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Public Housing Authority Conversion - RAD

Client: Housing Authority of the City of San Buenaventura

Property:

Vista Del Mar Commons is an existing 142-unit public housing development located on three scattered sites in Ventura, California.

Challenge:

Like many public housing communities, the property needed substantial renovation and updating. The Housing Authority of the City of San Buenaventura (HACSB) was considering a RAD conversion and retained Recap for assistance in navigating RAD and arranging a recapitalization.

Solution:

Recap analyzed the potential for a RAD the property and presented potential financing scenarios, considering both 4% and 9% low income housing tax credits (LIHTCs). Recap arranged for a preliminary capital needs assessment of the sites from its capital planning division, On-Site Insight (OSI). Based on Recap's analysis, HACSB determined it would complete a RAD conversion in a single 9% LIHTC transaction. Recap then prepared and submitted a RAD application in the initial competitive round in October 2012.

After the award of a Commitment to enter into a Housing Assistance Payment (CHAP) in December 2012, Recap worked with HACSB to prepare for the RAD conversion. HACSB engaged OSI to prepare the detailed RAD Physical Condition Assessment (RPCA), and Recap and OSI staff worked with HACSB and its architect and general contractor to refine the scope of the rehab.

The Vista Del Mar Commons transaction closed in January 2014 – one of the first RAD closings in the country. Recap's role in the closing process included: a) developing and updating the financial model, b) coordinating the RPCA with the architectural designs and construction planning, c) assisting in negotiations with the project lenders and investor, d) preparing and managing the RAD milestone submissions and HUD review process, e) advising HACSB regarding RAD requirements, and f) working with the HACSB team, lenders, and investor to resolve waivers, transaction structuring issues, and a tight closing schedule.