

## Rental Assistance Demonstration (“RAD”) Resident Meeting Frequently Asked Questions and Answers

Q: What is RAD?

A: “RAD” stands for Rental Assistance Demonstration. RAD is a voluntary demonstration that provides Housing Authorities the capability to address unmet capital and/or financial needs of their federally assisted rental housing properties. The demonstration helps to provide stability in the viability of the properties, and long-term affordability.

Q: Who decided that RHA should apply for RAD?

A: The Raleigh Housing Authority (“RHA”) is in charge of whether the agency applies for available programs. RHA decided to apply to RAD based on information gathered from seminars, training sessions, webinars, U.S. Department of Housing and Urban Developments (“HUD”) notices, after a thorough review of potential impacts to the agency and its residents, and after encouragement from our financial auditor.

Q: Have we made up our mind about participating?

A: RHA has applied for participation and is working to “close” on the transaction by the end of the year. The Agency may withdraw at any point up until closing. An application to the program does not necessarily indicate that the transaction will make it all the way through closing.

Q: What happens if my community does not participate in RAD?

A: Communities that end up not converting will continue to operate as public housing, just as they are now.

Q: Will all public housing communities change to RAD?

A: At this time, RHA is expecting to convert its public housing through a RAD portfolio. This gives us the flexibility to evaluate the administration of a new program and slowly transition over a period of many years.

Q: Which properties are being considered for converting?

A: RHA is considering converting all public housing properties, with highest priority set on: Meadow Ridge, Valleybrook, Terrace Park and Berkshire. RHA will give consideration to other properties and their priority as we go through the process.

Q: Why is priority being given to convert some properties now and others later?

A: The priority list of property conversion is based on several factors including the age of the property, the number of on-site units, condition of the site, expected financial impact, resident rent amounts, and more.

Q: Is public housing going away?

A: HUD has not announced that it is intending to do away with the public housing program. However, they have reduced the amount of funds available. Housing Authorities, including RHA, have taken notice of the funding level changes and are exploring options to ensure that they are able to provide affordable housing long term.

Q: Is there a possibility that I will remain a public housing resident?

A: Yes, residents will continue to receive their subsidy through the public housing program if RHA decides to withdraw from the RAD program prior to closing.

Q: Am I going to lose my housing?

A: No, residents will not lose their affordable housing due to a RAD conversion. Residents are required to stay in compliance with their Lease agreement in order to continue to receive housing assistance regardless of participation in the demonstration.

Q: What is RHA's timeline?

A: RHA expected this process to take between one and a half and two years from the time the application was submitted. Currently, closing is set to take place November 30, 2021.

Q: What is a "straight conversion" and what does it require?

A: A straight conversion occurs when a property's funding source is converted with minimal physical changes to the property, residences, and/or structures required. Straight conversions are a more streamlined process with little change expected to residents.

Q: Are you selling the property?

A: No, RHA is not selling any public housing property at this time. Housing will continued to be owned and operated by a Housing Authority controlled LLC.

Q: Do I have to move?

A: RHA does not expect that residents will be required to move. The focus is on converting properties that would not require resident relocation.

Q: If I move, who will pay for my moving expenses?

A: If RHA requires residents to move because of a RAD conversion, then residents will be provided with a moving allowance in accordance with the Uniform Relocation Act. Resident rights are protected throughout a conversion process.

Q: Will residents have to qualify/re-qualify for the program?

A: Residents who live at a converting property at the time of closing will not go through a re-screening or qualification process, they will be grandfathered into the program. Individuals who wish to become RAD residents after closing will need to qualify for participation in the Section 8 program at that time. RHA's Section 8 qualifications can be found in the Administrative Plan.

Q: Do I have to work under the RAD program?

A: Residents who reside at properties without work requirements will not be required to work due to a RAD conversion. RHA has several properties that currently have a work requirement/preference established. The agency is in the process of determining how those properties would be impacted by switching to RAD.

Q: Would a conversion remove transferring as a possibility in the future?

A: Voucher holders are subject to the relocation and porting procedures for their program. Individuals wishing to transfer including to a different type of assisted housing program may either need to transfer or to apply to that program depending on where we are in the application/conversion process.

Q: Can I transfer to another PH unit if I don't want to participate in RAD?

A: RHA has the option to allow individuals who do not wish to participate to transfer to another public housing property. Also, all individuals are welcome to apply to any RHA waiting list at any time should they wish to do so.

Q: Is RAD in RHA's current annual plan?

A: Yes, RHA included RAD participation as an option in the current annual plan. The annual plan is being updated with more specifics as we go along in the process.

Q: Will handicap units be available through RAD?

A: Yes, RHA will comply with all local and federal guidelines to provide handicap and accessible units to residents.

Q: Should residents be happy or unhappy about the proposed changes?

A: RHA believes that residents should be happy with the proposed changes. RHA expects minimal changes to impact current residents and RAD will provide more stability for future housing subsidy, will make positive changes to improve the communities, and will provide residents with greater flexibility and housing choices.

Q: What kinds of repairs would be needed from the capital needs assessment?

A: RHA had a Capital Needs Assessment ("CNA") completed by an outside contractor to determine the repairs are needed for conversion. Repairs can be anything including mechanical, structural, and architectural items. However, the communities identified for potential conversion are in such good shape that staff expects minimal repairs to be necessary.

Q: Who evaluated the property for repairs?

A: RHA hired Dominion Due Diligence as an independent contractor to evaluate each community and provide a capital needs assessment. Seven communities have completed the evaluation process.

Q: Who would be performing repairs?

A: RHA maintenance staff will continue to perform repairs as they do now.

Q: Will RHA's maintenance staff change?

A: No, RHA does not expect Maintenance staff to change with a conversion.

Q: Will we get more maintenance staff through the RAD program?

A: RHA is not intending to shift the organizational structure of staff through a RAD conversion.

Q: Will the ordinary maintenance process change from the current system?

A: No, RHA does not believe that there will be much change to the maintenance process.

Residents will still be required to report any known maintenance items/needs through the work order system.

Q: Will the budget for building improvements change?

A: The source of the funds will change, however, this does not necessarily mean that the amount of the budget will be impacted. RHA and CAD will continue to make necessary improvements and capital need to our communities.

Q: Why is RHA not looking to upgrade units through RAD?

A: RHA's communities are in good condition and will allow for a "straight conversion." RHA's primary goal at this time is not to upgrade communities but to switch to a more stable funding source and to diversify housing stock portfolio.

Q: Can RHA provide new floors or paint my home?

A: RHA will discuss providing these pending the results of the CNA. Should flooring or painting be on the list of necessary updates, RHA will make these arrangements as necessary.

Q: Can RAD be used as an opportunity to provide kids with a space to play? Basketball courts or otherwise?

A: At this time, RHA is interested in converting properties that would not require much in the way of physical upgrades. If individual communities wish to see upgrades to recreational spaces within their community, they should approach Resident Councils and/or Management staff about these upgrades. The appropriate individuals can begin the process of evaluating the ideas to see if they are feasible and desirable.

Q: Will rent go up with a conversion?

A: RAD resident rents will be set at 30% of the household's gross annual income. For the overwhelming majority of residents, this will not lead to a change in rent amounts. Families that pay flat rent are the only residents who may see a change in rent amount.

Q: Will there be a flat rent with RAD?

A: No, the RAD program does not provide residents with a flat rent option. All residents will be required to pay an income-based rent amount.

Q: How will flat renters be affected by calculation changes?

A: Flat rent amounts may be slightly different (higher or lower) under RAD because all resident rents will convert to an income-based amount. Individuals who experience an increase in rent of over 10% or \$25/month are eligible to have their rent increases phased in over a few years' time to make the adjustment smoother for the resident.

Q: Will I have to leave the program if my community converts to RAD and I am over the income limits (aka a "zero HAP" renter) under Section 8?

A: Residents who are converted to Section 8 through RAD and are considered zero HAP renters are grandfathered in to the program and not subject to end their assistance as would normally be required under voucher programs.

Q: What is contract rent?

A: "Contract rent" refers to the amount of rent HUD approves for a particular unit.

Q: Will medical deductions still be given when calculating rent?

A: Yes, residents will be able to receive medical deductions based on the regulations approved by HUD. RHA cannot guarantee that HUD will not change rent calculations for any programs in the future.

Q: Will I be on Section 8?

A: Yes, RAD residents will be under the Section 8 program and have a Project Based Voucher ("PBV"). These are different than the Housing Choice Voucher ("HCV"), which is currently the only type of voucher that RHA subsidizes. RHA will be expanding voucher services through the addition of the RAD program.

Q: What is the difference between a HCV and PBV voucher?

A: A HCV voucher is awarded to a person and the subsidy goes with that person to the location. If that person ends up moving, then the voucher can follow them to the new location. A PBV voucher is tied to the property, not a person. Should someone leave that property, then the subsidy will stay behind at the location. There are different rules and regulations in place for each type of voucher.

Q: Will I be interacting with Section 8 staff under the voucher program?

A: RHA is still working to iron out which departments will be in charge of specific functions of the RAD program. It is possible that you may interact with Section 8 staff for recertifications and inspections. However, we foresee the majority of your day-to-day interactions will continue through Housing Management and Maintenance staff.

Q: Why should residents want vouchers?

A: Vouchers are funded through a more stable source and provide a greater flexibility in housing choice. Both public housing and vouchers have advantages and disadvantages. RHA encourages all residents to evaluate which program more fully addresses their household's needs during this process.

Q: Will the federal government come in and take my voucher away from me?

A: A RAD conversion will secure vouchers for the duration of the contract term. As stated during the meetings, there is not an out clause to the contract. Therefore, RHA does not foresee the federal government having the ability or desire to remove vouchers from residents. However, the federal government evaluates all of its programs and recommends changes regularly which leaves housing authorities without an absolute answer on the longevity of ANY housing program.

Q: Why is RHA considering participation in a program that does not have a contract out clause?

A: The lack of an out clause is certainly an item RHA considers as a potential negative. However, this is not a significant change from the current contract with public housing which does not provide a contract out clause.

Q: Can I move out of state and take my subsidy with me?

A: Yes, so long as a few criteria are met. Residents who meet the requirements to qualify for and receive a HCV have the option to port to a different housing authority's jurisdiction.

Q: Would residents who stay for at least a year and receive a HCV be able to port to a different RAD property in RHA's portfolio or would they have to apply to a site based waiting list?

A: Porting applies when residents wish to transfer to another location outside of their current Housing Authorities jurisdiction. Those wishing to change to a different RHA RAD property would be staying within RHA's jurisdiction. Residents would have the option to apply to a site based waiting list and relocate to a different property subject to relocation procedures at that time.

Q: Does RHA have property in Garner?

A: RHA does not have any public housing communities located in Garner. Individuals under the voucher program may use their voucher anywhere within Wake County, including parts of Garner, without having to go through the porting process.

Q: Will I have to wait on the Section 8 waiting list to get a voucher through RAD?

A: No, individuals who are residents at the time of conversion will automatically have their subsidy switched to RAD. Certain criteria must be met for individuals to be eligible to receive a HCV without going through the regular wait list.

Q: Should I apply for a voucher?

A: You are not required to apply unless you wish to receive a voucher independent of a RAD conversion. You may apply for the Section 8 waiting list now if you desire.

Q: Why doesn't RHA provide more than 60 days to find a unit with a voucher?

A: RHA provides an acceptable amount of time for voucher holders to search for a landlord. This time frame is within HUD guidelines. Individuals who are unable to find landlords within the 60 day period may request an extension in order to continue searching.

Q: Why did I get a letter from Section 8?

A: Staff cannot answer questions about personal mail a resident may have received. No letters have been mailed from the Section 8 department in coordination with the RAD program or any of the meetings scheduled to date. We recommend that residents who have questions about their mail should inquire about the nature of it with the staff and/or department that issued it.

Q: Will I have to sign a new lease agreement?

A: Yes, residents who convert to the RAD program will sign a new lease at the time of closing.

Q: With what agency will my lease agreement be made?

A: Your lease will be made between the owner of the property at the time of conversion.

Q: Who is CAD?

A: CAD is a nonprofit agency affiliated with RHA. They are co-owners and operators of the affordable market rate communities at Walnut Terrace, Capitol Park, Chavis Heights, and sole owners/operators of Stonybrook Apartments.

Q: If I live at one of the blended communities and wish to switch from being a RAD resident to a market rate resident, can this be done without needing to move to another unit?

A: RAD subsidy is tied to the units and addresses themselves, meaning that the funding designation of a unit would not change based on resident preference. However, residents do have the option to apply to and potentially relocate to a market rate unit within the same community should they so desire.

Q: When will I go through the recertification process?

A: Residents who convert to RAD will sign a new lease at closing. RHA believes that residents will have recertification dates on the anniversary of their last Lease signing. RHA would like to note that we have not ironed out the finer details of our recertification process and this is subject to change.

Q: Will my utilities be metered under RAD?

A: That will depend on the utility setup for the community.

Q: Will I be required to relocate if I start making more money?

A: As long as you are in compliance with the requirements of your Lease Agreement and the Administrative Plan, you will not have to move due to an increase in income. Individuals who exceed the threshold of income limits should discuss this with their Property Manager. Residents who are in place at the time of RAD conversion will have different options than those who move to the property after conversion.

Q: Will my property be demolished or rebuilt in the future?

A: At this time, RHA is evaluating Heritage Park for potential redevelopment. This redevelopment is separate from participation in the RAD program. Other properties may be

updated sometime in the future, but we cannot predict what the plans for a specific property will be at this time.

Q: Will incentive public housing properties, including Scattered Sites Housing, be affected?

A: RHA will be including all public housing programs and communities on the RAD application. This means that there is a possibility that Scattered Sites could be converted to RAD.

Q: How does incentive housing work?

A: Incentive public housing requires that residents meet additional qualifications beyond the required criteria for the conventional public housing program. In order to qualify for an incentive property, the head of household must either be: (1) working full time as defined as 35 hours per week and have done so for 24 months prior to admissions; (2) elderly; or (3) disabled. Incentive based public housing communities offer a one-time residency with a 10-year cumulative time limit. Residents housed based on the working preference must maintain employment of at least 35 hours a week or be relocated to a conventional public housing unit at the resident's expense.

Q: Will the requirements for the incentive housing programs change?

A: RHA is investigating how current work requirements will be impacted by a RAD conversion. Incentive program residents will be notified of significant amendments if this changes.

Q: When was the last time HUD updated Fair Market Rent ("FMR") amounts?

A: HUD updates FMRs annually, with the latest set of figures being published on August 14, 2020.

Q: How should I expect to be notified if I have to move?

A: In the event that residents are required to relocate, RHA will provide a relocation notice to the impacted households. This notice will either be hand delivered or sent via US mail. The notice will include necessary information pertaining to the relocation.

Q: Will you reconsider RHA's No Smoking Policy?

A: No, RHA is not interested in reconsidering the current No Smoking Policy.

Q: Will the owning agent sell the community or make it unaffordable?

A: No, we will continue to keep its housing affordable. RHA intends to make sure that the property is not sold or lose affordability through a reverter clause in the contract established with RHA.

Q: How will RHA ensure that resident's personal information will remain secure throughout the conversion process?

A: We do not anticipate resident personal information to be necessary to the RAD conversion at this time.

Q: What is a reverter clause and how does it work?

A: A reverter clause provides stipulations when property transfers from one individual to another. In this case, RHA would require that the contract to convert the properties specify that, in the instance where they no longer can or want to continue to own RAD properties, the properties would revert back to being owned and operated by RHA. This ensures that the communities are not passed on to another agency that may have different goals than RHA.

Q: Can residents review the language of the contract with HUD prior to closing?

A: RHA needs to investigate this further and will consult with legal counsel about providing contract language to residents.

Q: When will the next meeting be held?

A: RHA does not currently have a future schedule. Zoom information will be provided in a few different places including at offices and on the website once meetings are scheduled.

Q: Why don't we offer more sessions to accommodate individual schedules?

A: RHA has consulted with Resident Council presidents, service providers, Managers, and other staff when scheduling meetings. We also have reviewed the amount of working individuals by property in an effort to schedule with the least amount of resident conflict. Meetings have recently been held via Zoom to allow for social distancing during the Covid-19 pandemic. RHA does not have the staff time or power to accommodate individual schedules for 1,400 plus families and have done our best to provide a wide range of options.

Q: Where can residents sent feedback or questions?

A: Residents may contact Laura McCann, Special Assistant, to voice their feedback. She may be contacted via email at [lmccann@rhaonline.com](mailto:lmccann@rhaonline.com) or via phone at (919) 508-1304.