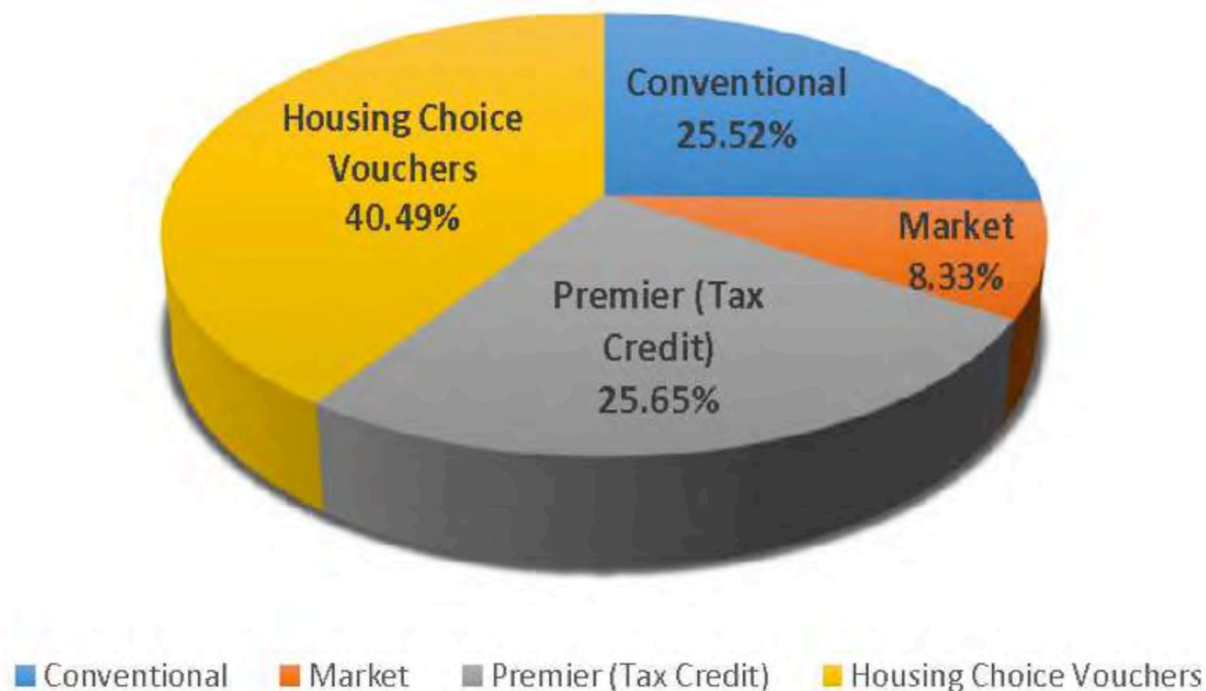


# Our RAD Adventure At The...



# The HATT Portfolio - Pre RAD

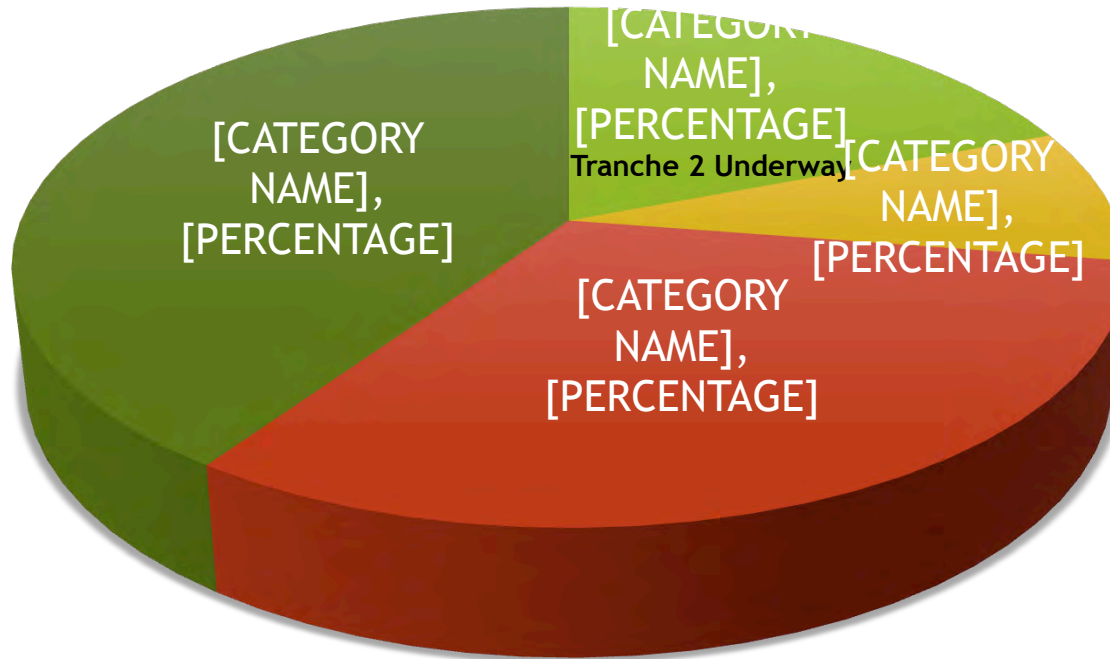
HATT Assets - 1,536 Agency Wide



Asset Type	Units
Conventional (LIPH)	392
Market	128
Premier (Tax Credit)	394
Housing Choice Vouchers	622
Total	1,536

# HATT PORTFOLIO - Tranche 1

## 1,536 APARTMENTS & HOUSES



■ Conventional (LIPH) 
 ■ Market 
 ■ Total LIHTC & RAD 
 ■ Housing Choice Vouchers

Asset Type	Units
Conventional (LIPH)	294
Market	128
Total LIHTC & RAD	492
Housing Choice Vouchers	622
<b>Total</b>	<b>1,536</b>

# Key Considerations for RAD Conversion at the HATT

- ▶ Stability of Subsidies
  - ▶ Public housing operating and capital subsidy continues to decrease while operational and capital needs increase.
- ▶ Property Condition
  - ▶ Our properties need a moderate amount of rehab and we feel that they are best suited for RAD conversion since they can be financed with either just the RAD-supported debt or debt plus 4% LIHTC equity.
- ▶ HATT's Overall Strategic Goals
  - ▶ Reposition HATT from strictly being a PHA to becoming an owner and manager of a range of affordable housing properties to better compete in the market.

# RAD PBRA Versus PBV

- ▶ The HATT administers its own Section 8 program and feels that PBV best fits our situation.
- ▶ The HATT will get to increase the number of vouchers it administers and earn Section 8 administrative fees and help fund central office costs.
- ▶ The HATT will have greater control over administration of the vouchers.
- ▶ Several PBV restrictions are waived under RAD.
- ▶ PBV has been a fairly stable form of subsidy, though not as stable as PBRA

# Self-Development: Advantages & Disadvantages

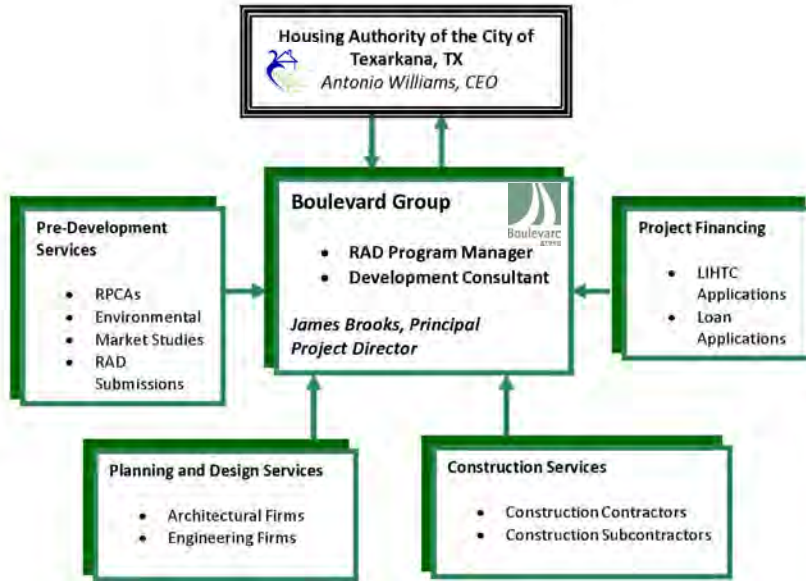
- ▶ **Advantage:** The PHA has control of the entire process
- ▶ **Advantage:** The PHA (or its non-profit development affiliate) will earn 100% of the developer fee
- ▶ **Advantage:** The PHA will hopefully establish a track record for LIHTC, which is important to getting future LIHTC awards
- ▶ **Advantage:** The PHA may position itself to do a wider range of affordable housing development in its community
- ▶ **Disadvantage:** Must fund 100% of predevelopment costs and wait until closing to be reimbursed
- ▶ **Disadvantage:** PHA will bear all development risks and guarantees

# Partner with Developer: Advantages & Disadvantages

- ▶ **Advantage:** Developer Partner takes most of the risk and responsibility
- ▶ **Disadvantage:** Must fund 100% of predevelopment costs and wait until closing to be reimbursed
- ▶ **Disadvantage:** Developer will earn the majority of the development fee and any other fees; PHA may share some of the fee
- ▶ **Disadvantage:** PHA doesn't establish a LIHTC track record as developer

# HATT's RAD Team

## Development Team



## Regulatory: Field Office & Headquarters



## HATT Community & Staff



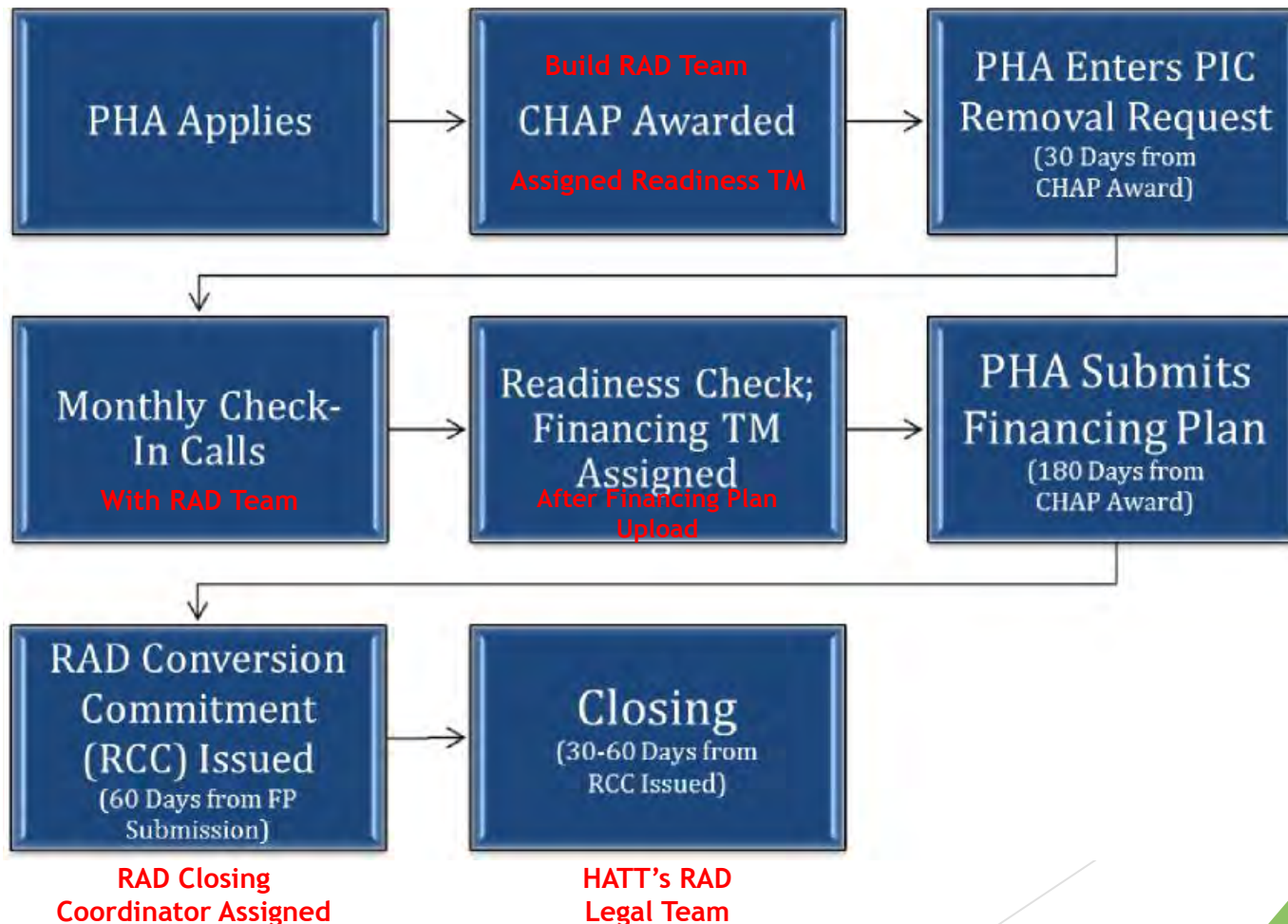
## Legal & Closings

COATS | ROSE

A PROFESSIONAL CORPORATION



# HUD's Standard Conversion Process



# HATT's RAD Pre-Development Procurement Activities

- ▶ RAD Physical Conditions Assessment (RPCA) process
- ▶ Other pre-development processes: including environmental assessments, market studies, survey and title work
- ▶ Design process: including procuring and managing architects and engineers

Readiness Check;  
Financing TM  
Assigned

PHA Submits  
Financing Plan  
(180 Days from  
CHAP Award)

- ▶ Financing process: including negotiating and obtaining financial commitments from lenders and equity investors

Monthly Check-  
In Calls

# Closing Process

RAD Conversion  
Commitment  
(RCC) Issued  
(60 Days from FP  
Submission)

Closing  
(30-60 Days from  
RCC Issued)

# Other Nuggets

- ▶ RAD Rents - Are based on the PIC unit profile. Incorrect designations may adversely affect your RAD Rents.
- ▶ Team Dynamics Are Important
- ▶ Communication is Key
- ▶ PHA Mindset
- ▶ RAD Transaction Managers (TM)
  - ▶ Readiness TM - process all changes in the CHAP as well as any milestone extension requests
  - ▶ Financial TM - review and approve the PHA's Financing Plan (once approved RCC is issued to solidify financing)
  - ▶ RAD Closing Coordinator - Closing Coordinator

Thank You...

Questions???

