



Housing Authority of the City of Milwaukee

RENTAL ASSISTANCE DEMONSTRATION (RAD) PROGRAM

FREQUENTLY ASKED QUESTIONS

What is RAD?

The Rental Assistance Demonstration (RAD) Program is an opportunity to avert the pending affordable housing crisis due to the lack of adequate federal funding for public housing across the United States. The RAD program was created by the U.S. Department of Housing and Urban Development (HUD) and endorsed by Congress as a voluntary program to help public housing authorities (PHAs) preserve and improve public housing properties. The program is designed to give PHAs access to more stable funding to make needed improvements to aging properties.

Why is RAD needed?

Across the country and here in Milwaukee, the public housing inventory is aging, becoming obsolete with an increasing backlog of needed repairs. Despite the immense need to preserve public housing units, Congress has reduced funding for these repairs – called capital funding - by 24% over the past decade. HACM's current backlog of non-emergency property maintenance needs is over \$198 million. With existing capital fund levels, it would take over 44 years to repair HACM's existing backlog.

How does RAD work?

Under RAD, units change from public housing to project-based Section 8 voucher assistance (rent assistance) under a long-term contract between HACM and HUD. This provides a more stable source of funding for affordable housing. RAD also opens access to additional financing to preserve and improve housing units that are necessary to support Milwaukee's low-income population with safe, high-quality and affordable housing.

How will HACM implement RAD?

HUD has authorized several ways of implementing RAD. In Milwaukee, HACM will establish limited liability corporations (LLCs) for buildings/developments, and HACM will be managing partner of the LLCs. This is similar to HACM's current tax credit properties.

How will RAD affect residents and their rent?

As with public housing, residents will continue to pay no more than 30% of adjusted gross income for rent. However, there will be no flat rents under RAD, so residents with high enough income who are currently paying flat rents may see an increase in rent that will be phased in over time, if necessary. Residents will not lose housing assistance and will not be re-screened when their apartment goes through a RAD conversion.

Vision: RAD will preserve and improve affordable housing, strengthen HACM's resiliency, and provide opportunities to thrive.

More Questions?

Visit rad.hacm.org or contact the HACM RAD hotline at (414) 286-8600 or rad@hacm.org.



KEY TERMS & ESTIMATED TIMELINE

KEY TERMS

Section 9 Public Housing

Housing that is funded and maintained by annual operating subsidies provided by HUD.

Section 8 Project-Based Vouchers (PBV)

A subsidy that is committed by HUD for the assisted units of a particular property for a contractually determined period.

Rental Assistance Demonstration (RAD)

A demonstration program that allows public housing agencies to move to a Section 8 platform with a long-term contract that, by law, must be renewed. This ensures that the units remain affordable to low-income households.

Low-Income Housing Tax Credits (LIHTC)

A dollar-for-dollar tax credit in the United States for affordable housing investments.

| Development Name | Estimated Conversion (Subject to Change) |
|--|--|
| Arlington Court | After 2020 |
| Becher Court | After 2020 |
| Cherry Court | December 2017 |
| College Court | April 2019 |
| Convent Hill | June 2018 |
| Highland Gardens | June 2018 |
| Highland Homes | After 2020 |
| Hillside Terrace | After 2020 |
| Holton Terrace | April 2019 |
| Lapham Park | March 2018 |
| Lincoln Court | After 2020 |
| Locust Court | After 2020 |
| Merrill Park | After 2020 |
| Mitchell Court | April 2019 |
| Olga Village | June 2018 |
| Parklawn | After 2020 |
| Riverview | After 2020 |
| Scattered Sites | After 2020 |
| Scattered Sites Tax Credit I | April 2018 |
| Scattered Sites Tax Credits II | April 2018 |
| Townhomes at Carver Park | April 2019 |
| Westlawn Gardens -East | December 2017 |
| Westlawn Gardens – West (New Construction) | |
| Phase 1 - WGSS | May 2017 |
| Phase 2A - Victory Manor | May 2017 |
| Phase 2B - WR III | May 2018 |
| Phase 3 & 4 | 2019-2021 |
| Timeline accurate as of January 2, 2018 | |

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