funds	\$19,908,475	\$115,747



CASE STUDY 1: 9% CREDITS



Stabilized Cash Flow Pro Forma

	<i>Total</i>	<i>PUPA</i>
Gross Potential Rents for RAD Units	\$1,124,280	\$6,537
Gross Potential Rents for Other Apartment Units	\$0	\$0
Gross Potential Rents for Commercial	\$0	N/A
Vacancy Loss and Bad Debt Loss	(\$78,700)	(\$458)
Other Income	\$41,000	\$238
Effective Gross Income	\$1,086,580	\$6,317
Total Operating Expenses	(\$712,325)	(\$4,141)
Annual Deposit to Replacement Reserve	(\$60,200)	(\$350)
Net Operating Income	\$314,055	\$1,826
First Mortgage Debt Service	(\$211,112)	(\$1,227)
Operating Cash Flow	\$102,943	\$599

CASE STUDY 2: 4% CREDITS



Type of Conversion	Units	Immediate Needs (PU)
PBV (Project Based Vouchers)	210	\$27,704
Financing		
4.50% Interest; 30 years; 1.20 DSCR; non-FHA		
Pro Forma Sources and Uses		
Sources of Funds	Amount	Per Unit
New First Mortgage Loan	\$4,140,000	\$19,714
Public Housing Operating Reserves	\$0	\$0
Public Housing Capital Funds	\$0	\$0
Replacement Housing Factor	\$0	\$0
Low Income Housing Tax Credit Equity - 4%	\$4,542,854	\$21,633
Low Income Housing Tax Credit Equity - 9%	\$0	\$0
Purchase Money Mortgage	\$7,350,000	\$35,000
Other	\$0	\$0
Total Sources of Funds	\$16,032,854	\$76,347
Uses of Funds	Amount	Per Unit
Acquisition Costs	\$7,350,000	\$35,000
Construction Costs	\$5,817,917	\$27,704
Relocation Costs	\$94,500	\$450
Professional Fees	\$404,012	\$1,924
Loan Fees and Costs	\$442,403	\$2,107
Reserves	\$424,022	\$2,019
Developer Fees	\$1,500,000	\$7,143
Total Uses of Funds	\$16,032,854	\$76,347



CASE STUDY 2: 4% CREDITS



Stabilized Cash Flow Pro Forma		
	<i>Total</i>	<i>PUPA</i>
Gross Potential Rents for RAD Units	\$1,190,088	\$5,667
Gross Potential Rents for Other Apartment Units	\$0	\$0
Gross Potential Rents for Commercial	\$0	N/A
Vacancy Loss and Bad Debt Loss	(\$83,306)	(\$397)
Other Income	\$157,656	\$751
Effective Gross Income	\$1,264,438	\$6,021
Total Operating Expenses	(\$909,919)	(\$4,333)
Annual Deposit to Replacement Reserve	(\$52,000)	(\$248)
Net Operating Income	\$302,519	\$1,441
First Mortgage Debt Service	(\$251,721)	(\$1,199)
Operating Cash Flow	\$50,798	\$242

LIVE Q&A

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