

File No. 240424

Committee Item No. _____

Board Item No. 45

COMMITTEE/BOARD OF SUPERVISORS

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Date: _____

Board of Supervisors Meeting

Date: April 30, 2024

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Prepared by: Lisa Lew

Date: April 26, 2024

Prepared by: _____

Date: _____

1 [Supporting United States Senate Bill No. 1218 (Sanders and Ocasio-Cortez) - Green New
2 Deal for Public Housing Act]

3 **Resolution supporting United States Senate Bill No. 1218, introduced by United States**
4 **Senator Bernie Sanders and Representative Alexandria Ocasio-Cortez, to provide**
5 **economic empowerment opportunities in the United States through the modernization**
6 **of public housing.**

7
8 WHEREAS, On March 21, 2024, Senator Bernie Sanders and Representative
9 Alexandria Ocasio-Cortez reintroduced the Green New Deal for Public Housing, United States
10 Senate Bill 1218, to take on the affordable housing crisis and the existential threat of climate
11 change; and

12 WHEREAS, Data for Progress research found that a 10-year mobilization of up to \$172
13 billion would retrofit over 1 million public housing units, create over 240,000 jobs per year, and
14 cut 5.6 million tons of annual carbon emissions; and

15 WHEREAS, It would reduce public housing water bills by up to 30% per year, or \$97
16 million, and reduce public energy bills by up to 70% per year, or \$613 million; and

17 WHEREAS, The legislation would amend the United States Housing Act of 1937 by
18 striking the Faircloth Amendment; and

19 WHEREAS, The Faircloth Amendment capped the number of public housing units
20 Public Housing Authorities can own and operate to the number they had on October 1, 1999;
21 and

22 WHEREAS, On April 2, 2024, the Board of Supervisors unanimously passed
23 Supervisor Preston’s resolution calling for the San Francisco Housing Authority (SFHA) to
24 fully leverage the “Faircloth-to-RAD” option provided by the US Department of Housing and
25

1 Urban Development (“HUD”) to create up to 3,668 new deeply affordable rental units with a
2 permanent federal subsidy in San Francisco; and

3 WHEREAS, San Francisco’s 2022 Housing Element mandated 46,500 units of
4 affordable housing by 2031; and

5 WHEREAS, San Francisco fell short of its affordable housing production goal by 9,000
6 units in the last RHNA cycle; and

7 WHEREAS, This 10-year mobilization would improve the living conditions of nearly two
8 million residents by taking a climate-conscious approach to expand access to public housing;
9 now, therefore, be it

10 RESOLVED, That the San Francisco Board of Supervisors supports United States
11 Senate Bill 1218; and, be it

12 FURTHER RESOLVED, That the San Francisco Board of Supervisors supports United
13 States Senate Bill 1218 and urges its swift passage and implementation to address climate
14 change and invest in public housing in San Francisco and across the nation; and, be it

15 FURTHER RESOLVED That the Clerk of the Board send a copy of this Resolution to
16 United States Senator Padilla, Senator Butler, Senator Sanders, Representative Pelosi, and
17 Representative Ocasio-Cortez.

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118TH CONGRESS
2D SESSION

S. _____

To provide economic empowerment opportunities in the United States through the modernization of public housing, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. SANDERS (for himself, Ms. WARREN, Mr. MARKEY, Mr. WELCH, Mr. MERKLEY, Mr. PADILLA, Mr. BLUMENTHAL, and Mr. BOOKER) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To provide economic empowerment opportunities in the United States through the modernization of public housing, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Green New Deal for
5 Public Housing Act”.

6 **SEC. 2. PURPOSES.**

7 The purpose of this Act is—

8 (1) to stimulate, gather, and develop the work-
9 force capacity, tools, financing, and materials needed

1 to rehabilitate, upgrade, modernize, maintain, staff,
2 and transition public housing;

3 (2) to rehabilitate and preserve public housing
4 that is severely distressed and causing residents to
5 be exposed to unhealthy and unsafe environments;

6 (3) to upgrade and equip all public housing
7 with cutting-edge materials, infrastructure, and all-
8 electric appliances made in the United States in
9 order to improve energy efficiency, water quality,
10 and material living standards in public housing and
11 to support United States manufacturing;

12 (4) to ensure that public housing laws maximize
13 tenant participation and management by low- and
14 very low-income individuals in the rehabilitation, up-
15 grade, and transition of public housing through edu-
16 cation, training, and jobs; and

17 (5) to modernize the entire public housing stock
18 of the United States, as swiftly and seamlessly as
19 possible, into highly energy-efficient homes that
20 produce on-site, or procure, enough carbon-free re-
21 newable energy to meet total energy consumption
22 annually.

23 **SEC. 3. DEFINITIONS.**

24 In this Act:

1 (1) ELIGIBLE ENTITY.—The term “eligible enti-
2 ty” means—

3 (A) a public housing agency;

4 (B) an Indian tribe or a tribally designated
5 housing entity that is eligible to receive assist-
6 ance under the Native American Housing As-
7 sistance and Self-Determination Act of 1996
8 (25 U.S.C. 4101 et seq.); and

9 (C) the Department of Hawaiian Home
10 Lands, as defined in section 801 of the Native
11 American Housing Assistance and Self-Deter-
12 mination Act of 1996 (25 U.S.C. 4221).

13 (2) ENVIRONMENTAL JUSTICE COMMUNITY.—
14 The term “environmental justice community” means
15 a community with significant representation of com-
16 munities of color, low-income communities, or Tribal
17 and indigenous communities, that experiences, or is
18 at risk of experiencing, higher or more adverse
19 human health or environmental effects.

20 (3) INDIAN TRIBE; TRIBALLY DESIGNATED
21 HOUSING ENTITY.—The terms “Indian tribe” and
22 “tribally designated housing entity” have the mean-
23 ings given those terms in section 4 of the Native
24 American Housing Assistance and Self-Determina-
25 tion Act of 1996 (25 U.S.C. 4103).

1 (4) PUBLIC HOUSING.—The term “public hous-
2 ing”—

3 (A) has the meaning given the term in sec-
4 tion 3(b) of the United States Housing Act of
5 1937 (42 U.S.C. 1437a(b)); and

6 (B) includes—

7 (i) any dwelling unit owned by an In-
8 dian tribe that is or was a dwelling unit in
9 public housing;

10 (ii) any low-income housing dwelling
11 unit described in section 302(b)(1) of the
12 Native American Housing Assistance and
13 Self-Determination Act of 1996 (25 U.S.C.
14 4152(b)(1));

15 (iii) any dwelling unit assisted under
16 section 802 of the Native American Hous-
17 ing Assistance and Self-Determination Act
18 of 1996 (25 U.S.C. 4222); and

19 (iv) any dwelling unit that—

20 (I) was a low-income housing
21 dwelling unit described in section
22 302(b)(1) of the Native American
23 Housing Assistance and Self-Deter-
24 mination Act of 1996 (25 U.S.C.
25 4152(b)(1)); and

1 (II) is rented only to households
2 with an income that is not more than
3 80 percent of the area median income.

4 (5) PUBLIC HOUSING AGENCY.—The term
5 “public housing agency” has the meaning given the
6 term in section 3(b) of the United States Housing
7 Act of 1937 (42 U.S.C. 1437a(b)).

8 (6) RENEWABLE ENERGY.—The term “renew-
9 able energy” means—

10 (A) utility-, community-, and small-scale
11 photovoltaic and thermal solar energy;

12 (B) utility- and small-scale wind energy;

13 (C) geothermal energy;

14 (D) microturbine hydroelectricity;

15 (E) energy efficiency;

16 (F) building electrification;

17 (G) energy storage;

18 (H) microgrids; and

19 (I) modern distribution grid infrastructure.

20 (7) SECRETARY.—The term “Secretary” means
21 the Secretary of Housing and Urban Development.

22 (8) SUBSIDIZED HOUSING RESIDENT-OWNED
23 BUSINESS.—The term “subsidized housing resident-
24 owned business” means a business concern that—

1 (A) provides economic opportunities, as de-
2 fined in section 3(e) of the Housing and Urban
3 Development Act of 1968 (12 U.S.C.
4 1701u(e)); and

5 (B) is owned by subsidized housing resi-
6 dents.

7 (9) ZERO-CARBON HOME.—The term “zero-car-
8 bon home” means a highly energy-efficient home
9 that produces on-site, or procures, enough carbon-
10 free renewable energy to meet the total annual en-
11 ergy consumption of the home.

12 **SEC. 4. CONGRESSIONAL FINDINGS AND SENSE OF CON-**
13 **GRESS FOR IMPROVED ARCHITECTURAL DE-**
14 **SIGN IN GOVERNMENT HOUSING PROGRAMS.**

15 Section 4 of the Housing and Urban Development
16 Act of 1968 (12 U.S.C. 1701v) is amended to read as fol-
17 lows:

18 **“SEC. 4. IMPROVED ARCHITECTURAL DESIGN IN GOVERN-**
19 **MENT HOUSING PROGRAMS.**

20 “(a) FINDINGS.—Congress finds that—

21 “(1) if Federal aid is to make its full commu-
22 nity-wide contribution toward improving our urban
23 and rural environments, Federal aid must have a
24 greater impact on improvements in architectural de-
25 sign; and

1 “(2) even within the necessary budget limita-
2 tions on housing for low- and moderate-income fami-
3 lies, architectural design and environmental perform-
4 ance can be improved not only to make the housing
5 more livable, but also to better suit the needs of oc-
6 cupants including human and environmental health,
7 zero carbon emissions, well-being, accessibility, and
8 equity.

9 “(b) SENSE OF CONGRESS.—It is the sense of Con-
10 gress that in the administration of housing programs that
11 assist in the provision of housing for low- and moderate-
12 income families, emphasis should be given to—

13 “(1) encouraging good architectural design that
14 yields maximal environmental performance and ad-
15 heres to accessibility guidelines established in ac-
16 cordance with the Americans With Disabilities Act
17 of 1990 (42 U.S.C. 12101 et seq.) as an essential
18 component of such housing, and adequate staffing to
19 maintain that design and environmental perform-
20 ance; and

21 “(2) developing, with opportunities for resident
22 involvement, housing that will be of such quality as
23 to reflect the highest international architectural
24 standards and the architectural standards of the

1 neighborhood and the community in which it is situ-
2 ated, consistent with prudent budgeting.”.

3 **SEC. 5. DECLARATION OF POLICY.**

4 Section 2(a) of the United States Housing Act of
5 1937 (42 U.S.C. 1437(a)) is amended to read as follows:

6 “(a) DECLARATION OF POLICY.—It is the policy of
7 the United States—

8 “(1) to modernize the intersections of Federal
9 and local government by employing the funds and
10 credit of the United States, as provided in this
11 Act—

12 “(A) to guarantee the right to housing for
13 every individual;

14 “(B) to assist States and political subdivi-
15 sions of States in ensuring that—

16 “(i) all housing in the United States
17 is habitable, highly energy-efficient, and
18 safe; and

19 “(ii) housing conditions lead to good
20 health, security, and adequate protection
21 from the economic fears relating to old
22 age, disability, sickness, accident, and un-
23 employment; and

1 “(C) to protect, maintain, preserve, and
2 expand public housing as a sustainable safety
3 net for all people;

4 “(2) that it is the responsibility of the Federal
5 Government, in conjunction with public housing
6 agencies, to incentivize, promote, and protect the
7 independent, collaborative, and collective actions of
8 public housing residents and other private citizens to
9 develop housing in a manner that strengthens entire
10 neighborhoods; and

11 “(3) that the Federal Government should act
12 and create new public housing where there is a seri-
13 ous need that the free market cannot address or is
14 not addressing responsibly and support the staffing
15 needed to maintain and sustain the quality of this
16 public housing.”.

17 **SEC. 6. GREEN NEW DEAL PUBLIC HOUSING GRANTS.**

18 (a) ESTABLISHMENT OF GRANT PROGRAMS.—

19 (1) GRANTS FOR PUBLIC HOUSING COMMUNITY
20 WORKFORCE DEVELOPMENT.—

21 (A) IN GENERAL.—The Secretary, in con-
22 sultation with the Secretary of Labor, shall es-
23 tablish a grant program that provides amounts
24 to eligible entities to facilitate workforce devel-

1 opment projects and high-income employment
2 transition at public housing.

3 (B) PREFERENCE.—In awarding grants
4 under this paragraph, the Secretary shall give
5 preference to applications submitted by—

6 (i) eligible entities described in sub-
7 paragraph (B) or (C) of section 3(1);

8 (ii) eligible entities that have formed
9 partnerships with an existing registered
10 apprenticeship, pre-apprenticeship, intern-
11 ship, vocational rehabilitation agency, labor-
12 management partnership, or other partner-
13 ships with labor organizations;

14 (iii) eligible entities that demonstrate
15 a capacity to facilitate a workforce develop-
16 ment program that leads to—

17 (I) the development of career and
18 related skills, including general edu-
19 cational development support and fi-
20 nancial and economic empowerment
21 education;

22 (II) direct entry to registered ap-
23 prenticeship programs;

24 (III) certification or associate de-
25 gree acquisition;

1 (IV) technical assistance and re-
2 sources for subsidized housing resi-
3 dent-owned businesses for purposes of
4 compliance with the requirements
5 under section 3 of the Housing and
6 Urban Development Act of 1968 (12
7 U.S.C. 1701u), including—

8 (aa) legal or compliance
9 services on behalf of subsidized
10 housing resident-owned busi-
11 nesses for purposes of helping
12 them access and apply for gov-
13 ernment procurement and con-
14 tracting opportunities;

15 (bb) education on starting
16 and sustaining a business;

17 (cc) accessing insurance and
18 bonds; and

19 (dd) demonstrating capacity
20 and sustainable operations;

21 (V) training and development of
22 skills necessary for career develop-
23 ment in the fields, trades, and services
24 reasonably determined during the first
25 public comment period held in accord-

1 ganizing with public housing resi-
2 dents;

3 (VIII) innovative design partner-
4 ships with local schools and architec-
5 tural firms;

6 (IX) training and employment
7 opportunities reserved specifically for
8 local low- and very low-income people
9 that were formerly incarcerated;

10 (X) stipends valued at not less
11 than \$250 per week to individuals
12 participating in the workforce develop-
13 ment program; and

14 (XI) childcare and financial lit-
15 eracy courses for individuals partici-
16 pating in the workforce development
17 program; and

18 (iv) eligible entities in the construc-
19 tion or maintenance sector seeking to carry
20 out a project to develop pre-apprentice-
21 ships that prepare individuals for accept-
22 ance into registered programs in that sec-
23 tor, as well as technical and vocational col-
24 leges.

1 (C) COMPLIANCE MANAGERS.—Not more
2 than 10 percent of the amount of a grant re-
3 ceived by an eligible entity under this para-
4 graph may be used by an eligible entity to hire
5 or otherwise retain reporting and compliance
6 managers with sufficient expertise to ensure
7 that the eligible entity can comply with the re-
8 quirements of section 3 of the Housing and
9 Urban Development Act of 1968 (12 U.S.C.
10 1701u).

11 (D) ADDITIONAL ELIGIBLE ENTITIES.—In
12 addition to the eligible entities described in sec-
13 tion 3(1), the following shall be eligible for
14 grants under this paragraph:

15 (i) An organization that has dem-
16 onstrated effectiveness in providing adult
17 education and literacy activities, which
18 may include—

19 (I) a local educational agency;

20 (II) a community-based organiza-
21 tion or faith-based organization;

22 (III) a volunteer literacy organi-
23 zation;

24 (IV) an institution of higher edu-
25 cation, as defined in section 101 of

1 the Higher Education Act of 1965 (20
2 U.S.C. 1001);

3 (V) a public or private nonprofit
4 agency;

5 (VI) a library;

6 (VII) a public housing authority;

7 (VIII) a nonprofit institution
8 that is not described in any of sub-
9 clauses (I) through (VII) and has the
10 ability to provide adult education and
11 literacy activities to eligible individ-
12 uals;

13 (IX) a consortium or coalition of
14 the agencies, organizations, institu-
15 tions, libraries, or authorities de-
16 scribed in any of subclauses (I)
17 through (VII); and

18 (X) a partnership between an
19 employer and an entity described in
20 any of subclauses (I) through (VIII).

21 (ii) Labor organizations.

22 (iii) Nonprofit organizations.

23 (E) PARTNERSHIP WITH DEPARTMENT OF
24 LABOR.—The Secretary shall partner with the

1 Secretary of Labor to develop all grants in this
2 section, in particular—

3 (i) gathering expertise and providing
4 guidance on worker training funds; and

5 (ii) ensuring that work requirements
6 do not become a condition of accessing
7 public housing.

8 (2) GREEN NEW DEAL FOR PUBLIC HOUSING
9 GRANTS.—

10 (A) ESTABLISHMENT.—The Secretary
11 shall establish a grant program that provides
12 amounts to eligible entities for the eligible ac-
13 tivities described in subparagraph (B).

14 (B) ELIGIBLE ACTIVITIES.—The eligible
15 activities described in this subparagraph are—

16 (i) conducting physical needs assess-
17 ments and subsequent deep energy retro-
18 fits in public housing, including—

19 (I) retrofits for—

20 (aa) energy-efficient win-
21 dows;

22 (bb) super insulation of
23 roofs and exterior walls, includ-
24 ing the addition of new cladding

1 to buildings and the rerouting of
2 plumbing and electricity;

3 (cc) electrification of water
4 heating and building heating sys-
5 tems using electric heat pumps;
6 and

7 (dd) electric heat pumps to
8 provide air conditioning, where
9 feasible;

10 (II) strategies to increase
11 airtightness of building envelope, in-
12 cluding air sealant paints; and

13 (III) acquisition and installation
14 of heat-recovery ventilation systems;

15 (ii) repairs and upgrades to public
16 housing to ensure compliance with the
17 physical condition standards under section
18 5.703 of title 24, Code of Federal Regula-
19 tions, or any successor regulation;

20 (iii) upgrading, replacing, and improv-
21 ing public housing to energy efficiency,
22 building electrification, including—

23 (I) conducting physical needs as-
24 sessments of public housing dwelling
25 units;

- 1 (II) in-unit energy efficiency
2 product upgrades, including upgrad-
3 ing to—
- 4 (aa) modern, energy-efficient
5 insulation;
 - 6 (bb) all-electric state-of-the-
7 art efficient appliances;
 - 8 (cc) energy-efficient bath-
9 room plumbing, including low-
10 flow toilets;
 - 11 (dd) energy-efficient laundry
12 machines;
 - 13 (ee) energy-efficient air fil-
14 ters;
 - 15 (ff) energy monitoring de-
16 vices including smart meters and
17 smart thermostats;
 - 18 (gg) energy-efficient
19 lightbulbs;
 - 20 (hh) highly insulated win-
21 dows;
 - 22 (ii) reflective roofing;
 - 23 (jj) smart Supervisory Con-
24 trol and Data Acquisition sys-

1 tems and building-to-grid inte-
2 gration; and

3 (kk) passive cooling meas-
4 ures;

5 (III) upgrading infrastructure re-
6 lated to building electrification, in-
7 cluding upgrading—

8 (aa) electric heating, ventila-
9 tion, and air conditioning sys-
10 tems, including cold-climate heat
11 pumps;

12 (bb) electrical panels;

13 (cc) electric appliances to re-
14 place appliances reliant on fossil
15 fuels, such as gas stoves and hot
16 water heaters; and

17 (dd) related infrastructure,
18 including flooring, walls, and
19 roofs, that is necessary to com-
20 plete before electrification up-
21 grades can occur; and

22 (IV) water quality upgrades, in-
23 cluding replacing water pipes in public
24 housing if a quality test of drinking

1 water concentrations in public housing
2 exceeds—

3 (aa) 1 part per billion of
4 lead;

5 (bb) 4.0 parts per trillion of
6 perfluorooctanoic acid;

7 (cc) 4.0 parts per trillion of
8 perfluorooctane sulfonate;

9 (dd) a combined Hazard
10 Index of 1.0, as described in the
11 proposed rule of the Environ-
12 mental Protection Agency enti-
13 tled, “Per- and polyfluroalkyl
14 substances (PFAS):
15 Perflurooctanoic acid (PFOA)
16 and Perflurooctanesulfonic acid
17 (PFOS) National Primary Drink-
18 ing Water Regulation Rule-
19 making” (88 Fed. Reg. 18638;
20 March 29, 2023);

21 (ee) 4.0 parts per trillion of
22 arsenic;

23 (ff) 0.3 parts per million of
24 copper;

1 (gg) drinking water stand-
2 ards of the Environmental Pro-
3 tection Agency for organic and
4 inorganic contaminants, radio-
5 nuclides, and microbiological con-
6 taminants; and

7 (hh) any other Environ-
8 mental Protection Agency stand-
9 ard adopted under the Safe
10 Drinking Water Act (42 U.S.C.
11 300f et seq.);

12 (iv) building, expanding, and main-
13 taining community energy generation in
14 public housing, including the construction
15 of and ongoing costs associated with—

16 (I) renewable energy rooftops;
17 (II) renewable energy generation;
18 (III) photovoltaic glass windows;
19 (IV) the bulk purchase of clean
20 energy grid supply from energy utili-
21 ties; and

22 (V) community-scale energy stor-
23 age systems;

24 (v) establishing or expanding recycling
25 and zero-waste programs in public housing,

1 including the recycling of appliances and
2 machines that were replaced through ac-
3 tivities described in clause (iii);

4 (vi) community resilience and sustain-
5 ability projects in public housing, includ-
6 ing—

7 (I) the purchase and installation
8 of energy storage, including batteries,
9 flywheels, compressed air, and
10 pumped hydroelectric or thermal en-
11 ergy storage, in order to ensure en-
12 ergy backup of not less than 48 hours
13 in the event of an emergency or dis-
14 aster;

15 (II) the construction of childcare
16 centers and ongoing costs associated
17 with childcare centers;

18 (III) the construction of senior
19 centers and ongoing costs associated
20 with senior centers;

21 (IV) the construction of commu-
22 nity gardens and ongoing costs associ-
23 ated with community gardens;

24 (V) the maintenance of entire
25 public housing developments;

1 (VI) the installation of publicly
2 owned high speed internet in order to
3 provide universal internet access for
4 all residents with an upload speed of
5 not less than 100Mbps and a
6 download speed of not less than
7 100Mbps, and the ongoing costs asso-
8 ciated with providing that internet in-
9 frastructure and access;

10 (VII) the establishment or im-
11 provement, and painting, of commu-
12 nity centers and other shared commu-
13 nity spaces, the personnel of which
14 shall earn the higher of—

15 (aa) the local prevailing
16 wage; or

17 (bb) a wage of \$17 per hour;

18 (VIII) the establishment or im-
19 provement of dedicated infrastructure
20 for transportation by bicycle, includ-
21 ing lanes, parking spots, and the bulk
22 purchase of enough bicycles to offer 1
23 bicycle to every low- and very low-in-
24 come public housing resident;

1 (IX) the deployment of electric
2 vehicle charging infrastructure for
3 public housing residents and visitors;
4 and

5 (X) the establishment and leasing
6 of commercial activity that offers pub-
7 lic housing residents on-site access to
8 goods and services, including good-
9 quality healthcare clinics, dental clin-
10 ics, bookstores, learning and tutoring
11 centers, and affordable organic gro-
12 ceries; and

13 (vii) construction and ongoing costs
14 associated with climate adaptation and
15 emergency disaster response for public
16 housing, including—

17 (I) integrated solutions that com-
18 bine better walls, heating, cooling,
19 ventilation, solar, and storage into a
20 single easy-to-install and affordable
21 retrofit for public housing;

22 (II) additional solar and storage
23 on site, or through a local community
24 microgrid, in order to allow residents

1 to access essential energy during
2 power outages;

3 (III) insulating and eliminating
4 air leakage in order to ensure that in-
5 dividual dwelling units can retain a
6 safe temperature during a power out-
7 age until power is restored or emer-
8 gency assistance arrives; and

9 (IV) installing rigid foam wall in-
10 sulation in hurricane and earthquake-
11 prone areas in order to create shear
12 walls to resist structural damage from
13 walls tilting or falling during high
14 winds and earthquakes.

15 (b) GRANT APPLICATION.—

16 (1) REQUIRED CONTENTS.—As a condition of
17 receiving a grant under subsection (a), each eligible
18 entity shall include in the grant application sub-
19 mitted to the Secretary—

20 (A) a signed acknowledgment indicating a
21 commitment to transition all public housing
22 owned or managed by the eligible entity into
23 zero-carbon homes not later than 10 years after
24 the date on which the eligible entity receives the
25 grant;

1 (B) a signed acknowledgment indicating a
2 commitment to hiring, training, and retaining
3 needed public housing agency employees associ-
4 ated with the activities of the grant;

5 (C) a full accounting, including pre-ap-
6 proved financing plans and post-completion ex-
7 pense reports, of the amount of funds required
8 to complete the activities under the grant,
9 under enforcement by the Secretary, which
10 shall—

11 (i) be complete and reasonably cal-
12 culated to accomplish the purposes of this
13 Act;

14 (ii) include costs related to complying
15 with local wage and labor laws;

16 (iii) include the amount of funds ex-
17 pended by the eligible entity to comply
18 with the resident and community engage-
19 ment requirements under paragraph (3);
20 and

21 (iv) be updated and submitted to Con-
22 gress on a quarterly basis; and

23 (v) include a 10-year decarbonization
24 plan meeting decarbonization requirements
25 determined by the Secretary;

1 (D) a community impact assessment and
2 analysis of—

3 (i) the likely direct and indirect im-
4 pact the grant funds, if awarded, will have
5 on the economic empowerment and social
6 mobility of environmental justice commu-
7 nities; and

8 (ii) whether the proposed actions to be
9 taken under the grant would be affirma-
10 tively furthering fair housing, as defined in
11 section 5.152 of title 24, Code of Federal
12 Regulations, or any successor regulation;

13 (E) the written concurrence of any local
14 labor organization representing employees of
15 the eligible entity who are engaged in the same
16 or substantially similar work that is proposed to
17 be carried out does not displace or supplant the
18 work performed by those represented employ-
19 ees;

20 (F) a certification that none of the funds
21 under the grant shall be used for prohibited
22 purposes, including—

23 (i) any activity that is subject to the
24 reporting requirements set forth in section
25 203(a) of the Labor-Management Report-

1 ing and Disclosure Act of 1959 (29 U.S.C.
2 433(a));

3 (ii) to abrogate a collective bargaining
4 agreement; or

5 (iii) to replace an employee who is on
6 strike or who is being locked out; and

7 (G) a plan to expand accessibility for per-
8 sons with disabilities to full compliance with the
9 Americans with Disabilities Act of 1990 (42
10 U.S.C. 12101 et seq.) and that all projects shall
11 at least meet the new construction standards of
12 title II of the Americans with Disabilities Act of
13 1990 (42 U.S.C. 12131 et seq.).

14 (2) RESIDENT AND COMMUNITY ENGAGEMENT
15 BEFORE SUBMITTING APPLICATION.—Before submit-
16 ting an application for a grant under this subsection,
17 an eligible entity shall—

18 (A) solicit and consider community and
19 public feedback, to the maximum extent pos-
20 sible, by providing for opportunities to comment
21 via an in-person accessible location with inter-
22 pretation available, as well as via a cloud-based
23 content collaboration provider that is certified
24 by the Federal Risk and Authorization Manage-
25 ment Program, and that comply with the most

1 recent final version of the Web Content Accessi-
2 bility Guidelines, through—

3 (i) an initial public comment period,
4 for which the eligible entity shall—

5 (I) publish—

6 (aa) a description of each of
7 the grant programs established
8 under subsection (a); and

9 (bb) a form to be used to
10 submit comments that complies
11 with public notice standards and
12 the public comment requirements
13 in the consolidated plan of the
14 Department of Housing and
15 Urban Development; and

16 (II) give interested persons 90
17 days to—

18 (aa) submit draft text di-
19 rectly into the application;

20 (bb) submit written data
21 and accounting estimates; and

22 (cc) submit general com-
23 ments;

24 (ii) a second public comment period
25 beginning not later than 30 days after the

1 end of the initial public comment period
2 under clause (i), for which the eligible enti-
3 ty shall—

4 (I) publish a draft version of the
5 completed common application form
6 described in subsection (a) that con-
7 tains, at a minimum—

8 (aa) a short analysis and
9 evaluation of the relevant signifi-
10 cant proposals set forth during
11 the initial public comment period;
12 and

13 (bb) a clear and concise
14 statement of the basis, purpose,
15 and goals of the application; and

16 (II) give interested persons 30
17 days to submit feedback on and rec-
18 ommended improvements to the draft
19 final grant application;

20 (B) host not less than 2 public hearings,
21 which shall be recorded and held at a conven-
22 ient and accessible location with interpretation
23 available for public housing residents, for each
24 public comment period described in subpara-
25 graph (A), to provide public housing residents

1 with an opportunity to comment, with not less
2 than 1 occurring in the afternoon and not less
3 than 1 occurring in the evening;

4 (C) solicit input and acquire signed ap-
5 proval of the completed common application
6 form from the resident council or resident coun-
7 cils, if existing and active, of the public housing
8 that will receive assistance under the grant; and

9 (D) solicit input and acquire signed ap-
10 proval of the complete common application from
11 any local labor organization representing em-
12 ployees of the eligible entity that will receive as-
13 sistance under the grant, to ensure compliance
14 with existing collective bargaining agreement
15 and to ensure that grants funds will not be
16 used to displace or supplant existing staff, posi-
17 tions, or vacancies.

18 (3) PRIORITY AMONG APPLICATIONS FOR COM-
19 MUNITY ENERGY GENERATION.—In reviewing appli-
20 cations for grants to carry out activities described in
21 subsection (a)(2)(B)(iv), the Secretary shall give
22 preference to applications submitted by eligible enti-
23 ties that—

24 (A) demonstrate an ability to generate the
25 greatest amount of renewable energy that can

1 be consumed by public housing projects and
2 transferred to the local energy grid; and

3 (B) demonstrate a commitment to provide
4 job training and contracting opportunities to
5 public housing residents and subsidized housing
6 resident-owned businesses.

7 (4) EXCEPTIONS FOR INDIGENOUS GROUPS AND
8 TRIBES.—

9 (A) IN GENERAL.—Any eligible entity de-
10 scribed in section 3(2) that submits an applica-
11 tion for a grant program described in this sub-
12 section—

13 (i) is exempt from compliance with
14 subclauses (I), (II), and (III) of paragraph
15 (2)(A)(i) and paragraph (2)(A)(ii)(I); and

16 (ii) is empowered to self-determine
17 guidelines and standards pertaining to en-
18 suring community and resident engage-
19 ment.

20 (B) SUBMISSION BY TRIBALLY DES-
21 IGNATED HOUSING ENTITIES.—An application
22 for a grant under subsection (a) for an Indian
23 tribe may be prepared and submitted on behalf
24 of the Indian tribe by the tribally designated
25 housing entity for the Indian tribe, if the appli-

1 cation contains a certification by the recognized
2 tribal government of the grant beneficiary that
3 the Indian tribe—

4 (i) has had an opportunity to review
5 the application and has authorized the sub-
6 mission of the application by the tribally
7 designated housing entity; or

8 (ii) has delegated to the tribally des-
9 ignated housing entity the authority to
10 submit an application on behalf of the In-
11 dian tribe without prior review by the In-
12 dian tribe.

13 (5) BENCHMARKING ENERGY AND WATER CON-
14 SUMPTION.—An eligible entity desiring a grant to
15 carry out activities described in subsection
16 (a)(2)(B)(ii) shall include in the grant application a
17 commitment to benchmarking energy and water con-
18 sumption using ENERGY STAR Portfolio Manager,
19 or another system approved by the Department of
20 Housing and Urban Development, for a period of
21 not less than 5 years beginning on the date on which
22 the eligible entity receives the grant.

23 (c) SELECTION OF GRANT RECIPIENTS.—

24 (1) IN GENERAL.—If an eligible entity submits
25 to the Secretary an application for a grant under

1 subsection (a) that complies with the requirements
2 under subsection (b), the Secretary shall award the
3 funds to the eligible entity that are required to com-
4 plete the grant, as specified in the accounting sub-
5 mitted under subsection (b)(2)(C).

6 (2) REAPPLICATION.—If the Secretary deter-
7 mines that an application submitted by an eligible
8 entity under this section does not comply with the
9 requirements under subsection (b)—

10 (A) the Secretary shall provide to the eligi-
11 ble entity a summary of the requirements that
12 the eligible entity has failed to meet; and

13 (B) the eligible entity may reapply for the
14 grant.

15 (3) EXPEDITED REVIEW.—The Secretary shall
16 ensure a timely review of applications submitted by
17 eligible entities that own or manage public housing
18 in a congressional district—

19 (A) with an aggregate total of not less
20 than 5,000 public housing residents;

21 (B) in which—

22 (i) not less than 40 percent of the
23 residents are not less than 62 years old;

24 (ii) not less than 25 percent of the
25 residents are disabled; or

1 (iii) not less than 5 percent of all
2 heads of household are not more than 24
3 years old; or

4 (C) with an average household income of
5 less than \$40,000.

6 (d) USE OF GRANT AMOUNTS FOR CAPACITY BUILD-
7 ING.—An eligible entity shall use not more than 5 percent
8 of grant funds received under this section for activities to
9 expand the capacity of the eligible entity to carry out the
10 grant activities, including—

- 11 (1) hiring staff;
- 12 (2) training residents for staff positions;
- 13 (3) providing technical assistance;
- 14 (4) community engagement; and
- 15 (5) other necessary administrative activities.

16 (e) RESIDENT PROTECTION.—Each eligible entity
17 that is the recipient of a grant under subsection (a)
18 shall—

- 19 (1) comply with the requirements under part 24
20 of title 49, Code of Federal Regulations, and provide
21 relocation assistance for any and all residents of
22 public housing managed by the eligible entity who
23 may be displaced during rehabilitation or new con-
24 struction, and ensure that all temporarily displaced

1 residents can return to their homes once retrofitting
2 is completed;

3 (2) provide robust temporary relocation assist-
4 ance and alternate housing options in cases where
5 phased improvements temporarily prevent tenant oc-
6 cupancy;

7 (3) ensure that activities undertaken as part of
8 the grant do not result in a reduction of total public
9 housing dwelling units; and

10 (4) to the greatest extent practicable, complete
11 construction, modernization, or retrofitting of re-
12 placement dwellings prior to demolishing existing
13 public housing units.

14 (f) PROFITS RELATED TO COMMUNITY ENERGY
15 GENERATION.—

16 (1) IN GENERAL.—With respect to any energy
17 produced by an eligible entity carrying out activities
18 described in subsection (a)(2)(B)(iii), the eligible en-
19 tity may retain 90 percent of any profits earned
20 from selling the energy.

21 (2) VOTE.—An eligible entity described para-
22 graph (1) with not less than 50 public housing
23 dwelling units shall provide residents of the public
24 housing the opportunity to vote on how the profits
25 earned under paragraph (1) shall be used.

1 (3) OTHER REVENUE.—Any profits not re-
2 tained under this subsection shall be transferred to
3 the Department of the Treasury for deposit in the
4 General Fund.

5 (g) LABOR AND BUY AMERICAN PROVISIONS.—

6 (1) IN GENERAL.—In carrying out grant activi-
7 ties under this section, each contractor or subcon-
8 tractor for a project funded under this section shall
9 carry out the following:

10 (A) Ensure that the materials used by the
11 contractor or subcontractor are substantially
12 manufactured, mined, and produced in the
13 United States in accordance with chapter 83 of
14 title 41, United States Code (commonly known
15 as the “Buy American Act”).

16 (B) Ensure that all laborers and mechan-
17 ics employed by the contractor or subcontractor
18 in the performance of construction, alteration,
19 or repair work financed in whole or in part with
20 assistance under this section shall be paid
21 wages at rates not less than those prevailing on
22 similar construction in the locality, as deter-
23 mined by the Secretary of Labor, in accordance
24 with subchapter IV of chapter 31 of title 40,
25 United States Code (commonly known as the

1 “Davis-Bacon Act”). With respect to the labor
2 standards in this subparagraph, the Secretary
3 of Labor shall have the authority and functions
4 set forth in Reorganization Plan Numbered 14
5 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and
6 section 3145 of title 40, United States Code.

7 (C) With respect to a project that costs
8 not less than \$25,000,000, consent to a project
9 labor agreement.

10 (D) Require each project labor agreement
11 to be in compliance with the hiring and con-
12 tracting requirements described in subsections
13 (c) and (d) of section 3 of the Housing and
14 Urban Development Act of 1968 (12 U.S.C.
15 1701u).

16 (E) Not hire employees through a tem-
17 porary staffing agency unless the relevant State
18 workforce agency certifies that temporary em-
19 ployees are necessary to address an acute,
20 short-term labor demand.

21 (F) Adopt—

22 (i) an explicit policy on any issue in-
23 volving the organization of employees of
24 the eligible entity, or contractor or subcon-
25 tractor, and all contractors and sub-

1 contractors, for purposes of collective bar-
2 gaining not to deter employees with respect
3 to—

4 (I) labor organizing for the em-
5 ployees engaged in activities under the
6 grant; and

7 (II) such employees' choice to
8 form and join labor organizations; and
9 (ii) such policies that require—

10 (I) the posting and maintenance
11 of notices in the workplace to such
12 employees of their rights under the
13 National Labor Relations Act (29
14 U.S.C. 151 et seq.);

15 (II) that such employees are, at
16 the beginning of their employment,
17 provided notice and information re-
18 garding the employees' rights under
19 such Act; and

20 (III) the employer to voluntarily
21 recognize a union in cases where a
22 majority of such workers of the em-
23 ployer have joined and requested rep-
24 resentation.

1 (G) For each project employing union
2 workers to rehabilitate, upgrade, innovate and
3 transition public housing developments, dem-
4 onstrate an ability to use and to commit to use
5 individuals enrolled in a registered apprentice-
6 ship program who shall, to the greatest extent
7 practicable, constitute not less than 20 percent
8 of the individuals working on the project.

9 (H) Not require mandatory arbitration for
10 any dispute involving a worker engaged in a
11 service for the contractor or subcontractor.

12 (I) Consider an individual performing any
13 service under the grant as an employee, and not
14 an independent contractor, of the contractor or
15 subcontractor, respectively, unless—

16 (i) the individual is free from control
17 and direction in connection with the per-
18 formance of the service, both under the
19 contract for the performance of the service
20 and in fact;

21 (ii) the service is performed outside
22 the usual course of the business of the con-
23 tractor or subcontractor, respectively; and

24 (iii) the individual is customarily en-
25 gaged in an independently established

1 trade, occupation, profession, or business
2 of the same nature as that involved in such
3 service.

4 (J) Ensure that all laborers, mechanics,
5 and other workers employed by the contractor
6 or subcontractor shall not displace or supplant
7 an employee or position of the eligible entity,
8 including partial displacement such as a reduc-
9 tion in hours, wages, or employment benefits,
10 as a result of receiving a grant under this sec-
11 tion.

12 (2) ACTION TO ENFORCE INDEPENDENT CON-
13 TRACTOR REQUIREMENT.—A third party, including
14 a State or local government, may bring an action in
15 any court of competent jurisdiction to enforce the re-
16 quirement under paragraph (1)(I).

17 (h) CONSULTATION WITH AGENCIES.—The Sec-
18 retary shall—

19 (1) consult with the Secretary of Energy—

20 (A) in developing criteria and assessing ap-
21 plications for grants under subsection (a); and

22 (B) to identify and verify state-of-the-art
23 building materials and appliances, made in the
24 United States, that can be procured at scale for
25 purposes of this Act;

1 (2) consult with the Secretary of the Treasury
2 to track alternative energy revenues that are re-
3 turned to the Department of the Treasury under
4 subsection (f)(4);

5 (3) consult with the Administrator of the Envi-
6 ronmental Protection Agency—

7 (A) in developing criteria and assessing ap-
8 plications for grants under of subsection (a)(2);

9 (B) regarding testing air quality and water
10 quality for purposes of grant activities described
11 in subsection (a)(2)(B)(ii); and

12 (C) regarding testing soil quality for radon
13 and other contaminants for purposes of grant
14 activities described in subsection (a)(2)(B);

15 (4) consult with the Secretary of Education in
16 developing criteria and assessing applications for
17 grants under subsection (a)(1);

18 (5) consult with the Secretary of Labor in de-
19 veloping criteria and assessing applications for
20 grants under subsection (a)(1);

21 (6) consult with the Administrator of the Small
22 Business Administration in developing criteria and
23 assessing applications for grants under subsection
24 (a);

1 (7) consult with the Secretary of Health and
2 Human Services—

3 (A) in developing criteria and assessing ap-
4 plications for grants under subsection (a)(2);
5 and

6 (B) regarding health trends related to all
7 illnesses that disproportionately impact low-in-
8 come people;

9 (8) consult with the Administrator of the Fed-
10 eral Emergency Management Agency in developing
11 criteria and assessing applications for grants under
12 subsection (a)(2);

13 (9) consult with the Secretary of the Interior to
14 develop criteria and assess applications for grants
15 under subsection (a)(2); and

16 (10) consult with any entity described in para-
17 graphs (1) through (9) for any other purpose as de-
18 termined necessary by the Secretary to carry out
19 this section and the purposes of this Act.

20 (i) REPORTS.—The Secretary shall submit to Con-
21 gress biannual reports on the impact that the grant pro-
22 grams established under subsection (a) have had on—

23 (1) the rehabilitation, upgrades, innovation, and
24 transition of public housing in the United States;

1 (A) access to economic opportunities
2 through compliance with the hiring and con-
3 tracting requirements described in subsections
4 (c) and (d) of section 3 of the Housing and
5 Urban Development Act of 1968 (12 U.S.C.
6 1701u);

7 (B) the impacts, if any, those residents
8 have experienced due to displacement and insta-
9 bility;

10 (C) the impacts, if any, those residents
11 have experienced to their individual economic
12 growth as measured by individual and house-
13 hold income;

14 (D) the specific career skills acquired;

15 (E) the impacts, if any, those residents
16 have experienced to their overall health; and

17 (F) the specific educational or technical
18 certifications acquired; and

19 (6) changes to the overall community health in-
20 dicators in public housing developments and their
21 surrounding neighborhoods, including asthma rates,
22 air quality, water quality, and levels of lead and
23 mold.

24 (j) ELIGIBILITY FOR THE CAPITAL AND OPERATING
25 FUNDS.—As a condition of receipt of a grant under this

1 section, the Secretary shall require the placement of a
2 dwelling unit under subsection (d) or (e) of 9 of the United
3 States Housing Act of 1937 (42 U.S.C. 1437g) in per-
4 petuity.

5 (k) FUNDING.—Out of funds in the Treasury not oth-
6 erwise appropriated, there are appropriated to carry out
7 this section—

8 (1) such sums as necessary to address the exist-
9 ing public housing capital backlog at the Depart-
10 ment of Housing and Urban Development;

11 (2) such sums as may be necessary for each of
12 fiscal years 2024 through 2034; and

13 (3) \$1,000,000,000, to remain available until
14 expended, for administrative costs relating to car-
15 rying out this section, including providing technical
16 assistance to grant applicants.

17 **SEC. 7. THE SECTION 3 PROGRAM FOR ECONOMIC OPPOR-**
18 **TUNITIES.**

19 Section 3 of the Housing and Urban Development
20 Act of 1968 (12 U.S.C. 1701u) is amended—

21 (1) in subsection (c)(1)—

22 (A) in subparagraph (A), by striking “, op-
23 erating assistance provided pursuant to section
24 9 of that Act, and modernization grants pro-
25 vided pursuant to section 14 of that Act” and

1 inserting “(42 U.S.C. 1437c), assistance from
2 the Operating Fund under section 9(e) of that
3 Act (42 U.S.C. 1437g(e)), assistance from the
4 Capital Fund under section 9(d) of that Act
5 (42 U.S.C. 1437g(d)), and assistance provided
6 under a grant awarded under section 6 of the
7 Green New Deal for Public Housing Act”; and

8 (B) by adding at the end the following:

9 “(C) HIRING REQUIREMENT.—The Sec-
10 retary shall require that, of the employment po-
11 sitions generated by development assistance
12 provided pursuant to section 6 of the United
13 States Housing Act of 1937 (42 U.S.C. 1437c),
14 assistance from the Operating Fund under sec-
15 tion 9(e) of that Act (42 U.S.C. 1437g(e)), as-
16 sistance from the Capital Fund under section
17 9(d) of that Act (42 U.S.C. 1437g(d)), and as-
18 sistance provided under a grant awarded under
19 section 6 of the Green New Deal for Public
20 Housing Act, public and Indian housing agen-
21 cies, and their contractors and subcontractors,
22 shall fill, to the greatest extent possible—

23 “(i) not less than 40 percent of those
24 positions generated during the 1-year pe-
25 riod beginning 1 year after the initial re-

1 receipt of grant funds awarded, with low-
2 and very low-income persons;

3 “(ii) not less than 50 percent of those
4 positions generated during the 1-year pe-
5 riod beginning 2 years after the initial re-
6 ceipt of grant funds awarded, with low-
7 and very low-income persons; and

8 “(iii) not less than 90 percent of those
9 positions generated after the expiration of
10 the period described in clause (ii) with low-
11 and very low-income persons.”;

12 (2) in subsection (d)(1)—

13 (A) in subparagraph (A), by striking “, op-
14 erating assistance provided pursuant to section
15 9 of that Act, and modernization grants pro-
16 vided pursuant to section 14 of that Act” and
17 inserting “(42 U.S.C. 1437c), assistance from
18 the Operating Fund under section 9(e) of that
19 Act (42 U.S.C. 1437g(e)), assistance from the
20 Capital Fund under section 9(d) of that Act
21 (42 U.S.C. 1437g(d)), and assistance provided
22 under a grant awarded under section 6 of the
23 Green New Deal for Public Housing Act”; and

24 (B) by adding at the end the following:

1 “(C) CONTRACTING REQUIREMENT.—The
2 Secretary shall require that, of the aggregate
3 dollar amount of contracts awarded for work to
4 be performed in connection with assistance
5 from the Operating Fund under section 9(e) of
6 the United States Housing Act of 1937 (42
7 U.S.C. 1437g(e)), assistance from the Capital
8 Fund under section 9(d) of that Act (42 U.S.C.
9 1437g(d)), and assistance provided under a
10 grant awarded under section 6 of the Green
11 New Deal for Public Housing Act, public and
12 Indian housing agencies, and their contractors
13 and subcontractors, shall, to the greatest extent
14 possible, certify that—

15 “(i) not less than 20 percent of the
16 aggregate dollar amount of such contracts
17 awarded during the 1-year period begin-
18 ning 1 year after the initial receipt of
19 grant funds awarded shall be awarded to
20 subsidized housing resident-owned busi-
21 nesses;

22 “(ii) not less than 30 percent of the
23 aggregate dollar amount of such contracts
24 awarded during the 1-year period begin-
25 ning 2 years after the initial receipt of

1 grant funds awarded shall be awarded to
2 subsidized housing resident-owned busi-
3 nesses; and

4 “(iii) not less than 50 percent of the
5 aggregate dollar amount of such contracts
6 awarded after the expiration of the period
7 described in clause (ii) shall be awarded to
8 subsidized housing resident-owned busi-
9 nesses.”;

10 (3) in subsection (e), by adding at the end the
11 following:

12 “(3) SUBSIDIZED HOUSING RESIDENT-OWNED
13 BUSINESS.—The term ‘subsidized housing resident-
14 owned business’ has the meaning given the term in
15 section 3 of the Green New Deal for Public Housing
16 Act.”;

17 (4) by redesignating subsection (g) as sub-
18 section (i); and

19 (5) by inserting after subsection (f) the fol-
20 lowing:

21 “(g) MEASURING ECONOMIC IMPACT.—Before the
22 start of the second fiscal year beginning after the date
23 of enactment of the Green New Deal for Public Housing
24 Act, and quarterly thereafter, the Secretary shall require
25 each public housing agency to monitor, measure, and re-

1 port to the Secretary on the economic impacts of this sec-
2 tion on the community in which housing developments of
3 the public housing agency are located, including—

4 “(1) the aggregate dollar amount of contracts
5 awarded in compliance with this section;

6 “(2) the aggregate dollar amount of wages and
7 salaries paid for positions employed by low- and very
8 low-income persons in accordance with this section;

9 “(3) the aggregate dollar amount expended for
10 training opportunities provided to low- and very low-
11 income persons in accordance with this section; and

12 “(4) the aggregate dollar amount expended for
13 training and assisting subsidized housing resident-
14 owned businesses for compliance with this section.

15 “(h) WORKFORCE ROSTER.—

16 “(1) REQUIREMENT.—The Secretary shall re-
17 quire each public housing agency to establish and
18 maintain a roster of the residents and subsidized
19 housing resident-owned businesses of the public
20 housing agency in order to identify and spotlight tal-
21 ented local laborers and facilitate compliance with
22 this section.

23 “(2) INFORMATION.—The roster maintained by
24 a public housing agency under paragraph (1) shall

1 include information that is updated not less fre-
2 quently than every 30 days, including—

3 “(A) information for each public housing
4 resident choosing to have their information re-
5 corded that lists their occupational skills, career
6 goals, and any workforce development programs
7 they participate in; and

8 “(B) information for each subsidized hous-
9 ing resident-owned business that lists the field
10 of business they are in and the hiring opportu-
11 nities they currently have available.

12 “(3) AVAILABILITY.—In order to facilitate com-
13 pliance with this subsection, the Secretary shall—

14 “(A) require each public housing agency to
15 submit to the Secretary the information main-
16 tained by the public housing agency in the ros-
17 ter under this subsection; and

18 “(B) collect and make the data described
19 in subparagraph (A) available on the website of
20 the Department of Housing and Urban Devel-
21 opment, upon request, to contractors, sub-
22 contractors, resident councils, resident manage-
23 ment organizations, and YouthBuild pro-
24 grams.”.

1 **SEC. 8. FAMILY SELF-SUFFICIENCY PROGRAM.**

2 Section 23 of the United States Housing Act of 1937
3 (42 U.S.C. 1437u), as amended by section 306 of the Eco-
4 nomic Growth, Regulatory Relief, and Consumer Protec-
5 tion Act (Pub. L. 115–174; 132 Stat. 1339), is amend-
6 ed—

7 (1) in subsection (c)(2), by adding at the end
8 the following:

9 “(C) An Indian tribe or tribally designated
10 housing entity, as defined in section 4 of the
11 Native American Housing Assistance and Self-
12 Determination Act of 1996 (25 U.S.C. 4103).”;

13 (2) in subsection (d)(2)—

14 (A) in subparagraph (J), by striking “and”
15 at the end;

16 (B) by redesignating subparagraph (K) as
17 subparagraph (M); and

18 (C) by inserting after subparagraph (J)
19 the following:

20 “(K) digital literacy;

21 “(L) provision of home and community-
22 based services for older adults and individuals
23 with disabilities of participating families; and”;

24 (3) in subsection (g)(2), by inserting after the
25 first sentence the following: “The program coordi-
26 nating committee shall include representatives of any

1 resident council and any jurisdiction-wide resident
2 council of the eligible entity.”;

3 (4) in subsection (h)(3)—

4 (A) in subparagraph (H), by striking
5 “and” at the end;

6 (B) by redesignating subparagraph (I) as
7 subparagraph (J); and

8 (C) by inserting after subparagraph (H)
9 the following:

10 “(I) a description of how the local program
11 will ensure that opportunities provided through
12 the local program will maximize success in syn-
13 chronizing the program with, and complying
14 with, the requirements regarding employment
15 and contracting under section 3 of the Housing
16 and Urban Development Act of 1968 (12
17 U.S.C. 1701(u)).”; and

18 (5) in subsection (i)(2)—

19 (A) in subparagraph (A), by inserting “,
20 but not more than 35 participants,” before “is
21 eligible”;

22 (B) in subparagraph (B)—

23 (i) by striking “75” and inserting
24 “36”; and

1 (ii) by striking “50” and inserting
2 “35”;

3 (C) by redesignating subparagraphs (C),
4 (D), and (E) as subparagraphs (F), (G), and
5 (H), respectively; and

6 (D) by inserting after subparagraph (B)
7 the following:

8 “(C) ADDITIONAL AWARD FOR PUBLIC
9 HOUSING GREEN NEW DEAL APPLICANTS.—An
10 eligible entity that is approved for a grant
11 under section 6 of the Green New Deal for
12 Public Housing Act shall be eligible to receive
13 an additional award under this subparagraph to
14 cover costs of filling an additional family self-
15 sufficiency coordinator position, or additional
16 such positions, responsible for—

17 “(i) coordinating participation in a
18 local program under this section for par-
19 ticipants seeking employment opportunities
20 made available by the grant; and

21 “(ii) compliance by the eligible entity
22 with section 3 of the Housing and Urban
23 Development Act of 1968 (12 U.S.C.
24 1701u).

1 “(D) ADDITIONAL AWARD FOR SYNCHRO-
2 NIZATION WITH SECTION 3 REQUIREMENTS.—
3 An eligible entity that meets such criteria as
4 the Secretary shall establish regarding success-
5 ful synchronization and compliance of a local
6 program under this section with the require-
7 ments regarding employment and contracting
8 under section 3 of the Housing and Urban De-
9 velopment Act of 1968 (12 U.S.C. 1701u) shall
10 be eligible to receive an additional award under
11 this subparagraph to cover costs relating to a
12 family self-sufficiency coordinator position re-
13 sponsible for such synchronization and compli-
14 ance.

15 “(E) AWARDS TO ASSIST ELIGIBLE ENTI-
16 TIES TO ESTABLISH FAMILY SELF-SUFFICIENCY
17 PROGRAMS.—An eligible entity that is not ad-
18 ministering a local program under this section
19 and that meets such standards as the Secretary
20 shall establish shall be eligible to receive an
21 award under this subparagraph to cover costs
22 relating to a family self-sufficiency coordinator
23 position responsible for assisting in preparing
24 and submitting an application to establish such
25 a local program.”.

1 **SEC. 9. RESIDENT COUNCILS.**

2 Section 2 of the United States Housing Act of 1937
3 (42 U.S.C. 1437) is amended by adding at the end the
4 following:

5 “(c) RESIDENT COUNCILS.—

6 “(1) IN GENERAL.—Each public housing
7 project with not less than 50 dwelling units shall
8 form a resident council to—

9 “(A) improve residents’ quality of life and
10 resident satisfaction; and

11 “(B) establish self-help initiatives to enable
12 residents to create a positive living environment
13 for families living in public housing.

14 “(2) PARTICIPATION.—Each resident council
15 formed under this subsection may actively partici-
16 pate through working partnerships with a public
17 housing agency to advise and assist in all aspects of
18 public housing operations in accordance with part
19 964 of title 24, Code of Federal Regulations, or any
20 successor regulation.

21 “(3) REQUIREMENTS.—

22 “(A) IN GENERAL.— A resident council
23 shall consist of individuals residing in public
24 housing and shall meet the requirements de-
25 scribed in this paragraph in order to—

1 “(i) receive official recognition from
2 the public housing agency and the Sec-
3 retary;

4 “(ii) be eligible to receive funds for
5 resident council activities; and

6 “(iii) be eligible to receive stipends for
7 officers for their related costs in connec-
8 tion with volunteer work in public housing.

9 “(B) RESIDENTS REPRESENTED.—A resi-
10 dent council may represent residents residing
11 in—

12 “(i) scattered site buildings;

13 “(ii) areas of contiguous row houses;

14 “(iii) 1 or more contiguous buildings;

15 “(iv) residents with tenant protection
16 vouchers;

17 “(v) residents now in Rental Assist-
18 ance Demonstration-converted properties
19 who maintain their prior existing rights
20 under sections 6 and 9 of the United
21 States Housing Act of 1937 (42 U.S.C.
22 1437d, 1437g);

23 “(vi) a development; or

24 “(vii) any combination of clauses (i)
25 through (vi).

1 “(C) ELECTIONS.—

2 “(i) WRITTEN PROCEDURES.—A resi-
3 dent council shall adopt written proce-
4 dures, such as by-laws or a constitution,
5 which shall—

6 “(I) provide for a democratically
7 elected governing board that—

8 “(aa) consists of not less
9 than 5 members; and

10 “(bb) is elected—

11 “(AA) by the voting
12 membership of the residents
13 of the public housing; and

14 “(BB) in elections that
15 occur on a regular basis not
16 less frequently than every 2
17 years; and

18 “(II) provide for the recall of the
19 resident council by the voting mem-
20 bership through a petition or other ex-
21 pression of the desire of the voting
22 membership for a recall election and
23 set the threshold percentage of voting
24 membership who are required to be in
25 agreement in order to hold a recall

1 election, which percentage shall be not
2 less than 10 percent of the voting
3 membership.

4 “(ii) VOTING MEMBERSHIP.—The vot-
5 ing membership of a resident council shall
6 consist of heads of households of the public
7 housing dwelling units of any age and
8 other residents not less than 16 years of
9 age.

10 “(4) STIPENDS.—Public housing agencies may
11 provide stipends to resident council officers who
12 serve as volunteers in their public housing develop-
13 ments, which shall—

14 “(A) not exceed \$1,000 per month per offi-
15 cer;

16 “(B) not be required for officers for whom
17 receiving the stipend would affect other income-
18 calculated benefits; and

19 “(C) be decided locally by the resident
20 council and the public housing agency.

21 “(5) APPLICABILITY OF 2-YEAR ELECTION
22 CYCLE.—The requirement under paragraph
23 (3)(C)(i)(I)(bb)(BB) shall apply on and after Janu-
24 ary 1, 2025.”.

1 SEC. 10. REPEAL OF FAIRCLOTH AMENDMENT.

2 Section 9(g) of the United States Housing Act of
3 1937 (42 U.S.C. 1437g(g)) is amended by striking para-
4 graph (3).

GREEN NEW DEAL FOR PUBLIC HOUSING ACT

Sen. Bernie Sanders (I-Vt.) and Rep. Alexandria Ocasio-Cortez (D-NY)

The Nation is currently facing a climate emergency *and* an affordable housing crisis. We have an opportunity to address both of these issues at once by weatherizing, electrifying, and modernizing our public housing so that it may serve as a model of efficiency, sustainability, and resiliency for the rest of the Nation. The Green New Deal for Public Housing Act would transition the entire public housing stock of the United States, as swiftly and seamlessly as possible, into zero-carbon, highly energy-efficient developments that produce on-site renewable energy, expand workforce capacity and family self-sufficiency programs, and focus on community development. It addresses the substantial public housing capital backlog by ensuring all public housing is brought up to safe and sanitary condition. No matter the circumstances you were born into, this bill ensures that everyone has a shot at economic and social empowerment.

Specifically, the Green New Deal for Public Housing Act would expand federal programs to provide residents with meaningful work investing in their communities, to own and operate resident businesses, to move toward financial independence, and to participate in the management of public housing. The bill would expand resident councils so that public housing residents have a seat at the table for important decisions regarding their homes. And, the Green New Deal for Public Housing Act would repeal the Faircloth Amendment, which limits the construction of new public housing developments. This is an important step toward providing affordable housing for all. The bill would create two grant programs under one application process to modernize our public housing stock through:

- Deep energy retrofits to increase energy savings in all of the over 900,000 public housing units;
- Addressing community workforce development needs by prioritizing good-paying job opportunities for residents;
- Energy efficiency, building electrification, and water quality upgrades;
- Community renewable energy generation, the profits of which will be controlled by Public Housing Agencies (PHAs) to boost their coffers and increase self-sufficiency;
- Recycling;
- Community resiliency and sustainability;
- Climate adaptation and emergency disaster response.

In order to qualify for these grants, PHAs must guarantee resident engagement, and support strong labor standards (Buy American, prevailing wages, project labor agreements, no arbitration clauses, labor peace policies, and no worker misclassification) and American manufacturing. The bill fully funds tenant protection vouchers for all displaced residents and guarantees a right to return to their homes. HUD is encouraged to prioritize contracts in rural and tribal areas and with workers who are veterans or returning citizens.

From: [Kilgore, Preston \(BOS\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Angulo, Sunny \(BOS\)](#); [Ferrigno, Jennifer \(BOS\)](#); [Gee, Natalie \(BOS\)](#); [Preston, Dean \(BOS\)](#)
Subject: Re: Resolution and Introduction form in support of U.S. Senate Bill 1218
Date: Tuesday, April 23, 2024 4:37:19 PM
Attachments: [Green-New-Deal-for-Public-Housing-Act.pdf](#)
[Green-New-Deal-For-Public-Housing-Act-Summary.pdf](#)

Thank you, Jocelyn.

Please find the bill text and summary attached. To my knowledge, the California State Assoc of Counties, League of California Cities, or the National League of Cities have not taken a position on these bills.

Lastly, I can confirm that these matters are routine, not contentious in nature, and of no special interest.

Thanks!

Preston Kilgore
Pronouns: He/Him
Chief of Staff | District 5
Supervisor Dean Preston
Sign up for the District 5 Newsletter [here!](#)

From: BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Sent: Tuesday, April 23, 2024 4:26 PM
To: Kilgore, Preston (BOS) <preston.kilgore@sfgov.org>; BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Cc: Angulo, Sunny (BOS) <sunny.angulo@sfgov.org>; Ferrigno, Jennifer (BOS) <jennifer.ferrigno@sfgov.org>; Gee, Natalie (BOS) <natalie.gee@sfgov.org>; Preston, Dean (BOS) <dean.preston@sfgov.org>
Subject: RE: Resolution and Introduction form in support of U.S. Senate Bill 1218

Hi Preston,

Please submit the following to complete this submission:

- A copy of United States Senate Bill 1218
- Per Board Rule 2.8.2, please confirm that organizations such as the [California State Association of Counties](#), [League of California Cities](#), or the National League of Cities have *not* taken a position on these bills. If they have, please provide a copy of their statement for completeness of the file
- Since the item is requested to be placed on the For Adoption Without Committee Reference of the agenda, pursuant to Board Rule 2.1.2, please confirm that these matters are routine, not contentious in nature, and of no special interest

Thank you,
Jocelyn Wong
Legislative Clerk
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
T: 415.554.7702 | F: 415.554.5163
jocelyn.wong@sfgov.org | www.sfbos.org

(VIRTUAL APPOINTMENTS) To schedule a “virtual” meeting with me (on Microsoft Teams), please ask and I can answer your questions in real time.

Click [HERE](#) to complete a Board of Supervisors Customer Service Satisfaction form.

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From: Kilgore, Preston (BOS) <preston.kilgore@sfgov.org>
Sent: Tuesday, April 23, 2024 4:20 PM
To: BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Cc: Angulo, Sunny (BOS) <sunny.angulo@sfgov.org>; Ferrigno, Jennifer (BOS) <jennifer.ferrigno@sfgov.org>; Gee, Natalie (BOS) <natalie.gee@sfgov.org>; Preston, Dean (BOS) <dean.preston@sfgov.org>
Subject: Resolution and Introduction form in support of U.S. Senate Bill 1218

Good afternoon,

Please find a resolution and intro form from Supervisor Preston in support of U.S. Senate Bill 1218, introduced by Senator Bernie Sanders and Representative Alexandria Ocasio-Cortez.

I have added Supervisor Preston to confirm his signature, and I have also added our co-sponsors to confirm their support.

Please let us know if you have questions.

Preston Kilgore

Pronouns: He/Him

Chief of Staff | District 5

Supervisor Dean Preston

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U.S Department of Housing and Urban Development
Office of Housing and
Office of Public and Indian Housing

Faircloth-to-RAD Guide



Pictured: Walton Harbor, a Faircloth-to-RAD development built by Gainesville Housing Authority in Georgia.

November 2023

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Introduction: Why Faircloth-to-RAD?

Our nation’s severe shortage of affordable housing leaves far too many households paying more than 30% of their income to afford a place to call home. Every year, we lose affordable rental units to demolition, deterioration of aging properties, expiring affordability restrictions, and rent increases in local markets. HUD is committed to deploying all tools available to not only improve the quality of existing affordable housing, but also build new affordable homes.

To further this goal, HUD has developed an innovative new development method for Public Housing Authorities (PHAs) to leverage their existing Public Housing “Faircloth authority” to create new federally assisted housing by combining the mixed-finance development process with the Rental Assistance Demonstration (RAD). “Faircloth-to-RAD” development helps PHAs and their partners more easily finance the development of new deeply affordable units.

What is Faircloth Authority?

Faircloth authority is a cap that Congress established in 1998 on the number of Public Housing units the Federal government would subsidize with operating and capital funding.

Section 9(g)(3) of the Housing Act of 1937 (known as the “Faircloth Amendment”) states that HUD cannot fund the construction or operation of new Public Housing units with capital or operating funds if the construction of those units would result in a net increase in the number of units the PHA owned, assisted, or operated as of October 1st, 1999.

Today, many PHAs operate fewer units than they did in 1999. The difference between the number of Public Housing units a PHA currently operates and the 1999 limit is often referred to as a PHA’s “Faircloth authority,” and it represents the number of potential new units that could be built that would be eligible for new capital and operating funds.

What is Faircloth-to-RAD?

The process by which PHAs develop additional Public Housing units up to their Faircloth Limit with conditional pre-approval to convert these units to a long-term Section 8 contract through RAD following completion of construction, rehabilitation, or acquisition under the Public Housing development process (described at [24 CFR Part 905, Subpart F](#)).

Faircloth-to-RAD combines and streamlines the existing mixed-finance development process with a RAD transaction to enable PHAs to build new deeply affordable rental housing more easily.

How Many Faircloth-to-RAD units could I build?

To see your housing authority’s available Faircloth authority, visit the webpage for the [Office of Capital Improvements](#) and download the Excel workbook titled “National List of Maximum Number of Units Eligible for Capital Funding and Operating Subsidy by PHA.”

PHAs with questions on their calculated Faircloth authority may contact PIHOCl@hud.gov.

PHAs may also transfer their Faircloth authority as part of a PHA transfer or consolidation in accordance with Notice PIH 2014-24 which involves the transfer of all Public Housing assets and liabilities (in addition to the Faircloth limit).

Faircloth-to-RAD Guide

Nationwide, as of 2023, nearly 260,000 units could be built under existing Faircloth authority, provided the PHAs can finance the acquisition or initial construction. Faircloth-to-RAD helps PHAs address this financing need.

In a Faircloth-to-RAD development, PHAs develop Public Housing units using HUD’s Public Housing mixed-finance program with pre-approval to convert the property to a long-term Section 8 contract via RAD following acquisition or rehabilitation/construction. With early-stage RAD conversion approval, lenders and investors can underwrite these projects with the certainty and familiarity of a Section 8 contract.

Overview of the Faircloth-to-RAD Development Concept



Faircloth-to-RAD merges the mixed-finance development process with a streamlined RAD conversion process to eliminate duplicative steps and to maximize predictability.

Who should use this guide?

This guide is written for PHAs who have interest in the following:

- Using the Office of Public Housing Investments (OPHI) mixed-finance program—administered by the Office of Urban Revitalization (OUR)—to add new Public Housing units from their available [Faircloth authority](#); **and**
- Converting the assistance from Public Housing to Section 8 through the Rental Assistance Demonstration (RAD) program once the new units have been entered into the PIH Information Center (PIC).

In this guide, you will find the following information and resources to better understand the Faircloth-to-RAD process and whether it is right for your community:

- The amount of “Faircloth authority” units available to each PHA.
- Guidance on how to implement Faircloth-to-RAD developments, including the sequence of RAD and mixed-finance development processes.
- A description of the specific items HUD’s Office of Recapitalization (Recap) will need to review before construction/acquisition to ensure the project will satisfy RAD requirements when construction/acquisition is complete.
- Links to more detailed information on both the mixed-finance and RAD programs.
- The template that HUD will use to provide the anticipated RAD rents for new projects.
- The template that HUD will use to provide a pre-construction conditional approval of the RAD conversion simultaneous with the mixed-finance development approval.

With these materials, any PHA with available Faircloth authority can devise plans to create new deeply affordable housing.

Understanding Faircloth-to-RAD Developments

What is Mixed Finance Development?

As stated above, Faircloth-to-RAD developments combine mixed finance development with a RAD conversion. It is therefore important to understand what constitutes mixed finance development. Mixed finance development occurs when the PHA is developing or modernizing Public Housing units and the units are owned in whole or in part by an entity other than the PHA. Where the construction, acquisition, or rehab of a project is done in partnership with a PHA instrumentality or PHA affiliate, the proposed ownership structure automatically designates the project as a mixed-finance development. If it is anticipated the project will convert under RAD after the new construction, acquisition, or rehab, then it is considered a Faircloth-to-RAD development and falls under the processes described in this guide. The use of Low-Income Housing Tax Credits (LIHTC), while common, is not a requirement of the mixed-finance development or Faircloth-to-RAD process.

Throughout this guide, HUD uses the phrase “construction” to refer to new construction or acquisition transactions with rehabilitation work where the units are developed under the mixed-finance program. Mixed-finance developments without rehabilitation are not covered in this guide.

For new construction and/or acquisitions with rehabilitation, there are three phases in the process of developing and converting these units: (1) Pre-Development (or Pre-Acquisition); (2) Construction (or Rehab); and (3) Conversion.

Key Steps in a Faircloth-to-RAD Development

Figure 1 below outlines the keys steps in any Faircloth-to-RAD development. Exhibit A at the end of this guide provides a diagram of these steps indicating the responsibilities of HUD and the PHA in the process.

What constitutes a mixed-finance development?

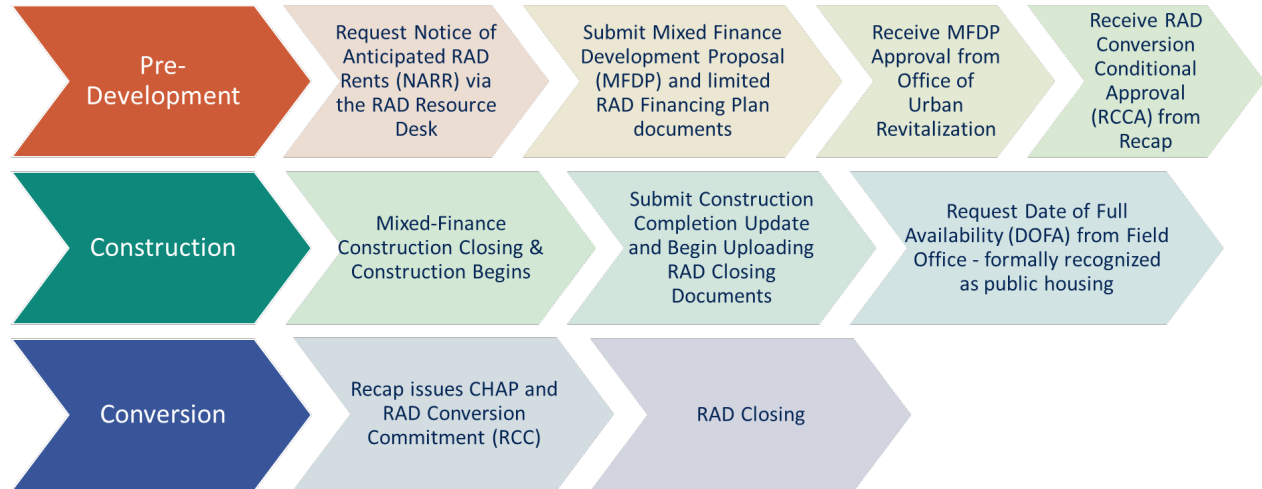
Mixed-finance development refers to the development (through new construction or acquisition, with or without rehabilitation) or modernization of Public Housing, where the Public Housing units are owned in whole or in part by an entity other than a PHA. If the Public Housing units being developed are 100 percent owned by the PHA, the project is not a mixed-finance project and will not be subject to mixed-finance development requirements.

When using Faircloth authority, a PHA can create an ownership entity, such as a single asset entity, for the purpose developing and owning a mixed-finance development.

See [24 CFR § 905.604](#) and [HUD.gov/mixedfinance](https://www.hud.gov/mixedfinance) for more detail on mixed-finance development.

Faircloth-to-RAD Guide

Figure 1 – Key Steps in Faircloth-to-RAD Development Process



In some cases, a PHA may be pursuing a Faircloth-to-RAD development as well as a RAD conversion of existing Public Housing units as part of a single transaction. In that situation, a PHA should reach out to the Office of Recapitalization (RAD@hud.gov) to inquire about a dual submission process. [Exhibit B](#) found at the end of this guide describes the process for “dual submissions.”

HUD Offices Involved in a Faircloth-to-RAD Development

Several offices within HUD will be involved in any Faircloth-to-RAD development. Figure 1 below summarizes the responsibilities of each of the HUD offices involved.

Figure 2 – HUD Offices Involved in Faircloth-to-RAD Developments.

Office of Recapitalization (Recap), Multifamily Housing	Office of Urban Revitalization (OUR), Public and Indian Housing	Public Housing Field Office	HUD Office of General Counsel (OGC)
<ul style="list-style-type: none"> • Receives and generates Notice of Anticipated RAD Rents (NARR) on behalf of Office of Urban Revitalization • Issues Commitment to enter Housing Assistance Payment Contract (CHAP) • Reviews RAD application components. • Issues RAD Conversion Conditional Approval (RCCA) • Issues RAD Conversion Commitment (RCC) • Approves RAD Closing 	<ul style="list-style-type: none"> • Accepts, reviews, and approves the Mixed-Finance Development Proposal • Conducts architectural review and confirms compliance with UFAS requirements 	<ul style="list-style-type: none"> • Reviews RAD eligibility at time of NARR processing • Conducts Site and Neighborhood Standards Review • Approves Actual Date of Full Availability (DOFA) 	<ul style="list-style-type: none"> • Mixed-finance evidentiary review prior to Mixed-Finance Development Approval • Engaged during RAD closing

Faircloth-to-RAD Process: Pre-Development



1 Request a Notice of Anticipated RAD Rents

The Faircloth-to-RAD development process begins with a PHA’s request for the Notice of Anticipated RAD Rents (NARR), which provides the PHA the RAD rents the property can expect post-conversion. It also indicates to the Office of Recapitalization and the Office of Urban Revitalization the PHA’s interest in developing and converting units from its available Faircloth authority. The NARR request is made through the RAD Resource Desk (www.radresource.net) by starting a new “Action” and selecting the “Faircloth Conversion Reservation” option. The PHA will be prompted to provide project-specific information needed to calculate the estimated RAD rents for the transaction.

When the NARR is issued, the PHA has reserved conversion authority under RAD so that when a project achieves the Actual Date of Full Availability (DOFA)¹, the PHA can be assured that there is availability under the statutory cap of Public Housing units that can be converted under RAD (currently set at 455,000 units). As long as a PHA has existing Faircloth authority, it can request a NARR and reserve conversion authority under RAD.

There is no binding commitment to pursue development with a NARR request, so PHAs should feel comfortable requesting a NARR early in the process to determine the feasibility of a potential project.

When requesting a NARR, PHAs are required to provide a comparable PIC Number from a property within their inventory for HUD to use in estimating future RAD potential rents. PHAs should be using properties that are comparable to the proposed development in the follow key areas:

- Tenant population served (families v. senior/disabled);
- Tenant potential rent contributions (formula income);
- Real estate tax/PILOT treatment;

Information Needed to Calculate your Notice of Anticipated RAD Rents (NARR)

In the RAD Resource Desk, you will also be asked to complete an Excel workbook titled “Property Expense Level Estimator” which will ask for inputs on your proposed project including:

- Size of Project (# of units)
- Age of Property
- Unit Sizes (Bedroom Mix)
- Building Type
- Occupancy Type
- Location
- Neighborhood Poverty Rate
- Percent of Households Assisted
- Geography

¹ The DOFA is the last day of the month in which substantially all (95% or more) of the units in a Public Housing project are available for occupancy. 24 CFR 905.108. The DOFA is important as it represents the date the PHA can enter the new units in the PIH Information Center (PIC) as Public Housing units and they become eligible to convert under RAD.

Faircloth-to-RAD Guide

- Utility consumption and payment/allowance structure;
- Audit costs; and
- Add-ons;

PHAs that have no Public Housing properties in PIC or do not have a comparable project in their inventory may use the PIC Number of a Public Housing project in a neighboring PHAs inventory.

Please note that if the specific project characteristics or unit configuration used to calculate the RAD rents in the NARR change before the PHA submits its Mixed-finance Development Proposal (MFDP), the PHA may need to provide updated information for HUD to calculate revised rents.

Augmenting Faircloth-to-RAD Rents

Sometimes, the proposed rents a PHA receives in the NARR will be insufficient to support development, and the agency may want to increase the contract rents at the property. PHAs have certain flexibilities under Section 1.6.B.5 and 1.7.A.5 of the RAD Notice to make modifications to the rents, including through rent bundling, using Moving to Work (MTW) Demonstration flexibility, and implementing up to a \$100 per unit per month increase to RAD rents for PBRA conversions located in an Opportunity Zone.²

As set forth in Section 1.6.B.5 of the RAD Notice, MTW agencies may use their MTW funding flexibility to set the initial contract rents higher than those provided in the NARR. Non-MTW agencies are permitted to augment their rents using HAP reserves, as set forth in Section VI of the RAD Supplemental Notice (H-2023-08/PIH-2023-19).

Rent Augmentation for MTW Agencies

As with any RAD conversion, MTW agencies may use their MTW funds to set the initial contract rents higher than the calculated NARR rents. Agencies must use existing MTW funds, as allowed by the MTW Agreement or MTW Operations Notice, to supplement the NARR rents, and any use of MTW funds in setting higher contract rents shall be subject to subsidy layering review and MTW continued service requirements, as calculated using the MTW Baseline Methodology described in Notice PIH 2013-02, MTW Operations Notice, or successor notice.

When an agency augments the RAD rents, HUD will provide new, incremental voucher subsidy to the agency's voucher program which will be added to their HCV renewal baseline. The level of subsidy the agency is using to augment the RAD rents will be initially funded from available funds, but will need to be budgeted for in the agency's renewal funding cycles:

Faircloth-to-RAD or Project-Based Vouchers?

One of the advantages of Faircloth-to-RAD is that it allows a PHA to stretch their funding to produce a greater number of units than if the authority were to try and create new units solely by project basing existing vouchers.

Take the example illustrated in [Exhibit C](#). Without Faircloth-to-RAD, the PHA would have to commit \$826 in HCV funding to bring a single Project-Based Voucher (PBV) unit online.

With Faircloth-to-RAD, the PHA only needs to commit \$388 in HCV funding to bring a new PBV unit online, since \$438 in new subsidy is provided by the Faircloth-to-RAD rents.

Now, for every \$826 in HCV funding the PHA would've committed to bring on 1 regular PBV unit, the PHA can bring on 2 Faircloth-to-RAD PBV units.

² See Section 1.7.A.5.e of the current RAD Notice for more details on Opportunity Zone rent increases for PBRA conversions under RAD.

Faircloth-to-RAD Guide

- For agencies whose renewal funding is based on HAP expenses in the prior year (the expansion MTW agencies), PHAs will use voucher reserves or MTW funds to augment the rents. Once expended, as with any other eligible expenditure of reserves, those funds will be built into the agency's voucher renewal baseline for the following year.
- For agencies whose renewal funding is based on a formula in their MTW Agreement (the original 39 MTW agencies), agencies can use any MTW funds to augment the rents and will need to incorporate into their long-term budgeting of their annual MTW funding the level of subsidy the agency is using to augment the RAD rents.

Augmenting Faircloth-to-RAD Rents for non-MTW Agencies

Non-MTW PHAs may use existing HAP reserve funds to augment the initial contract rents set forth in the NARR when certain criteria are met. A non-MTW Agency can augment Faircloth-to-RAD rents under either of the following two scenarios. Rent augmentation flexibilities for non-MTW agencies are set forth in Section 1.6.B.5f of the RAD Notice.

Scenario 1

- 1) The Faircloth-to-RAD project is in one of the following locations:
 - a. A Metropolitan Statistical Area, Micropolitan Statistical Area, or ZIP code where the rental vacancy rate is less than 4 percent; or
 - b. A ZIP code where 90 percent of the Small Area FMR is more than 110 percent of the metropolitan area FMR.

AND

- 2) The Faircloth-to-RAD units are made exclusively available to people who are elderly, youth receiving HCV Family Unification Program assistance, or people who are eligible for supportive services.

Scenario 2

- 1) The Faircloth-to-RAD project is in one of the following locations:
 - a. A Metropolitan Statistical Area, Micropolitan Statistical Area, or ZIP code where the rental vacancy rate is less than 4 percent; or
 - b. A ZIP code where 90 percent of the Small Area FMR is more than 110 percent of the metropolitan area FMR.

AND

- 2) The Faircloth-to-RAD units do not make up more than:
 - a. The greater of 25 units or 25% of the units in the project; or
 - b. The greater of 25 units or 40% of units in the project if it is in census tract where the poverty rate is no greater than 20%.

Faircloth-to-RAD Guide

When submitting the NARR request, the Resource Desk will automatically check for eligibility to augment rents for the location criteria (1.a. and 1.b.) specified above based on 5-year American Community Survey rental vacancy data in HUD's Market-at-a-Glance report and FMR data, both of which are available on huduser.gov.

To find vacancy data for your MSA, visit the [Market-at-a-Glance reports on https://www.huduser.gov/portal/ushmc/mag.html](https://www.huduser.gov/portal/ushmc/mag.html), select "MSA Reports" from the dropdown menu, and the MSA in which the project will be built. Each report includes a table on housing market conditions which includes the most recent rental vacancy rate for the MSA. HUD will accept any area which has documented an annual rental vacancy rate of less than 4% at least once in the past three years.

To compare the Small Area FMR (SAFMR) data to the metropolitan FMR data, you can use the published SAFMR published by HUD's Office of Policy Development and Research, [available here](#).

If the property does not meet either of these criteria based on the data available on huduser.gov, PHAs can demonstrate that the property is in a low rental vacancy area by submitting to HUD an independently performed market study showing rental vacancy rates of less than 4% for the MSA or ZIP code. HUD will accept market study materials the PHA may have already obtained for the mixed-finance development proposal, or LIHTC or other financing applications for the proposed project.

With respect to eligibility criteria 2 in scenario one, "persons eligible for supportive services" is to be defined by the PHA. As an example, the PHA's definition could include such services as: Meal services, housekeeping aid, personal assistance, transportation services, health-related services, case management, childcare, educational and employment services, job training, counseling, etc. Note that individuals do not have to be receiving services, they only need to be eligible for them.

Assuming a non-MTW PHA has met the qualifying conditions for a Faircloth-to-RAD rent augmentation, it can use Section 8 HAP reserve funds to increase the rents given in the NARR. Like expansion MTW agencies, reserve funds that are used for rent augmentation in the first full year after conversion are built into the agency's voucher renewal baseline for the second full year and each subsequent year after conversion.

Requesting Rent Augmentation

Any rent augmentation the PHA intends to make can be applied to the rents reflected in the NARR. When requesting the NARR, the anticipated RAD rents can be viewed through the RAD Resource Desk after Recap has received Capital and Operating Fund estimates from OUR.

If a PHA wishes to modify the rents with MTW funds or HAP reserves, it can request to do so by communicating to HUD how much additional funding per unit should be added to the rents up to initial contract rent setting limits (110% of FMR for PBV; and 120% of FMR for PBRA). Note that agencies using Small Area FMRs as their payment standard for their voucher program should use the Small Area FMR when determining the contract rent setting limit.

Alternatively, if the PHA already knows the rents needed for the project to be viable, the PHA can indicate the rents it needs up front when requesting the NARR, rather than waiting for Recap to provide

the base NARR rents. In all cases, the augmented rent amounts will be recorded in the NARR with the portion covered by MTW funds or HAP reserves noted separately.

2 Receive Notice of Anticipated RAD Rents (NARR)

Once HUD has calculated the RAD rents (including any requested augmentation) and conversion authority is secured, HUD will issue a NARR to the PHA, which contains the future RAD rents at the property. The RAD rents listed in the NARR can be used by the PHA to underwrite the project and should be reflected in the PHA's Mixed-finance development proposal (MFDP) that is submitted to the Office of Urban Revitalization (OUR). A PHA should receive a NARR prior to submitting a Mixed Finance Development Proposal. PHAs must use the Contract Rents as shown in the NARR (including any amount used to augment the base NARR rents) to complete the required [Mixed-Finance Development Proposal Calculator \(Form HUD-50156\)](#) and pro forma projections as part of the MFDP which is available on the Office of Urban Revitalization's website at www.hud.gov/mixedfinance.

Under RAD, a property receives an increase to the post-conversion RAD rents each year according to an Operating Cost Adjustment Factor (OCAF) published annually. For a Faircloth-to-RAD development where there may be many years before the issuance of the RAD CHAP and final RAD closing, the property's rents will receive OCAF adjustments for each year that passes; those increases will be applied to the rents in the NARR after construction is complete when the CHAP is issued. Recap will ensure that all applicable OCAF increases have been completed before the RAD closing.

Aligning Your Proposal with Mixed-Finance Requirements

During the pre-development phase for a Faircloth-to-RAD project, PHAs and development partners should consider Public Housing development requirements, including the regulations under [24 CFR § 905](#) which govern the Public Housing capital fund program as well as the [Capital Fund guidebook](#).

Faircloth-to-RAD developments must propose units that can be constructed and operated as Public Housing units. PHAs may not propose to develop Faircloth-to-RAD units that are Single Room Occupancy (SRO) or would result in families with children being housed in high-rise elevator buildings since this is prohibited by the Housing Act as well as [24 CFR § 905.312\(b\)\(5\)](#). As with all new Public Housing developments, Faircloth-to-RAD proposals must meet accessibility guidelines as described in [24 CFR § 905.312](#) and [24 CFR Part 8](#).

Proposals should provide ownership structures that will comply with RAD program ownership and control requirements outlined in Section 1.4.A.11 of the RAD Notice. Except where permitted to facilitate the use of tax credits, RAD requirements call for ownership or control of the project by a public or non-profit entity.

3 Request a Preliminary Conversion Call

When the PHA is close to submitting the MFDP, it should request a preliminary conversion call with both the Office of Urban Revitalization and the Office of Recapitalization. The preliminary conversion call will discuss the following agenda items:

- The Faircloth-to-RAD development process
- The construction delivery and occupancy plans, specifically whether all units will be completed at once or whether units will be delivered for occupancy over time (e.g., on a building-by-building basis)

- Permanent financing terms and the timing of the RAD conversion relative to construction completion and the take-out of the construction loan by permanent financing
- Funding during the year of conversion (conversion occurs after the DOFA)

4

Submit Your Mixed Finance Development Proposal & Limited RAD Financing Plan Documents

PHAs can submit the complete Mixed-finance Development Proposal via email to OUR@hud.gov. PHAs will need to include a few additional pieces of information to support the Faircloth-to-RAD underwriting. See [Exhibit F of this guide](#), titled ‘MFDP Proposal when the Contemplating a RAD Conversion.’

Specifically, the MFDP proposal must include the following items:

- 1) A Capital Needs Assessment (CNA) to support the Initial Deposit to Replacement Reserve (IDRR)/Annual Deposit to Replacement Reserve (ADRR). If no CNA is submitted and the project entails new construction or the use of 9% LIHTC, the ADRR must be at least \$450 per unit per annum (PUPA).
- 2) A legal opinion based on the state and local law where the project is located that supports a continuation of the Payment In Lieu of Taxes (PILOT) agreement after conversion to Section 8 under RAD.
- 3) An Environmental Review that includes the RAD conversion in the description of actions being taken. PHAs must receive an Authority to Use Grant Funds via their Part 58 responsible entity; PIH does not complete Part 50 reviews for Faircloth-to-RAD developments.
- 4) The PHA’s Annual Plan/MTW Plan or Significant Amendment to the Annual Plan/MTW Plan must include a description of the RAD conversion. Similarly, if the PHA is an initial MTW agency, the PHA must provide a copy of the RAD amendment to Attachment A of the MTW Agreement.

All Faircloth-to-RAD development proposals will be subject to Subsidy Layering Review in accordance with “[Administrative Guidelines: Subsidy Layering Review for Project-Based Vouchers](#),” 85 FR 12001; February 28, 2020 or successor notices and must therefore have firmly committed financing in place prior to issuance of HUD development proposal approval.

RAD Financing Plan Documents to Submit

Parallel to submission of the MFDP, a PHA will upload to the Resource Desk only the RAD Financing Plan documents that are not covered within the MFDP, specifically the following items:

- 1) The Conversion Overview, including a description of the proposed RAD ownership structure
- 2) Selection of Program Platform: Project Based Vouchers or Project Based Rental Assistance
- 3) Certification of Board Approval of the RAD Conversion
- 4) Approved Significant Amendment to PHA Plan and, if applicable, the executed Attachment A of the MTW Agreement
- 5) Title Report

Since OUR is underwriting the project as Public Housing and because the conversion of assistance under RAD will not occur until construction completion, Recap will underwrite the RAD conversion as a no-debt conversion without any construction. Therefore, **all development activity should be reflected in the MFDP sources and uses of funds, even if the expenditures may occur after the date of the RAD conversion.**

The RAD Transaction Log is not required at this time because Recap expects that all costs known at this stage of the process will be reflected in the Mixed-finance Development Proposal and the RAD “Sources and Uses” of funds will likely involve very minimal transaction costs.

5

Receive Mixed Finance Development Proposal Approval

When OUR has completed a review of the MFDP, the reviewer will present the project to a Mixed Finance Panel internal to HUD. With panel approval, the PHA will be asked to submit evidentiary documents for HUD legal review in preparation of closing.

The mixed finance closing review includes, but is not limited, to the preparation and approval of the following evidentiary documents:

- Mixed-finance Amendment to the Annual Contributions Contract (ACC),
- Declaration of Restrictive Covenants (DORC), and
- Regulatory & Operating Agreement (R&O).

The bulleted documents listed above are unique to Public Housing and will be terminated at the time of the RAD conversion (see templates referenced in [Exhibit E](#) of this document). As a result, these documents are expected to be effective for only a short time. Therefore, the PHA should draft and negotiate these documents with that limited lifespan in mind. OUR and the PHA should also inform the HUD Office of General Counsel team that the transaction will be converting to RAD once the units are entered into PIC so that the legal documents prepared at the time of the mixed-finance closing are reviewed with RAD in mind.

During the mixed finance closing review, the PHA also submits to HUD, as applicable, the first mortgage and subordinate mortgage loan documents, the ownership entity partnership agreement/operating agreement, the ground lease, construction documents, the management agreement, the management plan, and all other documents for the real estate development transaction. To plan ahead for the eventual RAD Closing, PHAs are strongly encouraged to also submit versions of the following documents with the Mixed-finance evidentiary documents as they will be amended (or applicable) when the RAD Closing is effective. The assigned HUD attorney will review these documents along with the standard mixed-finance evidentiary documents:

- PHA’s Administrative Plan
- Copy of the Section 8 Tenant Lease, and applicable Lease Addendum(s)
- Management Agreement (as amended, if there will be changes as a result of the RAD conversion)

Upon completion of HUD’s legal review and acceptance of all evidentiary documents, OUR will issue a letter approving the PHA’s MFDP.

6

Receive RAD Conversion Conditional Approval (RCCA)

Following OUR’s issuance of the Mixed-finance approval letter, Recap will issue a RAD Conversion Conditional Approval (RCCA), along with a draft RAD Conversion Commitment (RCC). The draft RCC will stipulate the conditions upon which the PHA is receiving conditional approval and outline the steps that need to be completed for the PHA to effectively convert through RAD.

Faircloth-to-RAD Process: Construction



1 Mixed-finance Construction Closing and Beginning of Construction

Once the MFDP has been approved and the PHA has received its RCCA, the project can proceed to construction. After the PHA closes on the construction financing and begins construction or rehab activity, the PHA and HUD will not be in regular contact with HUD for several months while the construction is being completed.

2 Submit Construction Completion Update

The PHA is responsible for notifying Recap when construction of the units is nearing completion. The timing of such notification is at the PHA's discretion but must be **at least 60 days before** the Actual Date of Full Availability (DOFA) to minimize the length of time the project will be operated as Public Housing. At this stage in the process, and as described in the RCCA, the PHA must upload/update the following on the RAD Resource Desk:

- **Construction Completion Update** – A document on the PHA's letterhead that contains the PHA's certification that the completed project is consistent with the terms specified in the RCCA. The PHA should include any work to be done after the date of the RAD conversion which was not reflected in the MFDP or subsequent OUR approvals. The PHA should also inform Recap of any financing liens to be created post-RAD conversion so that they may be reviewed, approved, and identified as HUD-approved liens in the Additional Provisions exhibit of the RCC. PHAs may not place additional liens on a RAD converted property without HUD approval and this pre-approval will ensure a smooth closing of any post-RAD financing liens.
- **Attachments to the Construction Completion Update** – explains and documents material changes from the transaction structure as previously approved by Recap, if necessary.
- **Transaction Log** – The Transaction Log will be pre-populated to reflect \$0 Sources and \$0 Uses as all sources and uses should have been approved and reflected in the Mixed Finance Development Proposal. At the time of the construction completion update, the PHA will populate the Transaction Log with any changes to the sources and uses that are not reflected in prior OUR approvals and to reflect any transaction costs specifically related to the RAD conversion. The PHA must also enter pro forma data to confirm the 20-year viability of the project and finalize the rents. The pro forma entries should include items such as updated rents to reflect any Operating Cost Adjustment Factor (OCAF) adjustments applied to the original NARR rents, the ADRR, utility allowances, monthly debt service at the property, etc.
- **A Radon Report** consistent with the requirements of Section 9.6.3 of the MAP Guide. This is required for both PBV and PBRA conversions.

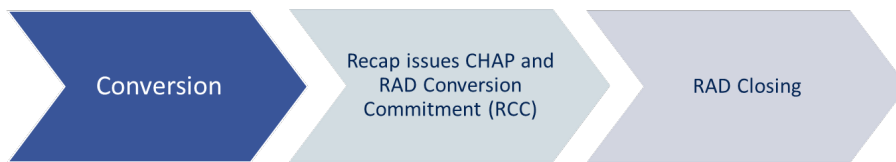
Once all applicable documents and updates identified above are complete and uploaded to the Resource Desk, Recap will review the submission to confirm that the transaction complies with RAD requirements. At this time, PHAs are strongly encouraged to begin preparing RAD closing documents to ensure a swift closing.

A Closing Checklist detailing all of the required closing documents is available in the Document Library on the RAD Resource Desk. As noted above, many of these documents can be negotiated at the time of the Mixed-Finance closing if the PHA chooses.

3 Request Date of Full Availability from HUD Field Office

Once the PHA has obtained Certificates of Occupancy for 95% of the units, the PIH Field Office can enter the actual DOFA date in PIC, officially designating the units as Public Housing. To request the Actual DOFA date be entered in PIC, the PHA must submit form [HUD-52423](#) to the PIH representative in their local Field Office.

Faircloth-to-RAD Process: Conversion



1 Office of Recapitalization Issues Commitment to Enter into a Housing Assistance Payment Contract & RAD Conversion Commitment

Once the PHA has notified Recap that construction is nearing completion and Recap has accepted the Construction Completion Update and other applicable documents, Recap will coordinate with PIH to monitor when the Actual DOFA date has been entered in PIC. Once the date is entered, Recap will issue the Commitment to Enter into a Housing Assistance Payments Contract (CHAP) and the RAD Conversion Commitment (RCC) shortly thereafter. The RAD conversion can then proceed to final RAD closing reviews.

Recap will then assign a Closing Coordinator and HUD's Office of General Counsel will assign counsel to close the RAD conversion. The PHA may begin uploading the RAD closing documents to the RAD Resource Desk. Uploading documents at this time is strongly encouraged as it will allow Recap and HUD's Office of General Counsel staff, which work with both Recap and PIH, to begin reviewing the closing documents to prepare for RAD closing. This will minimize the length of time the project operates as Public Housing between construction completion and RAD closing when it converts to Section 8.

2 Complete RAD Closing

The RAD closing process for Faircloth-to-RAD developments is consistent with all other RAD conversions. The closing process generally takes approximately 45-60 days, which begins when the PHA uploads a complete closing package to the Resource Desk.

Permanent loan conversion could occur before, simultaneous with, or after the RAD conversion. Any lenders will need to subordinate their loans to the RAD Use Agreement, and HUD's Office of General Counsel will need to review the draft subordination agreement(s) associated with the loans, that would be signed at conversion to permanent financing.

In addition to the standard closing documents, the following documents will be required for closing a Faircloth-to-RAD development. These templates are available on the Resource Desk:

- [Mixed Finance – Termination of Mixed Finance Amendment to the ACC](#)
- [Mixed Finance – Release from Declaration of Restrictive Covenants](#)
- [Mixed Finance – Termination of Regulatory & Operating Agreement](#)

The PHA does not have to wait until the units are entered into PIC and the CHAP/RCC has been issued to prepare the RAD closing documents in order to expedite the RAD closing process. The RAD closing occurs once HUD approves all closing documents. Prior to CHAP/RCC issuance, the PHA team should familiarize themselves with the following guidance documents available on the Resource Desk:

- [Overview of the RAD Closing Process for PHAs](#)
- RAD Closing Checklist & Overview – [PBRA³/PBV](#)

Other Important Considerations

Funding in the Conversion Year

For the remainder of the calendar year in which the Covered Project's Section 8 Housing Assistance Payments (HAP) contract is effective (the "year of conversion"), the PHA will receive funding through the Public Housing Program's Operating Fund formula based on the level of Public Housing subsidy that it is eligible to receive under that formula. Regardless of the initial contract rent amount or Operating Cost Adjustment Factor, the Operating funds are the only subsidy the PHA will receive for the balance of the calendar year until it begins receiving the HAP payments. New Public Housing projects are funded in the following way:

- 1) PHAs must follow Operating Fund processing guidance⁴ to initiate funding for new projects. Please note that each year the Operating Fund establishes a new project submission deadline, typically in the early summer of each year. **Projects with actual DOFAs that fall after this date and/or that fail to provide the Operating Fund submissions by this date will not receive Operating Funds in the year of conversion.**
- 2) The Public Housing Capital Fund provides funding to PHAs each year based on Public Housing units in PIC on the Capital Fund certification date in the prior calendar year. As such, **PHAs do not receive funding for new projects in the year that they come on-line in PIC.**

As with all RAD transactions, an Initial Year Funding Tool is required to be submitted as part of the Financing Plan; however for a Faircloth-to-RAD development, the PHA should receive a Faircloth-to-RAD specific version of the tool from their assigned Office of Recapitalization Transaction Manager. This tool is submitted in final form at RAD Closing. It is the Initial Year Funding Tool that establishes the subsidy that the PHA will receive in the year of conversion and not the terms set forth in the R&O agreement.

³ For PBRA conversions, HUD Asset Management requires that the property and owner information is entered into APPS and that the Management Certification is completed. Please refer to the Resource Desk "Submitting the Financing Plan" section of the Document Library to access '2530 Guidance for RAD Transactions' and '2530 MF Development Compliance and Credit Requirements' for more information.

⁴ See <https://www.hud.gov/sites/dfiles/PIH/documents/2023-25pihn.pdf> for Calendar Year 2024 guidance.

As such, developers and PHAs should take **Operating Fund timing considerations into account when considering the planned construction of the project and in creating their budget and initial operating reserves**. PHAs and developer partners should anticipate significant reserves be established to supplement Operating Funds (if any) until the project is receiving normal RAD rent revenue, particularly if the permanent loan conversion requires stabilized occupancy for a period of time that would be impacted by the lack of both Capital and Operating Funds in the year of conversion. Like all RAD transactions, PHAs can use Public Housing funds as a source in the conversion of Faircloth-to-RAD projects and may do so for the purpose of supplementing operating reserves in the year of conversion. The project will begin receiving Section 8 subsidy payments on January 1 following the HAP contract effective date.

Resident Engagement Requirements in Faircloth-to-RAD Development

In addition to requirements for a PHA to include a Faircloth-to-RAD development in its Five-Year Plan, Annual PHA Plan, or MTW Plan, HUD requires the following engagement with residents of an impacted property. When construction is complete, the PHA can choose whether to begin leasing the units as Public Housing under Public Housing rules or to wait and lease only after RAD conversion, when the units are under the Section 8 program. If the units are delivered for occupancy over time (e.g., on a building-by-building basis) and/or have multiple DOFA dates, the RAD conversion can only occur after all units exist as Public Housing. The CHAP and RCC are not issued until the last building has established a DOFA date in PIC.

If units are leased as Public Housing, the PHA must consider the resident engagement requirements under the RAD Notice that are applicable given when the residents begin occupancy relative to where the transaction is in the RAD conversion process. In a situation where residents are moving in **prior** to issuance of the RCC, the PHA must conduct all resident engagement activities required during the period between submission of the Financing Plan and issuance of the RCC.⁵ In the situations where tenants are admitted to the property **after** completion of construction and prior to the closing of the RAD conversion, the PHA must take the following steps prior to the execution of the lease:

- Inform the residents in writing of the pending RAD conversion through issuance of the [RAD Information Notice](#) (RIN) to inform residents of the PHA's intent to pursue a conversion and of the residents' rights under a conversion.
- Provide a written explanation of the leasing and occupancy changes that will occur soon after move-in resulting from the RAD conversion to Section 8. New Section 8 leases should be prepared with the tenants prior to RAD closing. The new leases would be signed and effective as of the HAP contract effective date.
- Meet with each resident household to discuss the conversion, explain any written materials, and provide the residents an opportunity to ask questions. The resident meeting can be conducted on an individual household basis.

⁵ For purposes of resident engagement in the new construction context, the NARR shall be treated as the equivalent of the CHAP. As the units are typically new, developed based on Faircloth authority, there are no residents in occupancy pre-application, or prior to the Concept Call, or between the Concept Call and the Financing Plan submission.

Faircloth-to-RAD Guide

PHAs should include documentation of the resident meetings and comments in the RAD Closing document submission.

Alternatively, if the proposed Faircloth-to-RAD development is for an existing, occupied building at the time the PHA requests a NARR, then a modified version of the resident engagement processes (Section 1.8.A through 1.8.D in the RAD Notice) applies:

- Prior to submitting the request for the NARR, the PHA must issue a RAD Information Notice and General Information Notice, if applicable, and conduct two resident meetings, and prepare written responses to comments received from residents.
 - The RAD Information Notice, or RIN, informs residents of their rights, the nature of the project plans, whether any relocation is anticipated, description of resident meetings, and a means for contacting HUD.
 - The General Information Notice, or GIN, may be required in certain circumstances where the project plans will involve acquisition, rehab, or demolition, and provides a description of the project, activities planned, and relocation assistance that may be available.
- After issuance of the NARR and prior to submission of the MFDP, the PHA must conduct two additional meetings with residents.
- After mixed finance approval and prior to completion of the acquisition or development, the PHA must conduct one additional meeting with residents.

As is consistent with all RAD conversions, tenant notification within the context of a Faircloth-to-RAD Development should be robust and transparent. Given the intent for all of the tenants to be Section 8 tenants, every effort should be made by the PHA to inform the tenants of the conversion process and timing as the transaction comes online. Refer to Section 1.8 Resident Engagement of the RAD Notice for detailed information on resident notification and meeting requirements.

Who to Contact for More Information

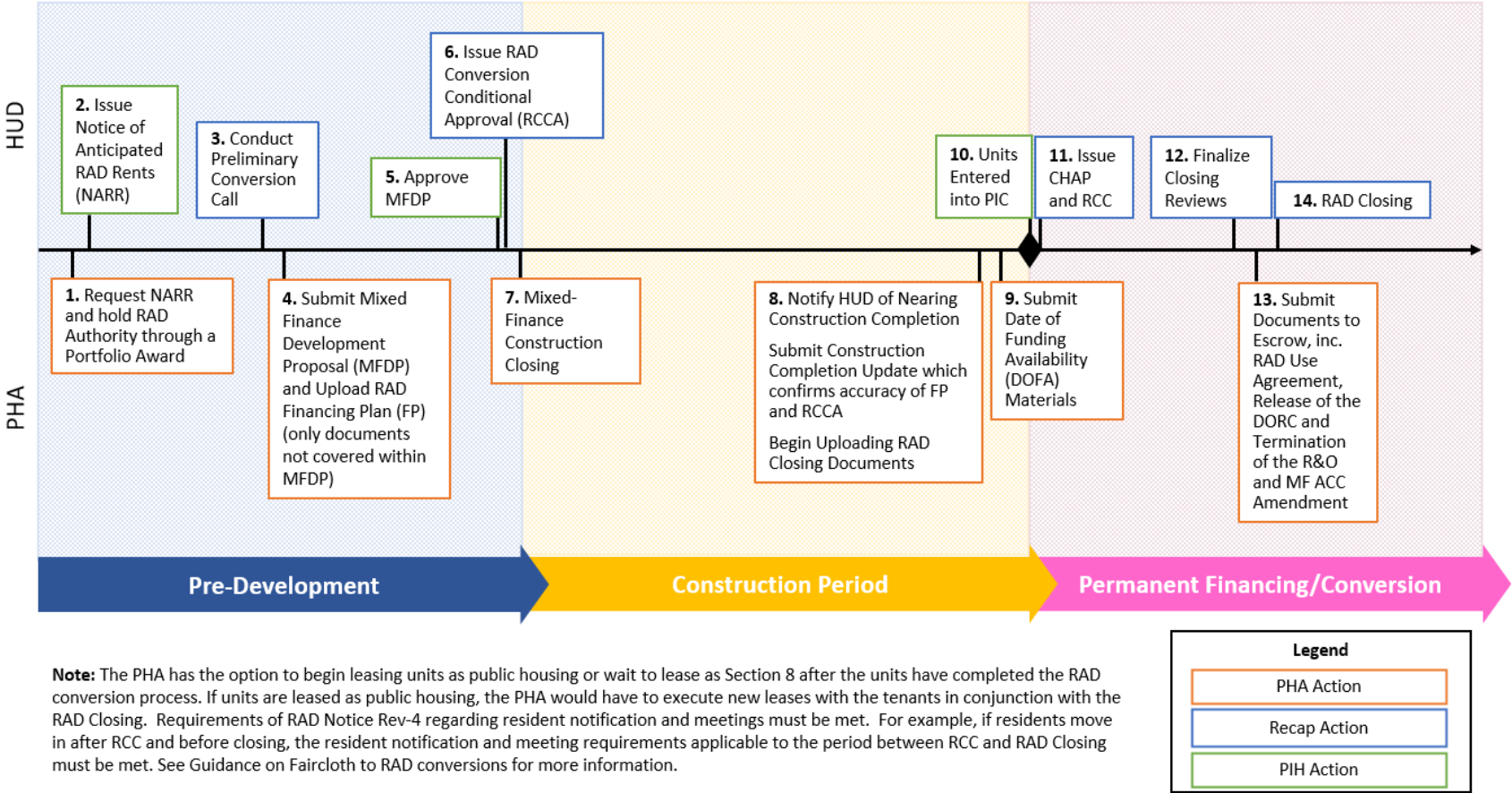
- **HUD's Office of Urban Revitalization:** OUR@hud.gov
 - Contact for more information on Mixed Finance Development Process
- **HUD's Office of Recapitalization:** RAD@hud.gov
 - Contact for more information on requesting your Notice of Anticipated RAD Rents, or the RAD conversion components of a Faircloth-to-RAD development.
- **Mixed-Finance Development**
 - Forms, Tools, related Notices and other guidance on Mixed Finance Development program rules are posted on <https://www.hud.gov/mixedfinance>
- **RAD Notices**
 - RAD Supplemental Notice 4B, and RAD Notice Rev-4 as amended by Supplemental 4B are posted on www.hud.gov/rad and www.radresource.net
- **Webinars**
 - [Faircloth-to-RAD Development](#) – September 20th, 2023
 - [Recording](#)
 - [Slides](#)
 - [Transcript](#)

Exhibits

Exhibit A – Faircloth-to-RAD Development Process Diagram

Exhibit A

Faircloth to RAD Conversion Process



Note: The PHA has the option to begin leasing units as public housing or wait to lease as Section 8 after the units have completed the RAD conversion process. If units are leased as public housing, the PHA would have to execute new leases with the tenants in conjunction with the RAD Closing. Requirements of RAD Notice Rev-4 regarding resident notification and meetings must be met. For example, if residents move in after RCC and before closing, the resident notification and meeting requirements applicable to the period between RCC and RAD Closing must be met. See Guidance on Faircloth to RAD conversions for more information.

Exhibit B – Dual Submission Faircloth-to-RAD Development Process Diagram

Faircloth-to-RAD Guide

Exhibit B

Faircloth to RAD Conversion Process – Dual RAD and F2R Submissions

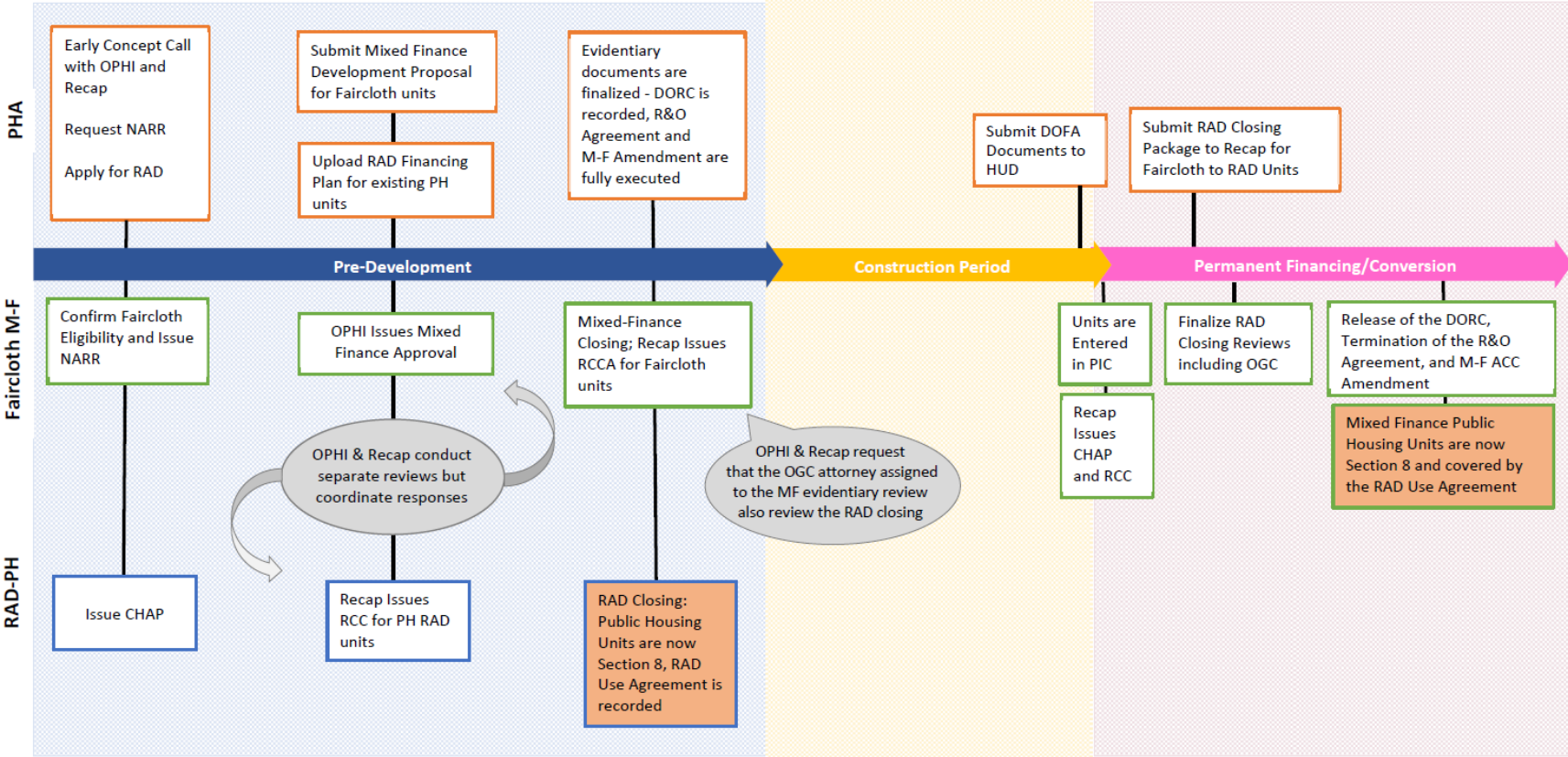


Exhibit C – Faircloth-to-RAD Rent Augmentation

Exhibit C

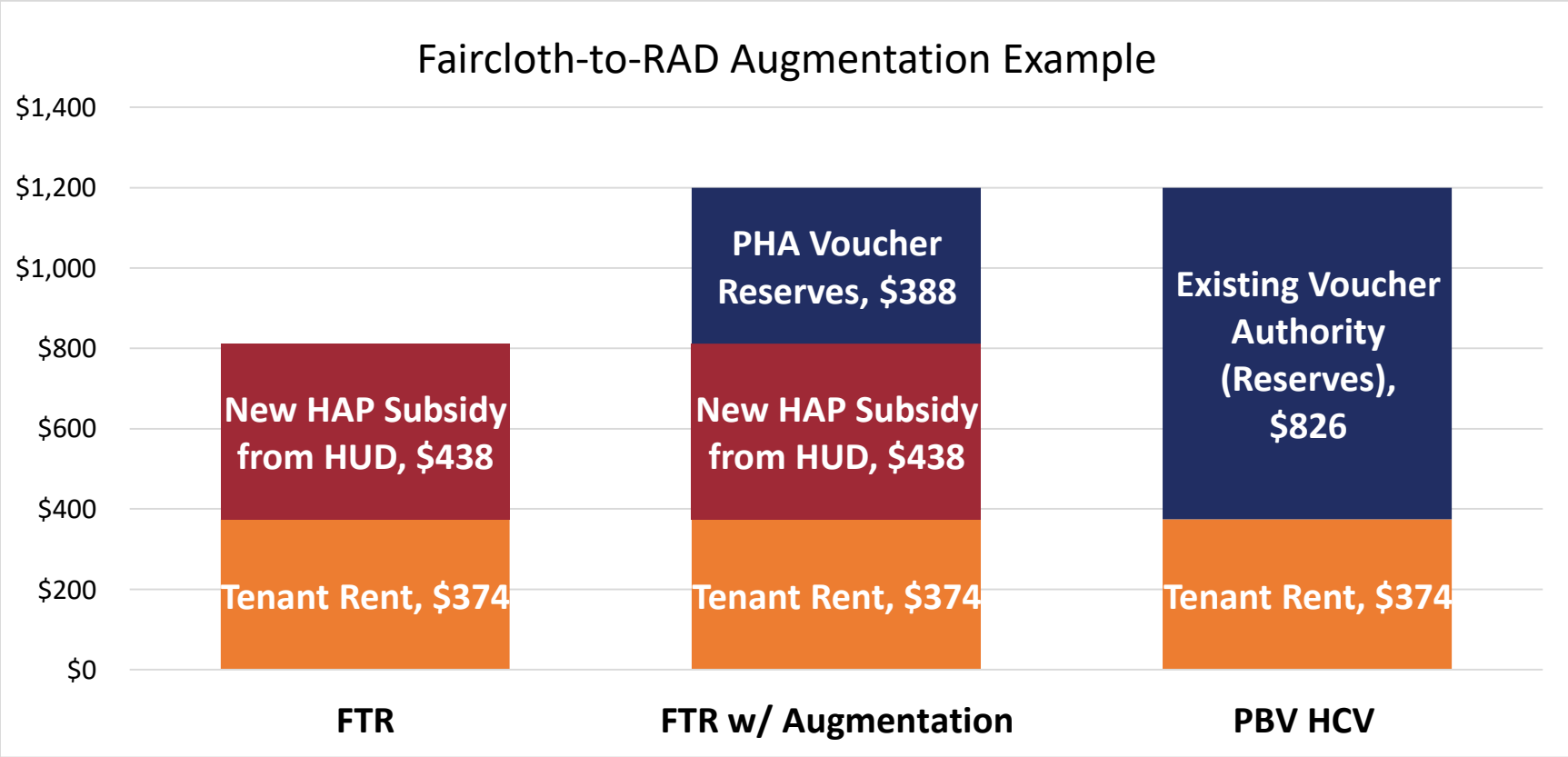


Exhibit D – Sample Notice of Anticipated RAD Rents (NARR)

Faircloth-to-RAD Guide

[Date]

[Executive Director Name]

[Housing Authority Name]

[Housing Authority Address]

[Housing Authority City, State and Zip]

Re: Notice of Anticipated RAD Rents for
[Proposed Project Name and Address]
[Housing Authority Name] (PHA)

Dear [Executive Director]:

The Department has received your expression of interest in undertaking Public Housing development activities and then subsequently converting the Public Housing assistance under the Rental Assistance Demonstration (RAD) for [number] units at the above-named project.

Public Housing development activities are governed by the requirements set forth in 24 C.F.R. Part 905 Subpart F. For a project to be included within the Public Housing program, the following criteria must be met: 95% of the proposed Public Housing units must have a certificate of occupancy, the Department must issue a Public Housing Date of Full Availability (DOFA) applicable to the project (24 C.F.R. 905.108 and 905.600(c)(4), the Department must activate the Public Housing unit in the PIH Information Center (PIC) system, and the Department must confirm compliance with all applicable requirements of 24 C.F.R. Part 905 Subpart F. Once these criteria are met, the Public Housing assistance will be available to these units, which may then be converted through RAD.

Conversion of Public Housing assistance under RAD is governed by the Consolidated and Further Continuing Appropriations Act of 2012 (P.L. No. 112-55, approved November 18, 2011); as amended by the Consolidated Appropriations Act, 2014 (P.L. 113-76, approved January 17, 2014); the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235, approved December 16, 2014); the Consolidated Appropriations Act, 2016 (P.L. 113-113, approved December 18, 2015); the Consolidated Appropriations Act, 2017 (P.L. 115-31, approved May 5, 2017); the Consolidated Appropriations Act, 2018 (P.L. 115-141), approved March 23, 2018); section 8 of the United States Housing Act of 1937 (Act), 42 U.S.C. 1437 et seq.; and the Department of Housing and Urban Development Act, 42 U.S.C. 3531 et seq (collectively, the "RAD Statute"). Conversion under RAD is further governed by the requirements contained in the Rental Assistance Demonstration – Final Implementation, Revision 4 Notice H-2019-09 PIH-2019-23 (HA) (the "RAD Notice").

Subject to the conditions enumerated in this letter, this letter serves to notify you that:

- The Department has received the submission of information sufficient to serve as the RAD Application for the above referenced project.
- The Department has confirmed eligibility for the conversion of assistance of ____ units to Section 8 assistance under RAD.

- The Department will issue a Commitment to Enter into a Housing Assistance Payments Contract (CHAP) for the above-referenced project when the project is eligible to be included within the Public Housing program pursuant to 24 C.F.R. Part 905 Subpart F.
- Based on the unit mix you have proposed, the RAD unit Contract Rents upon conversion of the above referenced project will be as set forth in the attached Exhibit A.

The foregoing notification is subject to the following conditions:

- Changes in the unit mix and characteristics of the building(s) to be developed may impact the anticipated RAD unit Contract Rents shown in Exhibit A. This notification will need to be amended and updated to be consistent with your Public Housing development proposal, submitted pursuant to 24 C.F.R. Part 905 Subpart F. To avoid delays, you must provide updated information to HUD if the unit mix and characteristics of the building(s) to be included in the Public Housing development proposal are modified.
- The units must be developed, fit for occupancy, and included within the Public Housing program pursuant to the requirements of 24 C.F.R. Part 905 prior to conversion.
- There must be no material change in the status of the Public Housing authority relative to the criteria set forth in Section 1.3.2 through Section 1.3.7 of the RAD Notice.
- When so instructed by the Department, the PHA must submit through the RAD Resource Desk all documents and certifications necessary to implement a RAD conversion as described in the RAD Notice and must meet the requirements contained in the RAD Notice. This notification shall be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including amendments or changes in HUD requirements, the RAD Notice, and all other applicable RAD guidance.
- ***[If they do not have a Portfolio Award because they don't have an active CHAP and can't find a partner PHA to reserve authority for them, insert the following special condition:*** The RAD statute limits the number of units that may be converted under RAD, and conversion authority may be secured through a Portfolio Award by following the procedures outlined in the RAD Notice. The PHA does not currently have a Portfolio Award reservation. As such, the ability to convert the units discussed in this notification is dependent on the availability of adequate authority for conversion when the project has been issued a DOFA, the Public Housing units are activated in PIC, and the Department has confirmed compliance with all applicable requirements of 24 C.F.R. Part 905 Subpart F.]
- ***[Insert here any additional conditions unique to this PHA which would normally be included in a CHAP for this PHA.]***

As this represents a conditional notification by the Department, the Department reserves the right to revoke or amend this determination at any time prior to issuance of the CHAP if the Department, in its sole judgment, determines that any of the following conditions are present:

- The PHA or any of the units proposed for development and conversion are not eligible for such activities;
- The PHA could not develop the housing as Public Housing, convert the housing under RAD, or operate the housing under either Public Housing or Section 8 due to prior or ongoing litigation;
- The proposed project and conversion strategy is not or will not be financially feasible;
- The PHA cannot demonstrate to HUD's satisfaction that it is making adequate progress for development and conversion;
- The PHA fails to comply with applicable requirements or deadlines;

- The PHA fails to cooperate with the Department's requests;
- There is any violation of program rules, including fraud;
- The PHA fails to discuss the development plans as a significant action in the PHA's Five-Year Plan, Annual Plan, MTW Plan, or CFP 5-Year Action Plan, as applicable, or fails to submit an approved significant amendment of such documents to HUD; or
- The terms of the development or conversion activities would be inconsistent with fair housing and civil rights laws or a fair housing or civil rights court order, settlement agreement, or voluntary compliance agreement.

The Department will request periodic discussions with the PHA to assess whether the PHA is making adequate progress on the development of the Public Housing units and on planning for a RAD conversion. To ensure PHAs are making consistent progress, within one year of the date of this letter, the PHA must submit a development plan to the Office of Public Housing Investments. The PHA may submit a request for an extension through a project-specific due date, which request must be adequately justified. Approval of any request for an extension is at HUD's sole discretion. If the Department, in its sole judgment, determines that the PHA has failed to make adequate progress and the Department declines to extend the deadline for submission of a development plan, this notification will be revoked.

If you have any questions or concerns regarding the Public Housing development process, please contact your Office of Public Housing Investments Grant Manager. For questions or concerns regarding the anticipated RAD conversion process, please contact the Office of Recapitalization by accessing the RAD Resource Desk at www.radresource.net and selecting the option "Contact RAD."

Sincerely,

Susan A. Wilson
Director, Urban Revitalization Division
Office of Public Housing Investments

EXHIBIT A

**Contract Rents Subsequent to a
Rental Assistance Demonstration Conversion**

The Contract Rents set forth below for the subject proposed Public Housing project are based on Fiscal Year 2022 Federal Appropriations and assumptions regarding applicable rent caps. Following the review and approval of the Public Housing development proposal, the final RAD Contract Rents will continue to be based on Fiscal Year 2022 Federal Appropriations and assumptions, without regard to potential changes in appropriation levels between the date hereof and date of the RAD HAP contract. The final RAD Contract Rents will be adjusted to reflect Operating Cost Adjustment Factors (OCAFs) and are subject to applicable program rent caps. In addition, prior to conversion, the PHA must provide HUD updated utility allowances to be included in the HAP contract.

Project Reference: [Proposed Project Name and Address]

Number of Bedrooms	Number of Contract Units	Base NARR Rent	Augmented Amount	Contract Rent
0				
1				
2				
3				
4				
5				

This rent schedule does not include utility allowances. Utility allowances will be added to the rent schedule and will increase the gross rent when the PHA provides HUD with data on the initial utility allowances. Utility allowances will be confirmed on issuance of the CHAP.

This rent schedule does not include any OCAF adjustment for which the PHA may be eligible. OCAF adjustments will be confirmed on issuance of the CHAP.

Exhibit E – Sample RAD Conversion Conditional Approval



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF HOUSING

[Date]

[Executive Director Name]
[Housing Authority Name]
[Housing Authority Address]
[Housing Authority City, State and Zip]

Re: RAD Conversion Conditional Approval for
[Proposed Project Name and Address]

Dear [Executive Director]:

The Department has received your development proposal to create [number] new Public Housing units at the above referenced project (the "Project Units") pursuant to the requirements of 24 C.F.R. Part 905 Subpart F and your request for the subsequent conversion of such newly created Public Housing units under the Rental Assistance Demonstration (RAD).

As explained in the Notice of Anticipated RAD Rents dated _____, conversion under RAD is only possible after the Project Units have been built and the Department confirms compliance with the requirements of 24 C.F.R. Part 905 Subpart F and activates the units as Public Housing in the PIH Information Center (PIC) system. At that time, conversion of Public Housing assistance under RAD is governed by the Consolidated and Further Continuing Appropriations Act, 2012, Pub. L. No. 112-55, approved November 18, 2011; the Consolidated and Further Continuing Appropriations Act of 2015 (P.L. 113-235), approved December 6, 2014; the 2017 Consolidated Appropriations Act (P.L. 115-31), approved May 5, 2017; the Consolidated Appropriations Act of 2018 (P.L. 115-141), approved March 23, 2018; section 8 of the United States Housing Act of 1937 (Act), 42 U.S.C. 1437 et seq.; and the Department of Housing and Urban Development Act, 42 U.S.C. 3531 et seq (collectively, the "RAD Statute"). Conversion under RAD is further governed by the requirements contained in the Rental Assistance Demonstration – Final Implementation, Revision 4 Notice H-2019-09 PIH-2019-23 (HA) (the "RAD Notice").

In conjunction with the approval by HUD's Office of Public Housing Investments (OPHI) of the development proposal under the requirements of 24 C.F.R. Part 905 Subpart F, HUD's Office of Recapitalization (Recap) has determined that, except as noted in this letter and the attachments hereto, the documents submitted to OPHI and Recap with respect to the Project Units satisfy the requirements of the Financing Plan under the RAD Notice and that your request meets RAD requirements. This letter serves as a conditional approval of your request to convert the Project Units under RAD.

In the event of a RAD conversion, the Project Units will receive rental assistance in the form of a 20-year [Project Based Rental Assistance/Project Based Voucher] Housing Assistance Payment (HAP) contract. Attached to this conditional approval as "Attachment A" is a draft of the RAD Conversion Commitment ("RCC"). This draft RCC includes the following exhibits:

- **Exhibit A:** Special conditions and additional provisions of the anticipated RCC;
- **Exhibit B:** Anticipated Sources and Uses;
- **Exhibit C:** Monthly HAP Contract Rents; and
- **Exhibit D:** Scope of Work in addition to the work identified in the approved Public Housing development proposal.

Final approval and authority to implement the conversion of the Project Units is subject to the following conditions:

- 1) The Project Units must be developed, fit for occupancy, and included within the Public Housing program pursuant to the requirements of 24 C.F.R. Part 905 Subpart F.
- 2) There must be no material change in the status of the Public Housing authority relative to the criteria set forth in Section 1.3.2 through Section 1.3.5 and in Section 1.3.7 of the RAD Notice.
- 3) All the conditions and requirements of the draft RCC apply to this conditional approval.
- 4) ***[If they do not have a Portfolio Award because they don't have an active CHAP and can't find a partner PHA to reserve authority for them, insert the following special condition:*** The RAD statute limits the number of units that may be converted under RAD, and conversion authority may be secured through a Portfolio Award by following the procedures outlined in the RAD Notice. The PHA does not currently have a Portfolio Award reservation. As such, the ability to convert the units discussed in this notification is dependent on the availability of adequate authority for conversion when the project has been issued a DOFA, the Public Housing units are activated in PIC, and the Department has confirmed compliance with all applicable requirements of 24 C.F.R. Part 905 Subpart F.]
- 5) ***[Insert here any additional conditions unique to this PHA which would normally be included in a CHAP for this PHA.]***

As this notification is a conditional commitment by the Department, the Department reserves the right to revoke or amend this determination at any time prior to issuance of the CHAP and/or the RCC if the Department, in its sole judgment, determines that any of the following conditions are present:

- The PHA or any of the units proposed for development and conversion are not eligible for such activities;
- The proposed development and conversion strategy no longer meets the program and underwriting requirements of the RAD Notice;
- The PHA could not develop the housing as Public Housing, convert the housing under RAD, or operate the housing under either Public Housing or Section 8 due to ongoing litigation, an injunction or ruling issued by a court of competent jurisdiction;
- The PHA fails to comply with applicable requirements or deadlines;
- The PHA fails to cooperate with reasonable requests from the Department related to the Project Units;
- There is any violation of program rules, including fraud; or
- The terms of the development or conversion activities would be inconsistent with fair housing and civil rights laws or a fair housing or civil rights court order, settlement agreement, or voluntary compliance agreement.

When the Project Units are approaching or have achieved construction completion, the PHA must submit through the RAD Resource Desk a "Completion Update" comprised of 1) a certification that the completed project is consistent with the documents reviewed by OPHI and Recap prior to issuance of this conditional approval or disclosing any material changes from such documents and 2) such additional documents and certifications as may be necessary to implement a RAD conversion as described in the RAD Notice. Following Recap's review and approval of the Completion Update and OPHI's confirmation that the project is included within the Public Housing program pursuant to 24 C.F.R. Part 905 Subpart F, the Department will issue for the above-referenced project a Commitment to Enter into a Housing Assistance Payments Contract (CHAP) and an RCC in the form attached hereto as Attachment A, as amended consistent with the Completion Update.

Regardless of whether the RAD conversion closes, HUD shall not be responsible for any expenses or transaction costs incurred by you or at your direction in connection with the RAD-related aspects of the transaction.

This conditional approval shall be interpreted and implemented in accordance with all HUD statutory and regulatory requirements, the RAD Notice, and all other applicable RAD guidance.

Thank you for your commitment to affordable housing and your interest in the RAD program. If you have any questions regarding your proposed RAD conversion, please contact the Office of Recapitalization by accessing the RAD Resource Desk at www.radresource.net and selecting the option "Contact RAD."

Sincerely,

Thomas R. Davis
Director, Office of Recapitalization

Attachments: Attachment A: Draft RAD Conversion Commitment

Exhibit F – Mixed-finance Development Proposal When RAD Conversion is Contemplated

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Public reporting burden for this collection of information is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This collection of information is required for developing a mixed-finance rental project pursuant to HUD regulations 24 CFR 905. The information will be used to provide HUD with sufficient information to enable a determination that the proposed housing project is demographically and financially feasible and that HUD statutory and regulatory requirements have been met.

Pursuant to 24 CFR 905.606, prior to developing Public Housing, either through new construction or through acquisition (with or without rehabilitation), Public Housing authorities (PHA) must submit a Development Proposal to HUD which contains information about the project. Submission of a Development Proposal allows HUD to assess the viability and financial feasibility of a proposed project and to assure compliance with Public Housing regulations.

A Development Proposal must be submitted for all types of Public Housing development, including mixed-finance development. If a PHA does not submit a Development Proposal and secure HUD approval, the PHA may have to repay any Public Housing funds used in conjunction with the project.

The purpose of this document is to provide a template for preparation of the Development Proposal. Information may be typed directly into the form. This template may be used for all types of Public Housing development. However, it is required to be used for mixed-finance Public Housing development. This document replaces the previously used Rental Term Sheet (HUD form 50030). This document may also be modified by HUD for use with projects including development of non-Public Housing units through programs such as Choice Neighborhoods, RAD, or Moving to Work.

This document, along with its attachments, generally includes all information required to be included in a Development Proposal, though HUD reserves the right to request additional information or to require less information to carry out its review. In addition, for Mixed-finance projects, this document identifies additional documentation needed to allow HUD to complete a Subsidy Layering Analysis for the project, as required under section 102(d) of the HUD Reform Act of 1989. Note that this Subsidy Layering Analysis does not satisfy the subsidy layering requirements related to Housing Choice Vouchers.

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For non-mixed-finance Public Housing development, the Development Proposal and all attachments must be submitted to the appropriate HUD Field Office.

For mixed-finance projects or other non-Public Housing development, Development Proposals and all attachments must be submitted to HUD Headquarters, Office of Public Housing Investments. PHAs should work with their assigned HUD Project Manager to prepare the Development Proposal. Submission must be made well in advance of closing to allow adequate time for review and approval.

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Section 1: Project Information

PHA: _____

Project Name: _____

_____ (Old Name, if applicable)

PIC Project Number: _____

PHA Contact Person: _____

Phone Number: _____

Email: _____

MTW Agency? [_____] Yes [_____] No

RAD Conversion? [_____] Yes [_____] No

HOPE VI Grant Name: _____

HOPE VI Grant Number: _____

Choice Neighborhoods Grant Name: _____

Choice Neighborhoods Grant Number: _____

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Section 2: Project Description*

Provide a narrative description of the proposed project that gives an overview of the project, including the following information:

- Current project status (ownership, units, occupancy, condition, etc.)
- Proposed project status
- Development method (new construction, rehab, acquisition, etc.)
- Housing type (elevator, walk-up, row house, detached/semi-detached)
- The number of units by type (Public Housing, LIHTC, PBV, unrestricted, etc.) using Form A of the Development Proposal Calculator
- Proposed energy rating for units (energy star, LEED, local code, etc.)
- Proposed type of internet access
- Non-dwelling space type & size (community center, maintenance shed, etc.)
- Phasing plan (if this project is part of a larger, multi-phases development)
- Proposed residents to be served (families, elderly, disabled, etc.)
- Role of PHA
- Identification and description of Developer
- Description of project plans to convert assistance through a RAD conversion, if applicable
 - Selection of Program Platform: Project Based Vouchers (PBV) or Project Based Rental Assistance (PBRA) Housing Assistance Payments (HAP) contract
- Other pertinent information
- Identification of any work requirement or work preference for Public Housing residents

* Information in this Section 2 must also be included in Exhibit B of the Mixed-finance Amendment to the ACC Amendment for the project.

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Section 3: Site Information

Provide information on the development site, including the following:

- A physical description of the site
- Environmental issues
- Description of the neighborhood
- Proximity of site to retail, education, social services, transportation, jobs, etc.
- Describe any unusual features which might affect development
- Site map
- Map of the surrounding neighborhood and city
- Other pertinent information

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Section 4: Key Development Partners and Participating Parties*

Provide the following information for each major partner in the Project:

ROLE	ENTITY NAME & CONTACT INFORMATION (person, phone & email)	FINANCIAL INTEREST (%)	RELATIONSHIP TO PHA (if any)
Developer			
Ownership Entity			
General Partner or Managing Member of the Owner			
Limited Partner or Investor/Limited Member of the Owner			
Public Housing Authority, Instrumentality or Affiliate			
Property Manager			
Construction Lender			
Permanent Lender(s)			
Other			
Other			
Other			

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For RAD, documents must demonstrate how the ownership will meet RAD's Ownership and Control requirements (See Section 1.4.A.11 of the RAD Notice). Provide the following information about the Development Team:

- Identification of all participants, including the PHA, the general contractor, the legal entity that will own the project, the proposed management agent, and all "principals" of those entities. The submission must disclose any identity of interest between any of the parties.
- For PBRA conversions, evidence that all principals have Previous Participation Certification in the Active Partners Performance System (APPS) (formerly the Form 2530) and are not be debarred, suspended, or subject to a Limited Denial of Participation.⁶

If a PHA instrumentality or affiliate is involved in the project, provide a description of the relationship between the PHA and the instrumentality/affiliate as it relates to the project (see PIH Notice 2007-15):

*Information in this Section 4 must also be included in Exhibit A to the Mixed-finance Amendment to the ACC for the project.

⁶ The APPS/2530 applies to all FHA transactions and transactions in which 20% of the units in the Covered Project will be covered under a PBRA contract (PBV transactions without FHA financing are exempt). The PHA and any entities wholly owned by the PHA are not subject to 2530/APPS. For LLCs and LPs, non-PHA members and partners, respectively, with 25% or more of the ownership interests are subject to approval provided that for LIHTC transactions, limited partners or investment members are exempt. For non-profit entities, 2530s are required for Board Officers but not Board Members. Management agents are subject to 2530 unless wholly-owned.

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Section 5: Project Schedule*

Provide projected dates for each activity identified below:

ACTIVITY	COMPLETION DATE
Demolition Approval from HUD	
Disposition Approval from HUD	
LIHTC Award	
Environment Review Completed (HUD-7015.16 signed)	
Relocation Completed	
Financial Closing	
Abatement/Demolition Completed	
Construction Start	
Construction Completed	
Target Date of Full Availability (DOFA) for Public Housing Units	
LIHTC Placed-in-Service Date	
Lease Up Complete	
Submission of Final Cost Certification	
Other:	
Other:	

*Information in this Section 5 must also be included in Exhibit D of the Mixed-finance Amendment to the ACC Amendment for the project.

Section 6: Compliance with Design and Accessibility Requirements

The design of the project, including the lay-out of units, must comply with accessibility requirements specified at 24 CFR 905.312 and 905.604(g) and any other requirements which apply to the specific project.

PHAs must submit the following architectural plans:

- Site Plan
- Building Plans
- Sections and Elevations
- Unit Plans

The following information must be reflected on the plans or separately provided:

- Site Plans: show exterior private spaces, public recreational areas, location of trees to shade walks, parking areas, etc.
- Building Plans: show the location, type, and mix of accessible and visitable units
- Exterior Elevations and Building Sections: identify materials on walls and roof areas
- Unit Plans: show the livability of the spaces within the dwelling unit by providing adequate floor area for furniture and circulation spaces
- Energy efficiency/green design

Plans for Mixed-finance projects will be reviewed by a HUD architect. Before submitting plans, the PHA should consult with the HUD Project Manager to determine where the plans should be sent and in what format, i.e. hard copy, electronic, CD, etc.

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Section 7: Project Costs

Provide the following information regarding project costs and financing:

A: Project Budget*

- Provide a construction period project budget reflecting all sources and uses of funds (including grant numbers, if applicable) during project construction using Construction Budget Tab of the Development Proposal Calculator.
- Provide a permanent project budget reflecting all sources and uses of funds (including grant numbers, if applicable) following construction completion using the Permanent Budget Tab of the Development Proposal Calculator.
- Provide a construction draw schedule that shows the projected sources and uses of funds on a monthly basis throughout the construction period using the Draw Schedule Tab of the Development Proposal Calculator.

*The construction and permanent project budgets must also be included in Exhibit F of the Mixed-finance Amendment to the ACC for the project.

B. Compliance with Total Development Cost (TDC) and Housing Construction Cost

(HCC) Limits

- Projects must comply with TDC and HCC limits imposed by HUD on the development of Public Housing units, pursuant to 24 CFR 905.314. Provide a calculation of TDC and HCC limits for the project using TDC and HCC Tab of the Development Proposal Calculator.

C. Pro Rata Test

- The proportion of Public Housing funds to total project funds may not exceed the proportion of Public Housing units to the total number of units. For example: if there are 100 units and 40 are Public Housing, the amount of Public Housing funds committed to the project cannot exceed 40% of the total project budget. Note: projects which use Public Housing funds to construct non-Public Housing units may include these units in the pro rata test.

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- NOTE: the pro rata test applies only to those project costs shown in “Part A” of permanent project budget in the Development Proposal Calculator. “Part B” costs, which are generally costs incurred by the PHA, are not included.
- Provide the following information:

Type	Number/Amount	Percent of Total
Public Housing Units/Approved Non-PH units		
Non-Public Housing Units		
Total Housing Units		100%
Public Housing Funds		
Non-Public Housing Funds		
Total Funds		100%

D. Construction Cost Estimate

- Submit an independent construction cost estimate (cover letter and summary page showing costs broken down by major trades) or the actual construction contract which supports the permanent and construction budgets provided above.

E. Limitation on the Cost of New Construction

- A PHA may not construct new Public Housing unless the cost of construction is less than the cost of acquiring existing units (with or without rehab.)
- For projects involving new construction, provide the following:

1) Documentation which shows the construction cost of the new project is less than the cost to acquire (and rehab as necessary) similar units in the same neighborhood that would serve the same purpose as the new housing; or,

2) Documentation which shows there is insufficient housing in the neighborhood to acquire that would serve the same purpose as the new housing.

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F. Predevelopment Costs

- Pursuant to 24 CFR 905.612(a)(2), use of Public Housing funds for predevelopment expenses related to mixed-finance projects must be approved by HUD prior to expenditure. PHAs should submit requests to HUD prior to expenditure of funds for predevelopment activities.
- The percentage of predevelopment costs borne by the PHA should be in compliance with HUD's "Cost Control and Safe Harbor Standards for Mixed-finance Development (April 2003) (Safe Harbor Standards)." Provide the following Information:

Total Predevelopment Costs: \$ _____

Amount paid by the PHA: \$ _____ %

Amount paid by the Developer: \$ _____ %

- Provide a justification if the Safe Harbor Standard is exceeded:

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Section 8: Project Financing*

A. Project Financing

- Provide a separate description for each source of financing, i.e., Public Housing, other public, and private (construction and permanent) included in the project budget. In the description, include the following:
 - 1) Name of the provider
 - 2) Amount
 - 3) Use of funds
 - 4) Grant number (if Capital Funds, RHF, HOPE VI, Choice, etc.)
 - 4) Type of financing (grant, permanent loan, construction loan, second mortgage, etc.)
 - 6) Terms of the financing, such as: length of the loan, interest rate, debt service payments, deferred amounts debt coverage ratio, other lender requirements
 - 7) Other relevant information

- NOTE: Construction loans made by housing authorities or grantees with federal funds may not earn interest.

B. Federal Low Income Housing Tax Credits (LIHTC)

- For projects that include LIHTC, provide the following information:

Total Tax Credit Allocation	\$				
Total Equity Commitment	\$				
Equity Per Dollar of Allocation (Equity divided by Allocation)	\$				
Type of Tax Credits	9%			4%	

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Pay in Schedule for Investor Equity		
Milestone	Projected Date	Amount
TOTAL AMOUNT OF EQUITY		\$

- Describe the proposed exit strategy for the Investor at the end of the 15 year LIHTC compliance period, including the role of the PHA, continued preservation of affordable units, and how any exit taxes will be paid.

C. Other Tax Credits

- For projects that include other types of tax credits, such as state LIHTC, federal and state historic preservation, new market, etc. provide the following:

Type of Tax Credit	Amount of Equity

D. Existing Financing

Identify any existing financing, such as funds through a Capital Fund Financing Program (CFFP) transaction or an Energy Performance Contract (EPC).

- Identify the amount of funding.
- Describe how the debt will be addressed as part of the new project.
- Provide evidence of approval

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E. Reserve Accounts

Public Housing funds may be contributed towards reserve accounts, subject to the following limitations:

- Public Housing funds may not be used to initially fund reserve accounts, with the exception of establishment of an Initial Operating Subsidy Reserve for Public Housing units only.
- Public Housing Operating Subsidy and Public Housing tenant rents may be used to replenish reserve accounts, but only to replace funds which have been disbursed for allowable Public Housing expenses.
- Public Housing Operating Subsidy and Public Housing tenant rents may be used to fund the Replacement Reserve, but only in an amount proportionate to the number of Public Housing units.
- Public Housing funds may not be used to fund an Exit Tax Reserve.
- Public Housing funds in all reserve accounts must be tracked separately
- Public Housing funds in all reserve accounts must remain with the project if sold/ transferred or returned to the PHA.
- Reserve accounts must be described in detail in the Regulatory and Operating Agreement between the PHA and the Owner Entity.

Submit the following information for each Reserve Account included in the project:

1) Initial Operating Period/Lease-Up Reserve (Public Housing only): \$_____

Identify source of funds to establish reserve account	
Identify source of funds to replenish reserve account	
Briefly describe when funds may be drawn down	
What entity owns the reserve account	

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2) Operating Subsidy Reserve (Public Housing only): \$ _____

Identify source of funds to establish reserve account	
Identify source of funds to replenish reserve account	
Briefly describe when funds may be drawn down	
What entity owns the reserve account	

3) Operating Deficit Reserve: \$ _____

What type of units does this cover (all, only PH, only non-PH, etc.)	
Identify source of funds to establish the reserve account	
Identify source of funds to replenish reserve account	
Briefly describe when funds can be drawn down	
What entity owns the reserve account	

4) Replacement Reserve: \$ _____ per unit per month

What type of units does this cover (all, only-PH, only non-PH, etc.)?	
Identify source of funds to establish reserve account	
Identify source of funds to replenish reserve account	
Briefly describe when funds can be drawn down	
What entity owns the reserve account	

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For RAD, the annual deposit to the replacement reserve must be based on a financial model (the 20-year capital needs schedule and associated determination of the Initial Deposit to Replacement Reserve, or IDRR, and the Annual Deposit to Replacement Reserve, or ADRR). However, if the MFDP entails new construction or the use of 9% LIHTC, no financial model is needed as long as the annual deposit to the replacement reserve is at least \$450 per unit per year (\$37.50 per unit per month).

5) Other: Identify other reserve accounts and provide the above information for each.

*Information in this Section 8 must also be included in Exhibit B to the Mixed-finance Amendment to the ACC for the project.

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Section 9: Project Fees

The HUD Cost Control and Safe Harbor Standards provide guidance for certain fees and costs related to development. Projects must comply with these Safe Harbor Standards or provide justification for non-compliance. In addition, Choice Neighborhoods projects which include Project Based Vouchers or Project Based Rental Assistance must comply with the “Cost Control and Safe Harbor Standards for Section 8 Projects under Choice Neighborhoods Program, dated November 2015.”

A. Calculation and Pay Out of Developer Fee

- The amount of the Developer Fee must be in accordance with the Safe Harbor Standards. Complete the Fees Tab 6 of the Development Proposal Calculator to accurately calculate the Developer Fee.
- Total Amount of Developer Fee: \$_____ = _____% of project costs
- Amount of Fee Paid to Developer: \$_____ = _____% of project costs
- Amount of Fee Paid to PHA: \$_____ = _____% of project costs
- If the Developer Fee exceeds the Safe Harbor Standards, provide a justification, based on the criteria in the Safe Harbor Standards.
- What is the pay-out schedule for the Developer Fee? Identify the milestone, such as closing or 50% construction completion, and the percent of the fee to be paid at each milestone.

Milestone	% of Developer Fee Paid

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- If the Developer Fee pay-out schedule exceeds the Safe Harbor Standards, provide a justification.

[Justification:]

- If the PHA is providing a loan to the developer to cover developer overhead prior to financial closing, provide a description and justification. HUD approval is required prior to payment of any part of the developer fee.

[Description and Justification:]

- Is the developer receiving any compensation separate from the Developer Fee, i.e., master planning, relocation, demolition, etc.? If so, identify below:

TASK	COMPENSATION

B. Contractor Fees

- The fee paid to the construction contractor must be in accordance with the Safe Harbor Standards. Complete the form in Tab 7 of the Development Proposal Calculator to accurately calculate the Contractor Fee.

Contractor Fee	Amount	% of Hard Construction Costs
Profit		
Overhead		
General Conditions + Performance Bond		
TOTAL		

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- It the total amount of the Contractor Fee exceeds the Safe Harbor Standards, provide a justification.

Justification: |

- Provide a written explanation of how construction savings (if any) will be allocated among the development parties. NOTE: per the Safe Harbor Standards, developers can only receive an amount equal to an additional 1% developer fee, with a maximum of a 12% fee.

Explanation: |

C. Identity of Interest

- If there is an identity of interest between the Developer and the contractor/builder, i.e., a financial relationship between the two parties, the Developer may award the construction contract to the related contractor/builder only if it has met one of the following requirements prior to HUD approval of the Development Proposal. Check the appropriate box and attach the required information:

24 CFR 905.604(i)(1): there has been a bidding procedure and the related contractor's bid was the lowest bid received. Provide documentation on the bidding process and bids received.

24 CFR 905.604(i)(2): there is an independent third party cost estimate that shows the related contractor's price to be at or below the cost estimate. Provide a copy of the cost estimate and the related contractor's cost or construction contract.

C. Property Management Fees

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- The fee paid to the Property Manager must be in accordance with the Safe Harbor Standards and must be described fully in the Management Agreement, which will be reviewed by HUD as part of its review of evidentiary materials.

- Identify the Property Manager: _____

- Is the Property Manager a: PHA
 PHA Instrumentality/Affiliate
 Private Company
 Private Company but affiliated with the
Developer/Owner
 PHA/Private Joint Venture
 Other (explain) _____

- Describe how the Property Management Fee will be calculated:

Description: _____

- If the Property Management Fee exceeds the Safe Harbor Standards, provide a justification.

Justification: _____

- Identify any additional fees paid to the Property Manager. Indicate the amount or the fee and/or how the fee is calculated or earned.

Fee Description	Fee Amount/Calculation

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D. Fees or Income Paid to the PHA*

- Payments received by the PHA, such as developer fees or loan repayments, are generally referred to as program income. The PHA's use of program income is often restricted, depending upon the source of Public Housing funds contributed to the project.
- Identify any fees or income to be paid to the PHA or its instrumentality/affiliate and the proposed use of the funds:

Source of Income	Amount	Use
Developer Fee		
Loan Repayment (if fixed)		
Bridge Loan Interest		
Other:		
Other:		
Other:		

*Information included in Paragraph D of Section 9 will also be included in Exhibit H of the Mixed-finance Amendment to the ACC for the project.

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Section 10: Operating Pro Forma

To allow HUD to review the financial feasibility of the project, provide the following:

A) Provide a 15 year operating pro forma, including assumptions, using the pro forma included in the Development Proposal Calculator.

- Show all income and expenses, debt service, and distribution of cash flow (cash flow waterfall) on the pro forma.

For the Public Housing units, show, below, how the amount of Public Housing operating subsidy shown on the pro forma was calculated. Identify the projected PEL, UEL, add-ons, tenant rents, pro-ration, etc. Include assumptions made. Discuss on what information you based your numbers and assumptions.

- For RAD, the revenue for the Public Housing units must be based on the RAD Notice of Anticipated RAD Rents.

Methodology Discussion: []

- Will all of the Operating Subsidy received by the PHA from HUD be transferred to the Owner Entity? If not, describe how the amount transferred to the Owner Entity will be determined, e.g., a percent of the subsidy, the actual gap between income and expenses, a negotiated amount, etc.
NOTE: This is not applicable for RAD conversions.

Description: []

- Note: Detailed information regarding payment of Operating Subsidy should be contained in the Regulatory and Operating Agreement and will be reviewed by HUD as part of its review of evidentiary documents.

B) Indicate, below, the waterfall or order of distribution of Net Operating Income, identifying all payments for debt service, fees, reserves, loans and excess cash flow.

Distribution: []

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Section 11: Local Cooperation Agreement

Attach the following to the Development Proposal:

- A copy of the Cooperation Agreement with the local jurisdiction covering the Public Housing units OR
- For mixed-finance projects only, if Public Housing units are to be subjected to local real estate taxes, provide documentation/certification from an authorized official of the local jurisdiction that the project is consistent with the jurisdiction's Comprehensive Plan (previously known as a comprehensive housing affordability strategy.)
- For RAD, where the PHA indicates continuation of a Payment In Lieu of Taxes (PILOT), provide a legal opinion based upon state and local law of continuation of PILOT post conversion to a Section 8 contract. If the PILOT will not be continued after conversion, the PHA must provide documentation of real estate tax estimates.

Section 12: Environmental Review Process and Documentation

This project is subject to the environmental regulations found at 24 CFR part 58 or, if approved by HUD, 24 CFR part 50. The PHA must comply with all environmental review requirements, as required, including 24 CFR 905.602(f), prior to approval of the Development Proposal.

- Provide a brief narrative on the status of the environmental review process:

Status: []

- Provide a brief narrative on the status of the “Section 106” (historic preservation) review process.

Status: []

For RAD, if the property is converting to PBRA, the PHA may either a) request a Part 50 review or b) have a Responsible Entity perform a review under Part 58 for the purposes of the MFDP and subsequently re-use the reports in a submission of a streamlined Part 50 Review under RAD.

Upon completion of the environmental review process, provide the following documentation:

- Form HUD-4128, Environmental Assessment and Compliance Findings for Related Laws (part 50)
- Form HUD-7015.15, Request for Release of Funds and Certification (part 58 only)
- Form HUD-7015.16, Authority to Use Grant Funds (part 58 only)

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Section 13: Market Analysis

For mixed-finance projects which include the development of non-Public Housing units, provide the following, which should support the proposed development of non-Public Housing units:

- Attach the Executive Summary of the market analysis for the project.

For RAD, no market analysis is needed if all units in the project will be fully assisted under Section 8.

Section 14: Other Requirements

As applicable, provide the following information:

A) PHA Annual Plan/MTW Plan & Capital Fund Action Plan or MTW Plan: The project must be included in the PHA's Annual Plan or MTW Plan and the Capital Fund Program 5-Year Action Plan. Discuss the status of the plan approval processes.

NOTE: For RAD, the conversion must be included as a significant amendment to the Annual Plan/MTW Plan and approved by the HUD Field Office, unless included in the original Plan. A copy of the HUD Field Office approval letter must be submitted prior to closing. In addition, for Initial MTW PHAs, an approved RAD amendment to Attachment A of the MTW Agreement may also be required.

Status: []

B) Faircloth Limits: Development of the project cannot result in an increase in the number of Public Housing units owned, assisted or operated by the PHA on October 1, 1999, as required by 24 CFR 905.602((b)). Provide the following:

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# Public Housing units Oct 1, 1999	
# Public Housing units (in PIC) today	
# net new Public Housing units created by project	
TOTAL Public Housing units after project completion	

C) Site and Neighborhood Standards: The project must be reviewed and approved by the HUD Field Office for compliance with Site and Neighborhood Standards, including those contained in 24 CFR 905.602(d), prior to approval of the Development Proposal. Provide a brief status of this approval process.

NOTE: Site and Neighborhood Standards do not apply to HOPE VI and Choice Neighborhoods projects. Project must comply with provisions of the Grant Agreement.

Status: []

D) Relocation: Relocation activities, if any, must meet the requirements of 24 CFR 905.308(b)(9) or as provided in a HOPE VI or Choice Grant Agreement. Provide a brief status of relocation activities.

Status: []

E) Resident Consultation: The PHA must have consulted with affected Public Housing residents prior to submission of the Development Proposal to solicit resident input into development of the project, as required by 905.600(c)(2) or as provided in a HOPE VI or Choice Neighborhoods Grant Agreement. Provide a brief description of how residents were consulted.

Description: []

F) Acquisition of New Units: If the project involves acquisition of units that are less than 2 years old, the project may not have been constructed with the intention of selling it to the PHA unless all applicable Federal requirements were met, as required by 24 CFR 905.600(b)(3). If applicable, provide a brief discussion of compliance with this provision.

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Discussion: []

G) Vouchers: If the project includes Project-Based Housing Choice Vouchers (PBV), the PHA must receive separate approval of the vouchers from the HUD Field Office prior to approval of the Development Proposal, including a separate subsidy layering review. If applicable, provide a brief status of the PBV approval process.

Status: []

H) Designated Housing: If the project includes Designated Housing, the PHA must include the project in its Designated Housing Plan, which must have been approved by HUD prior to approval of the Development Proposal. If applicable, provide a brief status on approval of the Designated Housing Plan.

NOTE: This is not applicable in RAD conversions. Section 8 properties cannot be designated.

Status: []

I) Demolition/Disposition: If the project includes demolition of existing Public Housing units and/or disposition (sale or lease) of Public Housing property, a separate approval must be received from the HUD Special Applications Center. If applicable, provide a brief status on the receipt of these approvals.

NOTE: HOPE VI and Choice Neighborhoods projects follow program specific guidance.

Status: []

Section 15: Submission and Approval of Draft Evidentiary Documents for

Mixed-finance Projects

For mixed-finance projects only, the following documents must be submitted in draft form to HUD for review and approval prior to HUD approval of the Development Proposal and prior to execution of the evidentiary documents, unless otherwise approved by HUD. Note: submission of these documents may be made separately after submission of the other elements of the Development Proposal.

- A) Mixed-finance Amendment to the ACC (HUD Model Document)
- B) HUD Declaration of Restrictive Covenants and Partial Release of the existing Declaration of Trust, if applicable (HUD Model Document)
- C) Regulatory and Operating Agreement between the PHA and the owner entity
- D) Ground Lease and Memorandum of Ground Lease between the PHA and the owner entity
- E) Legal Opinion from PHA counsel (HUD Model Document)
- F) Updated Development Proposal and Development Proposal Calculator, reflecting any changes in the project since the original submission
- G) HUD Certifications and Assurances (form HUD-50161)
- H) Title Policy (pro forma submitted prior to closing and final policy submitted after closing showing HUD Declaration of Restrictive Covenant recorded in the order approved by HUD (reviewed by the HUD Field Office))

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- I) ALTA Survey (reviewed by the HUD Field Office)

- J) Management Plan, Management Agreement, and sample Tenant Lease (reviewed by the HUD Field Office)

- K) Other documents as may be required by HUD

Upon completion of HUD's review of the Development Proposal and the draft evidentiary documents listed above, HUD will issue a letter to the PHA which will approve the Development Proposal and the draft evidentiary documents and authorize the PHA to proceed with financial closing. However, no Public Housing funds may be expended by the PHA until the final, executed evidentiary documents have been submitted to and approved by HUD

**Section 16: Submission and Approval of Final Evidentiary Documents for
Mixed-finance Projects**

For Mixed-finance projects only, after financial closing, the PHA must submit the following information to HUD for approval:

- A) a compact disc (CD) or other electronic medium approved by HUD containing copies of all executed and recorded evidentiary documents previously submitted and approved by HUD in draft form. Each document should be copied to the CD or other electronic medium as a discrete file. All documents must be indexed to allow for uncomplicated retrieval;
- B) the required HUD opinion of counsel (HUD Model Document);
- C) a certification from PHA counsel attesting that no significant changes have been made to the evidentiary documents previously submitted to and approved by HUD in draft form, or if changes have been made, a list of all changes, and;
- D) the final title insurance policy that reflects the recordation of all liens, mortgages and encumbrances against the property in the order approved by HUD.

HUD will issue a final letter to the PHA which approves the executed evidentiary documents and authorizes expenditure of the Public Housing funds committed to the project.

Section 17: Cost Certification

Within one year of project completion, the PHA must submit to the Field Office the Actual Development Cost Certificate (Form HUD-52427) or Development Cost Budget/Cost Statement (HUD -52484) or another form or format as specified by the Field Office.

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Section 18: Attachments & Additional Submissions to the Development Proposal

- Attachment 1: Site Map
- Attachment 2: Neighborhood/City Map
- Attachment 3: Architectural Plans
- Attachment 4: Construction Draw Schedule
- Attachment 5: Independent Construction Cost Estimate
- Attachment 6: Documentation on Limitation on Cost of New Construction
- Attachment 7: Documentation on Identify of Interest (if applicable)
- Attachment 8: Cooperation Agreement or Documentation of Consistency with
Comprehensive Plan
- Attachment 9: Environmental Compliance Documentation
- Attachment 10: Market Analysis Executive Summary
- Attachment 11: Draft Evidentiary Documents (may be submitted after other elements of
the Development Proposal, but prior to HUD approval)
- Attachment 12: Final Evidentiary Documents (submitted after financial closing)

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)



I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- 3. Request for Hearing on a subject matter at Committee
- 4. Request for Letter beginning with "Supervisor inquires..."
- 5. City Attorney Request
- 6. Call File No. from Committee.
- 7. Budget and Legislative Analyst Request (attached written Motion)
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the Board on

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- Yes No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Subject:

Long Title or text listed:

Signature of Sponsoring Supervisor: