



RENTAL ASSISTANCE DEMONSTRATION

RAD Spotlight on

U.S. Department of Housing and Urban Development

Secretary Julián Castro

RAD Spotlight on: DeKalb County, Georgia Using RAD to Create Diverse Communities



In 2014, the Housing Authority of DeKalb County (HADC) converted its entire portfolio to RAD, including its largest development, Tobie Grant, which originally had 200 units on 55 acres of land. Redevelopment of the Tobie Grant site will be completed in 2016, and will consist of 452 units of mixed-income housing for seniors and families, including an Inter-generational Community Center. The concept also includes 80 for-sale single-family detached homes and 72 townhomes, with potential for retail. The HADC plan involves demolition of the existing housing project (105 buildings), relocation of all residents and redevelopment of the 55 acres to de-concentrate units and rebuild housing throughout DeKalb County into five new construction and one rehabilitated project using RAD's Transfer of Assistance.

By 2013, Tobie Grant Manor, originally built in the late 1960s, was functionally obsolete. Concrete walls, small rooms, and tiny closets made the buildings feel extremely outdated and expensive to maintain. For the agency, converting to RAD was attractive because outside capital could be leveraged to rehab and rebuild their properties, and it provided the long-term financial stability necessary to maintain, preserve, and even add units. In addition to the equity brought in through state tax credits, this project was made feasible from infusions of conventional mortgages and federal HOME funds allocated by the state of Georgia. The conversion will double the number of units at Tobie Grant, and financially position HADC favorably for future redevelopments. Post-conversion, the mixed income project will include one family development and two senior developments in addition to the 80 detached single family homes for sale. There will be 110 RAD units, 46 Project-Based Voucher Units (PBV), 184 Low Income Housing Tax Credit (LIHTC) units, and 40 market rate units.

What is RAD?

The Rental Assistance Demonstration (RAD) allows public housing agencies (PHAs) and owners of HUD-assisted properties to convert units to project-based Section 8 programs, providing an opportunity to invest billions into properties at risk of being lost from the nation's affordable housing inventory. RAD 1st component transactions cover Public Housing units as well as Section 8 Moderate Rehabilitation projects. Units that fall under this component are subject to a unit cap and are limited to current funding. RAD 2nd component transactions cover Rent Supplement (Rent Supp), Rental Assistance Payments (RAP), and Section 8 Moderate Rehabilitation projects. Unlike 1st component transactions, 2nd component transactions are not subject to the cap, but are constrained by the availability of tenant protection vouchers (TPVs). Both components allow housing programs to convert their assistance to long-term, project-based Section 8 contracts, providing a more stable source of funding.

The 1.2 million units in the Public Housing program have a documented capital needs backlog of nearly \$26 billion. As a result, the public housing inventory has been losing an average of 10,000 units annually through demolitions and dispositions. Meanwhile, the 38,000 units assisted under HUD's legacy programs are ineligible to renew their contracts on terms that favor modernization and long-term preservation. The current conditions of many of these properties inhibit investment and recapitalization efforts in the communities with the most need. By drawing on an established industry of lenders, owners and stakeholders, RAD allows PHAs and owners of HUD-assisted housing to preserve and improve affordable housing units that could be subject to vouchers and demolition. RAD creates greater funding certainty while allowing increased operational flexibility to empower PHAs and owners to serve their communities.

As a result of the FY2015 appropriations bill, the Department has the statutory authority to convert up to 185,000 units through RAD's first component, representing a significant increase from the program's initial 60,000 unit cap. The additional authority will widen program participation, enabling more PHAs and HUD-assisted property owners to ensure access to quality, affordable housing for our nation's low-income families.

Resident Engagement

Resident Engagement was key to the success of HADC's conversion. HADC held regular meetings and issued relocation newsletters to keep residents informed of the relocation activities that would be occurring. All tenant notices were hand delivered to the residents' units and redistributed at resident meetings. This ensured that HADC was able to see residents and answer their questions on a regular basis.

With a diverse population of residents, HADC made every effort to accommodate Limited-English-Proficiency (LEP) residents during the process. HADC provided translation services at each resident meeting and personal counseling sessions for residents who spoke Somali, Amharic and associated dialects, and Farsi. HADC also provided sign language interpreters for hearing impaired residents.



Resident Services

Residents were offered a variety of services to prepare them for relocation and to help mitigate the discomfort of being temporarily displaced, by providing relocation counseling services to all residents. Full time staff assisted families in finding comparable replacement homes in areas that met the individual needs of each family. Assistance included helping residents find replacement housing in areas of low poverty with proper schools, hospitals, churches, and bus lines, negotiating with owners/property managers on rents and assistance with completing applications. HADC provided transportation assistance to review potential replacement housing for residents that requested assistance. In addition, meetings on RAD and the relocation process, HADC held trainings for residents on other topics including financial literacy and budgeting, and the Living Well program.

Relocation and Returning Home

All residents of Tobie Grant were provided Section 8 Vouchers to use during temporary relocation during demolition and all residents of Tobie Grant have the right to return when the reconstruction is complete. As the reconstruction is completed, HADC offers the temporarily relocated families a choice between two RAD units upon return. A family can refuse the first RAD unit offered, but must accept the second unit or be removed from the waiting list

according to the HCV administration plan removal policy. The family will not lose its position on the waiting list when refusing the first offer.

Some residents used their Housing Choice Vouchers to port out of state to reunite with family elsewhere, or to move closer to work. While residents utilizing a Housing Choice Voucher will not likely experience an increase in rent, if that should occur, HADC will provide a Replacement Housing Payment (RHP), pursuant to the Uniform Relocation Act (URA). The RHP will cover the amount of the rental increase so that the resident will not experience any additional out of pocket expense above what they were paying as a resident of Tobie Grant.

Residents are already beginning to return as construction is completed. One resident, Sylvia Bates, has lived at Tobie Grant Manor for over 45 years. In March of 2014, she was temporarily relocated using a Housing Choice Voucher. In December of 2014, she moved into her permanent Project Based Voucher (PBV) unit at Columbia Forrest Hills Community. She shared her story:

"I was not excited about the move at first because I really didn't want to move. I raised my children there and it was home to me...I had not moved in a very long time and didn't know what to expect. When the HADC staff took me to see the place where I live now I thought I had died and gone to heaven...I love, love, love my new home. I feel safe and comfortable in my new surroundings. They have so much stuff to do here and I am in walking distance to food, shopping, and the bus, if I need it. I can't wait to start my garden."



"One of the most important things we can do as PHAs and housing developers is to create mixed income communities. It gets rid of the stigma internally and externally of living in public housing. It helps people feel they are part of a community. It's about exposure and access to opportunity."

-Pete Walker, CEO, Housing Authority of DeKalb County