



navigate

AFFORDABLE HOUSING PARTNERS

Units in need of repair?

If the answer is yes, then they are but a few of more than a million properties needing the same.

Dilapidated properties account for a loss of 10k units per year. There is an affordable housing shortage. The nation can't afford to lose more units.

Why RAD?

Rental Assistance Demonstration allows PHA's and owners to secure capital financing from private sources. It converts the current method of HUD funding to project-based Section 8 contracts.

Why Navigate?

We know Public Housing.

We know Affordable Housing.

We know HUD, and HUD knows us.

We are RAD experts with centuries of experience on staff.



For income-burdened families, the term "affordable housing" becomes a misnomer.

The United States is in the middle of a housing crisis. According to the Harvard Joint Center for Housing Studies, the share of households that rent now sits at 36.3%. That's the highest level since 1963. The number





Our experience by the numbers

RAD is not a new concept for Navigate. Our RAD portfolio includes:

\$238,198,000



3,473 UNITS



**30+ YEARS
in Affordable
Housing Industry**



**100+ YEARS
Staff Experience**

of renters continues to grow while the number of vacancies is going down. The Center's 2016 report shows production "fell to 7.1%, as production has failed to keep pace with demand. As a result, rents for primary residences increased 3.6% in nominal terms in 2015."

What is the solution? Build more housing? The preservation of existing housing? That would be great if you had the funding, right? The good news is HUD has provided a workable solution.

A RADical Change

A number of public housing agencies and owners of HUD-assisted properties have considered the Rental Assistance Demonstration (RAD). RAD would convert their current methods of HUD financing to project-based Section 8 contracts. According to HUD, the primary benefit of RAD "is that properties that convert



under this process are no longer restricted from securing private sources of capital financing, and the owners are therefore able to address deferred maintenance issues that have caused Public Housing and other HUD rental stock to deteriorate nationwide.”

Backlog of repairs prompts change

Congress authorized RAD in FY2012. Part of its mission is to provide PHAs and owners the opportunity to invest billions into properties at risk of being lost from the nation's affordable housing inventory. In addition to that, it gives owners of three HUD "legacy" program (Rent Supplement, Rental Assistance Payment, and Section 8 Moderate Rehabilitation) the opportunity to enter into long-term contracts that facilitate the financing of improvements.

According to HUD, there are 1.2-million Public Housing units right now with a repair backlog of about \$26-million. HUD estimates as a result, the public housing inventory is depleted by about 10,000 units each year. These units are either demolished or dispositioned.

“Meanwhile, the 38,000 units assisted under HUD's legacy programs are ineligible to renew their contracts on terms that favor modernization and long-term preservation,” according to HUD. “The current conditions of many of these properties prevent reinvestment and recapitalization efforts in the communities with the most need. By drawing on an established industry of lenders, owners, and stakeholders, RAD allows PHAs and owners of HUD-assisted housing to preserve and improve

The agency's goal with RAD is to create “greater funding” while empowering PHA's and owners and giving them the flexibility to better serve their communities. ”

Answering the RAD questions

Many PHAs, their councils/commissions and owners have questions about how to make the transition to RAD, how the transition will affect their residents, and also how it will affect rent. These groups also question how to start the process.

HUD provides some answers to these questions on its website. There are also other private groups who offer RAD consulting without any real experience in the management and maintenance of public housing and affordable housing. These groups are inexperienced when it comes to the hurdles many PHAs and owners face. This includes not only funding hurdles but also hurdles in communication. PHA's and owners want to be able to keep residents informed of impending changes. From property management to maintenance to marketing, it is a delicate balance to maintain.

Navigate has the answers

Navigate has continued to operate successfully within all arenas of the affordable housing industry for more than 30 years. Many of our key staffers have backgrounds not only in the public housing industry but also in affordable housing management. In addition to Navigate's success as a property owner and manager, our expertise extends to work as a developer on both RAD and tax credit deals throughout the state of Alabama, work as the Participating Administrative Entity (PAE) to restructure the debt on certain multifamily housing assets, all aspects of Public Housing day-to-day operations, and serving as the Performance Based Contract Administrator for the states of Alabama, Mississippi, Connecticut, and Virginia.

Specifically, Navigate offers Rental Assistance Demonstration (RAD) program consulting that a myriad of related services. Those services include:

1. Portfolio Re-Engineering

Navigate assists PHAs with strategic planning and portfolio re-engineering. This includes helping the PHA determine the appropriate private debt and equity tools for the long term preservation and improvement of their properties

2. Asset Management Training

Navigate offers thorough training consisting of a chapter-by-chapter review of various HUD occupancy manuals, Fair Housing, and new HUD policies and procedures when issued.

3. RAD Transition Services

Navigate offers transition services consisting of readiness audits and compliance reviews. This helps the PHA determine if its policies, procedures and day to day operations are in compliance with HUD regulations and any other RAD requirements.

4. Occupancy Policy Development

Navigate assists the PHA by drafting basic occupancy policies (Tenant Selection Plan, Grievance Procedures, House Rules, Limited English Proficiency, etc.)

5. Occupancy Policy Helpdesk (The Compass)

Navigate offers this service for PHAs that:

- Have closed their RAD deal and are now operating on the multifamily platform;
- are in the queue to enter into the RAD program; OR
- current Multifamily property owners and management agents.

6. Tenant Marketing Communications

Navigate offers the means to keep residents informed as to changes they may see on site. Campaigns are designed with tenant peace of mind- in mind.

Navigate has already been engaged as a RAD consultant, and we have provided training, occupancy policy development and help desk functions to other Alabama PHAs.

Two Centuries of Expertise

PHAs and owners that work with Navigate are given the benefit of two centuries of expertise. Our staff has more 200 years of combined experience in every aspect of public housing. This uniquely positions Navigate to provide consulting services to both public housing, multi-family and other affordable housing businesses. As a result, our clients have access to the best minds in the public housing and affordable housing industries.

Navigate's role as Consultant offers a Return on Investment (ROI) that includes efficient spending of your dollars as well as a peace of mind that you are adhering to HUD's rules and regulations. That ROI will also be reflected in an improved community.

Navigate's RAD Training lays the groundwork for a successful transition. This is true whether the agency or owner is just now starting the process, in the middle of the process or still thinking about it. Navigate has trained hundreds of clients on various housing topics and had great success. One example includes our recent Management and Occupancy Review training for HANAC in New York:

"Vickie was very knowledgeable about MOR preparedness. She was very patient and willing to discuss whatever we wanted. She made us feel it was ok to ask any questions and was willing to email us additional materials. I thoroughly enjoyed the training and am ready to schedule the EIV exclusive training shortly."

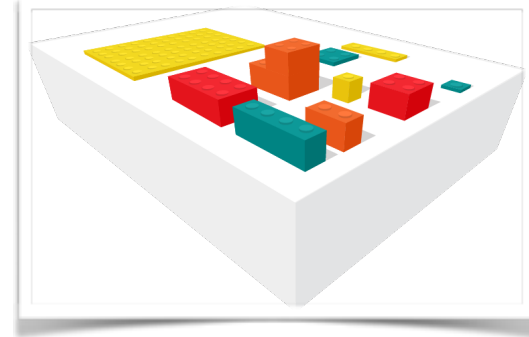
-Keron Rivera, HANAC

Once the staff is up to speed on the origins of RAD, its purpose and how it works, we can begin walking the team through the transition process. This includes developing the Occupancy Policy. The Compass (help desk) becomes invaluable here. The ability to tap into Navigate's resources with one phone call will help teams continually adhere to HUD standards without wavering during the implementation or follow through. This leads to fewer missteps with funding, the policy and most importantly, with the residents.

It's not a minefield but there are blocks

Getting to close on the Rental Assistance Demonstration can be difficult. From the rules and regulations set forth by the Department of Housing and Urban Development (HUD) to the possible confusion of and backlash from residents, you need the right partner.

Imagine going into an unfamiliar room. Imagine you're not wearing shoes but you are wearing a blindfold. Imagine you've been challenged to escape out of the back window and go two stories down to safety. What you can't see is the thousands of little building blocks scattered about the room, and every foot or so there's glass. You wouldn't want to go it alone, right? Let Navigate live up to its name- for you.



Conclusion

Navigate Affordable Housing Partners is the team you need on your side. Navigate offers the full RAD service. We have the best solutions to your RAD transition. Navigate is a friend through the RAD transition process, a guide that will get you to close.

Call Navigate today to talk about how we can help you through this very important process. You tell us what you need. We'll come up with a solution together. For more information visit consulting.NavigateHousing.com.

About Navigate Affordable Housing Partners

Partner with Navigate to enhance your housing services

