

Rental Assistance Demonstration

Financing Plan Guide

for

Conventional Financing or No Debt Conversions

U.S. Department of Housing and Urban Development
Office of Recapitalization
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About this Guide and Financing Plans

This Guide will walk you through the requirements of the RAD Financing Plan (as outlined in Notice PIH-2012-32 (HA), REV-2), and assist you in ensuring you upload the necessary documents to the RAD Resource Desk for your Transaction Manager to process your transaction. Each section of the Guide corresponds to the numbered matrix you will see in the Resource Desk as you submit your Financing Guide.

Where HUD has already issued specific guidance on the different items required as part of the Financing Plan, the Guide will provide limited information however, each section of the Guide contains a Resources section with links to guidance that will help you successfully complete each item. Where separate guidance (other than in the Notice) has not been issued for a particular item, the Guide provides more detailed information. A streamlined checklist of the submission requirements is included as Appendix A to the Guide.

This Guide is specifically designed for RAD conversions that are **not** utilizing tax credits or FHA financing. If you are utilizing tax credits, please refer to the *Financing Plan Guide for Non-FHA LIHTC Conversions*. If you are utilizing FHA financing (with or without tax credits), please refer to the *Financing Plan Guide for FHA Insured Conversions*. All of the Financing Plan Guides are available at the RAD Resource Desk (www.radresource.net).

The Financing Plan and Deadlines

The RAD Financing Plan is due within 180 days of your Commitment to Enter into a Housing Assistance Payment contract (CHAP) Award.¹ However, you should begin compiling the various required documents as soon as your CHAP is awarded as many of the requirements are complex and have long lead times (for example, procuring a RAD Physical Condition Assessment or RPCA contractor). HUD expects one complete and accurate package with all of the required information. Incomplete Financing Plans will be rejected by HUD.

How to Submit Your Financing Plan to HUD

Submit a complete set of transaction documents by uploading them to the RAD Resource Desk at www.radresource.net. You may upload the documents as they are ready or you may wait and upload all of the documents at once. To upload documents, please follow the steps below:

¹ For CHAP awards that were issued between January 1, 2015 and June 15, 2015, the Financing Plan is due January 11, 2016 (210 days following the publication of the revised Notice). Note that where assistance will be transferred to a new site, the PHA must first request approval of the new site within 90 days of CHAP award and the Financing Plan will be due 180 days following HUD's approval of the site.

1. Log in to www.radresource.net using your assigned username and password. (Note: If you are unable to locate your logon information, use the “Forgot your logon information?” link or email resourcedesk@radresource.net for assistance.)
2. Click on **My PHA Libraries**. You’ll see a list of the PHA’s properties that have a CHAP Award.
3. Click on the name of the property for which you’re submitting a Financing Plan.
4. Locate the blue bar that reads **Financing Plan** and click the link to the right that says **Upload Files**. You will see a matrix that contains a list of all of the applicable documents that serves as your table of contents for uploading
5. Scroll to the end of the matrix to the section that says **Upload Documents**.
6. From there, use the **Milestone Document** drop-down menu to select the name of the document you are uploading and then click **Browse** to select the file you wish to upload. If you need to upload documents not covered by items on the matrix, you can upload them under item 19 “Other”. This feature allows you to add a description to the item for easy identification by you and your Transaction Manager.
7. Once you have selected the file you wish to upload, click **Add File**. You will know that you have successfully uploaded the file because it will appear in the matrix above. (Note: You have the option to input comments for each document in the “PHA Comments” column in the matrix that your Transaction Manager can see). Repeat steps 6 and 7 for each document you wish to upload. Remember to select the correct document category from the drop down list for the document you are uploading.
8. Once all documents are uploaded and you are ready to notify your Transaction Manager that your submission is ready for review, click the **Document Upload Complete** button. The Transaction Manager will receive an email notification that the Financing Plan submission has been completed. **IMPORTANT: Do NOT click Document Upload Complete** until you have successfully uploaded your entire Financing Plan submission. Clicking this button before then will result in your package being marked incomplete.

HUD’s Review of the Financing Plan

Once you have completed your upload, HUD will do an initial screening to determine whether or not your submission is complete. If HUD determines your submission is incomplete or materially inconsistent, you will receive an email notifying you of the missing documents and you must submit the missing items within five (5) business days or your CHAP is at risk for being revoked. If your

submission is determined to be complete, your Transaction Manager will review each document and send you an email with a list of questions or concerns including requests to upload revised documents if necessary.

Responses must be received within five (5) business days or else the transaction will be flagged for a potential rejection or hold. If the transaction remains in a preliminary rejection/hold for more than thirty (30) calendar days, the CHAP will be at risk of revocation. Once all outstanding issues have been resolved, your Transaction Manager will notify you that the financing plan has been accepted and that a RAD Conversion Commitment (RCC) will be issued shortly.

Questions

Your Transaction Manager should always be your first point of contact. However, if you have questions regarding the website or uploading documents please email resourcedesk@radresource.net for assistance.

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1. Conversion Overview

For the Conversion Overview Template, please provide HUD with a summary of the proposed conversion. The information you submit will be used by your Transaction Manager as he/she prepares various internal reports, so it is important to clearly describe your proposed RAD transaction as well as identify any potential issues and proposed mitigations. Be sure to provide a clear description of the property and conversion plan as well as address any unique or unusual features including:

- Changing bedroom/unit configurations
- Multiple/scattered sites
- Transfers of assistance
- Resident relocation
- Rent bundling
- Proposed changes in responsibilities for utilities
- Proposed changes in ownership after conversion
- Any prior Section 18 approvals/Tenant Protection Vouchers (TPVs); and
- Units to be reduced under the de minimis allowance of the Notice
- If the property is part of a Choice Neighborhood Initiative
- How conditions of the CHAP award were satisfied
- Any programmatic or regulatory waivers or special approvals you intend to request from HUD (Note: Waivers should be discussed with your Readiness Transaction Manager in advance of Financing Plan submission)

Note: If you expect to be requesting a RAD waiver, please discuss this with your Transaction Manager as soon as possible; do not wait until the Financing Plan submission.

What to Upload

- ✓ The RAD Conversion Overview Template.

2. Conversion Type

The Financing Plan matrix is prepopulated with the type of subsidy that was selected in your original RAD application, either: Project Based Vouchers (PBV) or Project Based Rental Assistance (PBRA). If you wish to change your original selection, click the box under “Check here if this is incorrect”.

What to Upload

- ✓ If you are converting to PBRA and did not request or do not qualify for a good cause exemption for Choice Mobility, upload a fully executed Choice Mobility Letter of Agreement template signed by the PHA converting the units and also by the PHA that has

agreed to administer the vouchers in order to comply with the Choice Mobility requirement. While you may have submitted this form at the time of your application, a current version must be submitted with the Financing Plan to confirm both parties are still in agreement as it is likely some time has passed since your application was submitted. This form can be found in your original Excel RAD application file.

Note: if you are converting to PBV, or you are converting to PBRA and have requested and received a good cause exemption for Choice-Mobility, no further action (no uploads) are required.²

Resources

 [RAD Guide to Choosing Between PBV and PBRA](#)

 [PBV Quick Reference Guide](#)

 [PBRA Quick Reference Guide](#)

3. RAD Physical Condition Assessment & Scope of Work for Rehab or New Construction

The RPCA consists of two parts: 1) Written Narrative and 2) Excel Tool. Refer to the RAD Physical Condition Assessment Guide for further information regarding whether your transaction will be required to submit both the Written Narrative and the Excel Tool or just the Excel Tool (which includes the utility consumption baseline). The RAD Notice requires that you submit a Scope of Work; the “Rehab Specifications” worksheet within the RPCA Excel Tool fulfills this requirement. You will want to procure the RPCA as early as possible because of the lead time it will require.

Tips for Submitting a Satisfactory RPCA

- Do not upload the RPCA narrative report and Excel tool without carefully reviewing it first. It’s important to perform a careful review of the RPCA narrative report and accompanying Excel Tool you receive from your third party provider as there may be some discrepancies between the RPCA, the Scope of Work, the Development Budget, and the Reserves. Discuss any discrepancies with your RPCA provider, lender (if applicable) and Transaction Manager.

What to Upload

- ✓ The final version of the RPCA, which includes the RPCA Excel Tool and the Narrative (as applicable).

² If you are eligible under the RAD Notice for a good-cause Choice-Exemption, but either inadvertently failed to request one or changed your decision, please contact your Transaction Manager to determine if HUD has already awarded its 10% exemption authority.

Resources

- 🏠 [Physical Condition Assessment Guide](#)
- 🏠 [RAD Physical Condition Assessment Statement of Work](#)
- 🏠 RAD Physical Assessment Tool (www.radsource.net > Additional Resources)
- 🏠 RAD Physical Assessment Exhibit –Summary of HUD’s Responsibility Laws (www.radsource.net > Additional Resources)
- 🏠 [RAD RPCA Training Webinar](#)

4. Completed Environmental Review

An environmental review is required for all conversions but the level of review and submission documents vary based on the type of conversion (PBV or PBRA).³ Please refer to the Environmental Review Requirements for RAD Transactions for further information.

What to Upload

PBV Conversions

After working with the Responsible Entity (RE) to complete the Part 58 environmental review, the PHA must upload one of the following as part of the Financing Plan:

- ✓ The completed HUD Form 7015.16; OR
- ✓ A letter from the RE indicating finding of exempt activity under 24 CFR 58.34

Note that the environmental review for a PBV conversion will not be conducted by HUD except in accordance with 24 CFR 58.11, in which case the review will be performed under Part 50 and will follow the instructions below for PBRA conversions.

PBRA Conversions

For PBRA projects, the PHA must upload the following:

- ✓ An Environmental Report (consistent with instructions contained in Chapter 9 of HUD’s *Multifamily Accelerated Processing* (MAP) Guide); and
- ✓ A Phase 1 ESA in accordance with ASTM E 1527-13 (or the most recent edition). (Note: for projects that are not undergoing substantial rehabilitation or new construction, the PHA may alternately submit a transaction screen in accordance with ASTM E 1528-14 (or the most recent edition) in lieu of a Phase 1 ESA.) The Phase I ESA must be conducted (meaning the earliest of the date of the site visit, records review documents, or interviews) within one-year of the submission to HUD. A Phase I ESA that was conducted more than 180 days prior to the submission date to HUD, but within the allowable one-year period, must be updated

³ Environmental Review requirements also vary depending on whether there is FHA insurance. Since this document addressed no-debt and conventionally-financed conversions, these special provisions for FHA-insured projects are not discussed here.

pursuant to Section 4.6 of ASTM E 1527-05. A Phase I ESA prepared more than one year prior to submission to HUD, even if updated within 180 days of being submitted, is not acceptable.

Resources

- 🏠 [Environmental Review Requirements for 1st Component Transactions](#)
- 🏠 [RAD Environmental Review Process Training Webinar for CHAP Awardees](#)
- 🏠 [RAD Environmental Review Process Training for CHAP Awardees - Slides](#)
- 🏠 [HUD Exchange: Environmental Review](#)

5. Accessibility and Relocation Plan Checklist

All PHAs, regardless of whether or not the conversion involves relocation, must complete and submit the RAD Accessibility & Relocation Checklist found [here](#). HUD uses this checklist as a screening tool to identify transactions to review for compliance with accessibility and relocations laws. The checklist includes a certification that the relocation plan complies with all applicable HUD requirements, including the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and its implementing regulations (49 CFR Part 24) as well as Section 504 of the Rehabilitation Act of 1973 and its implementing regulations (24 CFR 8.23).

What to Upload

- ✓ The completed checklist.

Resources

- 🏠 [RAD Accessibility & Relocation Checklist](#)
- 🏠 [RAD Relocation Notice Webinar](#)
- 🏠 [Relocation Training Webinar](#)
- 🏠 [Relocation Requirements Under RAD \(Notice H 2014-09; PIH 2014-17\)](#)
- 🏠 [Relocation Requirements - July 25, 2014 Webinar Slides](#)

6. Development Budget (Sources & Uses)

The Development Budget must include a reasonable, balanced and comprehensive presentation of all sources and uses of funds.

What to Upload

- ✓ Update The RAD Transaction Log on the Resource Desk.
- ✓ For projects with an Energy Performance Contract (EPC), the PHA must upload a draft amended EPC approval letter from the PIH Energy Center, specifying the minimum amount of debt that will need to be addressed in the conversion.

- ✓ Completed Subsidy Layering Review (SLR) if one has been performed by another agency. Note that if no SLR has been performed, HUD will completed a SLR whenever multiple federal sources are proposed, when public housing funds are used, or when a MTW agency is using MTW block grant funds to set their initial contract rents.

7. Development Team

Successful RAD conversions require an experienced team that has the capability to process the property through the conversion process, manage any proposed rehab/construction, as well as manage the asset after closing.

What to Upload

Upload the following for all participants including the PHA, the legal entity that will own the project after conversion, the management agent, the development partner(s), and the general contractor (if applicable). Please note that if the project will require substantial rehabilitation or new construction, a general contractor must be engaged.

- ✓ Organization chart that clearly details all participants for each entity.
- ✓ A narrative description for each entity with the name of the entity, its role in the transaction, and a description of relevant experience. If multiple sources of financing are identified for the project, the development team must demonstrate that they have experience with at least three transactions with mixed or multiple sources of financing.
- ✓ PBRA Conversions: Upload evidence that all principals have Previous Participation Certification in the Active Partners Performance Systems (APPS) (also known as the 2530 Previous Participation Clearance) if required, and evidence that principals are not debarred, suspended, or subject to a Limited Denial of Participation. Note: This only applies to PBRA conversions with a transfer of ownership. A PHA is never subject to the 2530 process but any LLC or partnership that is wholly-owned by the PHA must still be registered in APPS post-closing.

Note: Resumes are not required but may be requested if additional information is needed.

Resources

-  [2530 Guidance for RAD Transactions](#)

8. Proposed Financing

All sources of funds (lender, investor, grantor, etc.) must be disclosed and described according to the RAD requirements outlined in the Notice. Note: A financing template must be uploaded for each funding source including loans, grants, and equity sources.

What to Upload

- ✓ A Proposed Financing Template for each source.
- ✓ The latest lender, investor, or grantor engagement letter:
 - The letter must be dated no later than 60 days prior to Financing Plan submission.
 - The letter must include key terms such as funding amount, repayment terms, interest rate, amortization, maturity, prepayment restrictions, pay-in schedule, etc. The key terms for any permanent financing must comply with the conditions under the Notice (fixed rate of interest, for a fixed term, and fully amortized over that term; balloon payments not permitted before year 18; amortization term cannot exceed 40 years, etc.).
- ✓ The first mortgage lender's approval of all subordinate (or secondary) financing. All subordinate (or secondary) financing must be disclosed and then approved by the first-mortgage lender as well as HUD in accordance with Section 8.9 of the Mortgage Credit and Underwriting and Processing Requirements of the *Multifamily Accelerated Processing (MAP) Guide*.
- ✓ The first mortgage lender's consent to the RAD Use Agreement and consent to the fact that the lien of the new first mortgage loan will be subject to the Use Agreement (as applicable).

9. Operating Pro Forma

The PHA must upload an Operating Pro Forma. The operating pro forma must comply with the following feasibility benchmarks. If a Financing Plan fails one or more feasibility benchmarks, HUD may still accept the Financing Plan if HUD determines that, taken as a whole, the Financing Plan is consistent with the long-term physical and financial viability of the property and/or the PHA can adequately support, through historical data or other means, the presented figures.

- Rents shall not exceed the amounts permitted under program rules.
- All other sources of income must be supported with a narrative or must not exceed the average for the last three years (other income should not include interest income on the replacement reserve account, which must remain in the reserve and is not available for other purposes).
- Vacancy loss shall be no less than the greater of the average over the past three years or 3 percent.

- Allowance for bad debt should be not less than the greater of the average over the past three years or 2 percent.
- For public housing conversions where the PHA indicates continuation of a Payment In Lieu of Taxes (PILOT), the PHA must provide legal opinion based upon state and local law of continuation of PILOT post conversion. Where the PHA does not indicate continuation of a PILOT, the PHA must provide documentation of real estate tax estimates.
- All other operating expenses shall be no less than 85 percent of the average for the last three years.
- The annual replacement reserve deposit should be equal to that amount which, if deposited annually, will be sufficient to fund all capital needs, as identified in the RPCA, arising during the first 20 years and otherwise not addressed upfront in either the rehabilitation or an initial deposit to the replacement reserve account, and sufficient to maintain a minimum balance at the end of each year during that 20-year period that is at least 5 percent of the total, aggregate projected capital needs for that period. The PHA should use reasonable estimates in the inflation but in doing so the rate for escalating the increase in repair costs should not exceed the rate of interest on reserve deposits by more than 1%.
- For non-leveraged transactions, the stabilized cash flow should not be less than \$12 per unit monthly. For leveraged transactions, the debt-covering ration should not be less than 1:1 over a ten year period using 2% growth in revenue and 3% growth in expenses.
- For resident services, all conversions must allow for a minimum of \$25 PUA for Resident Services, of which \$15 PUA must go to the recognized tenant council and \$10 PUA can be spent directly by the PHA.

What to Upload

- ✓ A complete Operating Pro Forma that includes all major revenues and expenses for the project and applicable supporting documentation. It must project out for the term of the initial HAP contract. You may utilize a format of your choosing; however, we recommend using the same expense categories found in the Transaction Log to help with consistency. You will also need to update the Transaction Log.
- ✓ If applicable, upload a narrative discussion of the energy and water savings that are anticipated as a result of the rehabilitation or construction and the basis for those estimates. The discussion must explain to what extent anticipated savings in utility costs have been included in the pro forma operating expenses.
- ✓ PBRA Only, if applicable: Upload a Rent Comparability Study for projects converting to PBRA where current funding is greater than 120% of the FMR and where the PHA believes current funding is below the market rent. The Rent Comparability Study must be prepared in accordance with Chapter 9 of HUD's *Section 8 Policy Renewal Guide*.
- ✓ For public housing conversions where the PHA indicates continuation of a Payment In Lieu of Taxes (PILOT), the PHA must upload a legal opinion based upon state and local law of

continuation of PILOT post conversion. Where the PHA does not indicate continuation of a PILOT, the PHA must upload documentation of real estate tax estimates.

- ✓ Upload insurance cost documentation, such as quotes from an insurance agent based on actual recent premiums for similar projects.

10. Market Study

A market study will only be required at HUD's request, e.g., in cases where the project is currently experiencing a high vacancy rate, or when project plans include unit re-configuration or inclusion of market-rate units.

What to Upload

- ✓ The completed market study, as applicable. If a market study was not required by HUD, select the "N/A" box.

11. Approved Significant Amendment to PHA Plan and Site and Neighborhoods Certification

Conversion is considered a significant amendment to the PHA's Five-Year Plan for qualified and non-qualified PHAs, a significant amendment to the Annual Plan for non-qualified PHAs, and an amendment to the MTW Plan for MTW PHAs. PIH Field Offices will receive and review all Plans and provide written approval.⁴ It is important to note that if any substantial change to the conversion plan occurs after HUD approval is received (e.g., a change in the number of assisted units, eligibility, transfer of assistance), the PHA must go through the significant amendment process to incorporate the changes and obtain HUD approval of the revised plan.

For all transactions that are converting the assistance of an existing structure (whether on-site or through a transfer of assistance), the PHA must provide a certification that the site complies with Site and Neighborhood Standards for existing or rehabilitated housing. This certification may be completed within the Plan or may be provided separately. The following sample certification may be used:

"The site complies with the Site selection requirements set forth at [24 CFR § 983.57](PBV) OR [Appendix III of PIH Notice 2012-32 Revision 1](PBRA), the Fair Housing Act, Title VI of the Civil Rights Act of 1964 including implementing regulations at 24 CFR § 1.4(b)(3), Section 504 of

⁴ In the case of MTW Plans, the PIH Field Office will review in coordination with the HUD's MTW Office.

the Rehabilitation Act of 1973 including implementing regulations at 24 CFR § 8.4(b)(5), and the Americans with Disabilities Act.”

What to Upload

- ✓ A letter from HUD approving the Significant Amendment, Five-Year Plan, Annual Plan, or MTW Plan, as applicable.
- ✓ If not included within the Significant Amendment, Five-Year Plan, Annual Plan, or MTW Plan, and where applicable, a certification that the site complies with Site and Neighborhood Standards for existing or rehabilitated housing.

Resources

-  [Significant Amendment to the PHA Plan Frequently Asked Questions](#)

12. Pre-Approval of Specific Activities

For Financing Plans submitted after August 14, 2015, the PHA must upload evidence of a written approval from HUD for each of the following activities that are included in the proposed RAD conversion. Note that more guidance will be provided on criteria, submission and timing requirements within the forthcoming RAD Relocation and Civil Rights Notice. Until the Notice is published and additional guidance issued, the PHA should complete the applicable Civil Rights Review templates that can be found in the RAD Resource Desk Document library and submit them to rad@hud.gov for review well in advance of the Financing Plan due date to ensure approvals are received in time for you to upload them.

- Total number of units in the covered project is less than the original number of units in the Converting Project (including de minimis reductions)
- Covered Project’s unit configuration is different from the unit configuration of the Converting Project
- Covered Project serves a different population from the one served by the Converting project (e.g. when a Converting project serves families but the covered project is subject to an elderly preference)
- For conversions of assistance involving new construction, whether on a new site or on the current site, an FHEO review is required to ensure that the project location(s) meets Site and Neighborhood Standards. (See Section 1.4.A.7 of the Notice).

What to Upload

- ✓ Upload the pre-approvals received from HUD

Resources (Note: All Found in the RAD Resource Desk Document Library)

- 🏠 Civil Rights Review Template – New Construction
- 🏠 Civil Rights Review Template – Change in Units
- 🏠 Civil Rights Review Template – Change in Occupancy

13. Approval of Non-Dwelling Real Property

Based on the information that PHA provided in the RAD PIC Removal Application (which was submitted 30 days after CHAP Issuance), the PIH Field Office will review and approve any non-dwelling real property that can be released from public housing use restrictions (Declaration of Trust (DOT) or Declaration of Restrictive Covenants (DORC)) under RAD authority, as part of a RAD transaction, provided it is encumbered under a RAD Use Agreement (including any addendum that may be required by HUD). See Paragraph M of Attachment 1A of the RAD Notice.

In order for HUD to release the DOT or DORC from any public housing property not referenced in Paragraph M of Attachment 1A in the Notice, a PHA must submit a request in accordance with the applicable requirements of other HUD programs and federal authorities, such as disposition under Section 18 of the 1937 Act.

What to Upload

- ✓ The written determination from the PIH Field Office regarding the approval of non-dwelling real property that can be released from the DOT or DORC under RAD authority at closing.

14. Approved Amendment to Attachment A of the MTW Agreement

MTW agencies will be required to amend Attachment A of their MTW Agreement to the extent HUD determines is necessary to meet the statutory requirements of RAD. For MTW agencies that have not completed this step as part of a previously completed conversion, the PHA must provide an executed amendment to Attachment A of their MTW Agreement with language provided by the PHA's MTW coordinator. The PHA must request the amended Attachment A language from their MTW coordinator and follow the provided instructions to return an executed Attachment A amendment to HUD no later than the Financing Plan submission.

What to Upload

- ✓ The executed amendment to Attachment A of the MTW Agreement with the appropriate language. If your housing authority is not an MTW agency or you previously completed this step as part of another RAD conversion, select "N/A" on the Financing Plan matrix.

15. Affirmative Fair Housing Marketing Plan (AFHMP)

This item is required for PBRA conversions only. Typically the management agent or entity responsible for marketing (if different) is responsible for completing and submitting the AFHMP. If a Project Owner plans to adopt any local or residency preferences, the Project Owner must submit its Tenant Selection Plan along with the AFHMP (see HUD Handbook 4350.3) to the Multifamily Regional Center for approval. The AFHMP must be approved by HUD prior to closing.

What to Upload

- ✓ If the AFHMP has been approved by the local Multifamily Regional Center, upload a copy of the approved, fully executed HUD Form 935.2A; OR
- ✓ If the AFHMP has been submitted to the Multifamily Regional Center for approval but has not yet been approved, upload a copy of AFHMP and a copy of the email sent to the Multifamily Regional Center requesting approval of the AFHMP.
- ✓ For PBV conversions, check N/A on the Resource Desk.

16. Estimate of Public Housing Funds Available for Housing Assistance Payment (HAP) Subsidy

The PHA shall provide an estimate of public housing subsidy that will be used to support payments under the HAP contract from the date in which the HAP contract is effective (the first day of the first month following closing) until the end of the calendar year.

What to Upload

- ✓ A copy of the RAD Initial Year Funding Tool calculating the amount of revenue available to the property for the balance of the calendar year.

Resources

Civil Rights Review Template – New Construction

 [Initial Year Funding Instructions](#)

 [RAD Initial Year Funding Tool](#)

17. Transfer of Assistance

For any transaction that involves a transfer of assistance, the PHA has 90 days to identify the site to which assistance will be transferred and must submit to HUD documentation demonstrating that the site meets the criteria for transfers of assistance set forth in the RAD Notice (Section 1.14.A.12). HUD will provide approval of the site through an approval letter.

Further, when the assistance will be transferred at closing, HUD will only release the DOT if the PHA's plan meets the criteria described in Section 1.4.A.12.a of the RAD Notice. Such requests should be submitted with the Financing Plan.

Finally, the PHA and Project Owner may request that HUD delay the execution of the HAP contract when the new site will not be ready for occupancy until rehabilitation or construction is completed. Such requests should be submitted with the Financing Plan.

What to Upload

The PHA must upload the following, as applicable:

- ✓ Written approval from HUD of the new site.
- ✓ If the PHA wishes for the DOT to be released from the existing public housing site at closing, upload a written request to HUD from the PHA and include plans as detailed in Section 1.4. A.12.a.
- ✓ If the PHA and Project Owner (as applicable) wish for the converting project to remain as public housing during construction and for the HAP contract to be executed once the Covered Project is ready for occupancy, the PHA and Project Owner must submit a written request to HUD.

18. Financing Plan Certification and Submission

Once all documents have been uploaded, the Executive Director must execute and upload the Completion Certification.

As a reminder, once the certification has been uploaded and you are ready to notify your RAD Transaction Manager that your Financing Plan is complete and ready to be reviewed, be sure to click the **Document Upload Complete** button which will send a notification to your RAD Transaction Manager. See the screenshot image below:

When all required documents have been uploaded, PHA should click Document Upload Complete button, which will trigger Milestone Complete Date.

UPLOAD DOCUMENTS (Selecting Document Upload Complete replaces need to upload the Milestone Complete Certification Document)

Milestone Document: RAD Financing Plan Checklist

Load Document: No file selected.

19. Other Documents

This section allows you to upload documents that are not covered in the other sections of the matrix but are relevant to your transaction. As previously noted in this Guide, you can add a description of the document when you upload it to the Resource Desk. Examples of documents you may add in this category include but are not limited to:

- PHA's certification of current utility allowances (if different than utility allowances shown in CHAP).
- Utility allowance projections performed by a professional engineer when energy and water usage improvements are anticipated in PBRA conversions with tenant-paid utilities. Note that this should be submitted as soon as possible

Appendix A: Financing Plan Checklist

Use the below checklist as an aid to ensure your Financing Plan submission is complete. This document is not required to be uploaded with your submission.

ITEM		REQUIRED SUBMISSION MATERIALS/ACTIONS
1	Conversion Overview	<input type="checkbox"/> Complete & upload Conversion Overview template
2	Type of Conversion	<input type="checkbox"/> Indicate that no change is needed; OR <input type="checkbox"/> Indicate that you are switching subsidy types and upload all supporting documentation
3	RPCA & Scope of Work	<input type="checkbox"/> Upload completed RPCA Excel Tool; AND <input type="checkbox"/> Upload written narrative (as applicable)
4	Completed Environmental Review	<input type="checkbox"/> Upload the completed environmental review
5	Accessibility & Relocation Checklist	<input type="checkbox"/> Complete and upload the Accessibility & Relocation Checklist
6	Development Budget	<input type="checkbox"/> Update the Transaction Log on the RAD Resource Desk with the latest Development Budget; AND <input type="checkbox"/> Upload draft amended EPC approval letter from the PIH Energy Center (if applicable) <input type="checkbox"/> Upload completed Subsidy Layering Review (SLR) completed by another agency (if applicable)
7	Development Team	<input type="checkbox"/> Upload an org chart and narrative description for development team, including general contractor (as applicable); AND <input type="checkbox"/> Upload evidence of Previous Participation Certifications for all principals in the Active Partners Performance Systems (APPS) (if applicable)
8	Proposed Financing	<input type="checkbox"/> Complete and upload a Proposed Financing Template for each funding source; AND <input type="checkbox"/> Upload the engagement letter or commitments where available (i.e. tax credit reservations) for each funding source; AND <input type="checkbox"/> Upload the first mortgage lender's consent to subordinate to the RAD Use Agreement; AND <input type="checkbox"/> Upload the first mortgage lender's approval of all subordinate (or secondary) financing (if applicable); AND <input type="checkbox"/> Confirm the sources of funds in the RAD Transaction log are updated accordingly.
9	Operating Pro Forma	<input type="checkbox"/> Update the operating pro forma in the RAD Transaction Log; AND <input type="checkbox"/> Upload a complete operating pro forma that projects out for the term of the initial HAP contract and conforms with the Notice underwriting benchmarks; AND <input type="checkbox"/> Upload all supporting documentation for revenues and expenses such as insurance documentation, PILOT opinion,

ITEM		REQUIRED SUBMISSION MATERIALS/ACTIONS
		Rent Comp Study, three year historical expenses, etc.
10	Market Study	<input type="checkbox"/> Check the box marked “N/A” if applicable OR <input type="checkbox"/> Upload the market study (if applicable);
11	Significant Amendment to the PHA Plan and Site & Neighborhoods	<input type="checkbox"/> Upload letter from HUD confirming that the Significant Amendment has been approved; AND <input type="checkbox"/> Upload a certification that the site complies with Site and Neighborhood Standards for existing or rehabilitated housing.
12	Evidence of Pre-Approval of Specific Activities	<input type="checkbox"/> Upload evidence of HUD approval; OR <input type="checkbox"/> Check the box marked “N/A” if no pre-approvals were required.
13	Approval of Non-Dwelling Real Property	<input type="checkbox"/> Upload evidence of PIH Field Office approval of non-dwelling property for release from the DOT or DORC at closing; OR <input type="checkbox"/> Check the box marked “N/A” if no non-dwelling property will be released as part of the RAD conversion
14	Approved Amendment to Attachment A of the MTW Agreement	<input type="checkbox"/> Upload Approved Amendment to Attachment A of the MTW Agreement; OR <input type="checkbox"/> Check the box marked “N/A”
15	Affirmative Fair Housing Marketing Plan (PBRA Only)	<input type="checkbox"/> Upload a copy of the approved AFHMP; OR <input type="checkbox"/> Upload evidence that the AFHMP was submitted to the Multifamily Regional Center for review; OR <input type="checkbox"/> Check the box marked “N/A” if you are converting to PBV
16	Estimate of Public Housing Funds Available for HAP Subsidy	<input type="checkbox"/> Upload the completed HUD tool
17	Transfer of Assistance	<input type="checkbox"/> Check the box marked “N/A” if the conversion does not involve a transfer of assistance; OR <input type="checkbox"/> Upload written HUD approval of the new site; AND <input type="checkbox"/> Upload a request and relevant plans if the PHA wants the DOT to be released from the existing public housing site at closing; OR <input type="checkbox"/> Upload a request for the project to remain as public housing during construction and for the HAP contract to be executed once the Covered Project is ready for occupancy
18	Certification & Plan Submission	<input type="checkbox"/> Upload executed Completion Certification template; AND <input type="checkbox"/> Click the “Document Upload Complete” button on the Resource Desk
19	Other Documents	<input type="checkbox"/> Upload any documents not covered by items above