

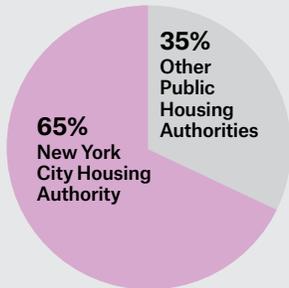
RAD: Rental Assistance Demonstration

Why is RAD needed?

RAD is part of the solution to restoring investment in deteriorating public housing buildings across the country*.

Federal funds for public housing capital have been cut by \$1.1 billion since 2001. Due to New York's large share of public housing, NYCHA was hit hard by these budget cuts which prevent needed repairs.

\$26 Billion Needed for Public Housing Capital Repairs in the U.S.



How does RAD work?

RAD is a HUD program which converts public housing funding and ownership to facilitate financing for major building repairs and ongoing maintenance.

A new ownership entity can obtain financing for large-scale building repairs, which public housing cannot do under federal law. In New York, NYCHA will lease land to developers and also participate in the ownership entity.

RAD units are made into permanently affordable housing through long-term and renewable Section 8 rental assistance contracts tied to the units.



As a tenant, your rent will not change. RAD's Section 8 limits tenant share of rent to 30% of income, just like public housing.

WITHOUT RAD

- NYCHA owns and manages
- Insufficient funds for improvements (financing not allowed)



Capital Funds & Operating Funds



WITH RAD

- New ownership and private management
- Financing of major building improvements allowed



Section 8 Rental Assistance



Funding Converts

Ownership Converts



What does RAD mean for your building?

A sample 1,000-unit public housing development in New York City has \$166M in urgently needed repairs.

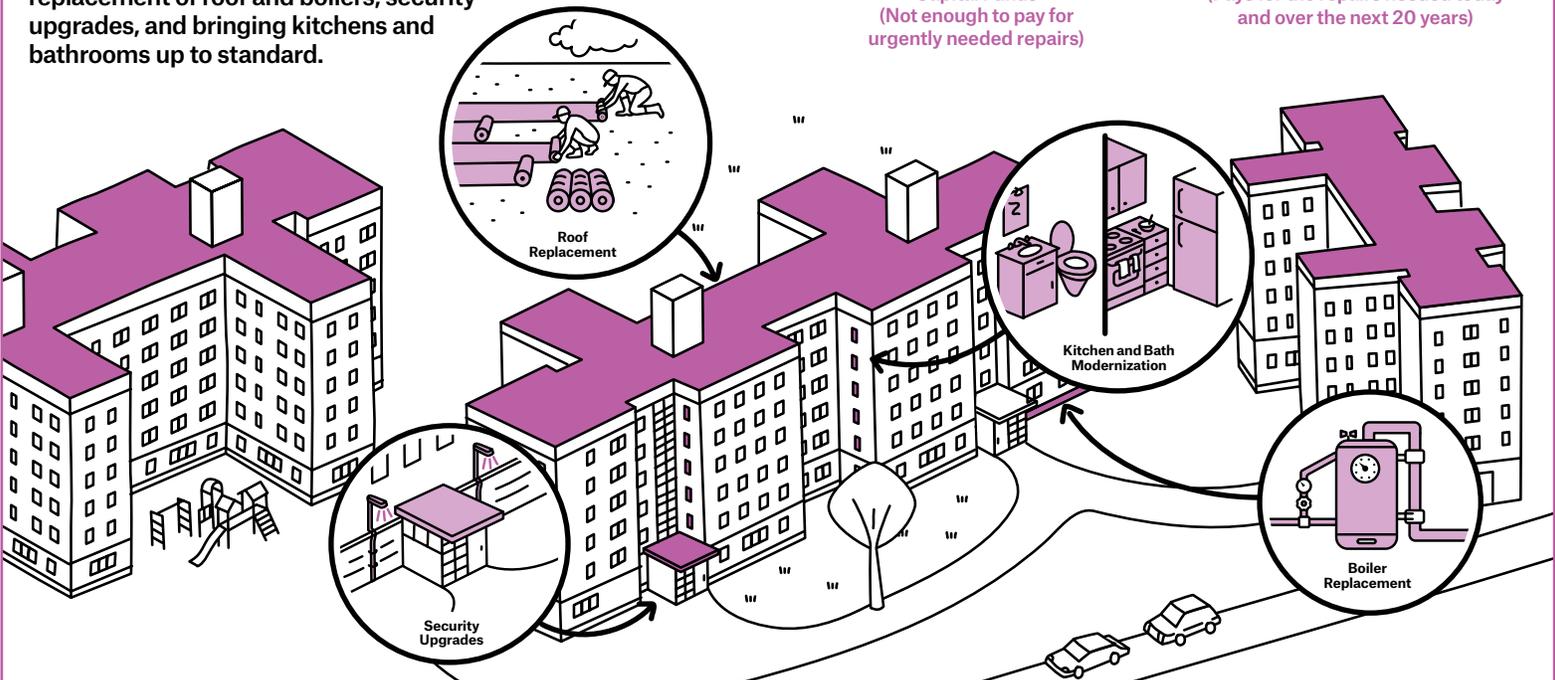
Additional funding through RAD provides money for large-scale repairs that aren't possible with the current yearly allocation of capital funding. These repairs include replacement of roof and boilers, security upgrades, and bringing kitchens and bathrooms up to standard.

WITHOUT RAD
\$22M

Current Annual Public Housing Capital Funds
(Not enough to pay for urgently needed repairs)

WITH RAD
\$260M

Total RAD Capital Funds
(Pays for the repairs needed today and over the next 20 years)



*RAD also offers owners of 3 older HUD programs (Rent Supp, RAP & Section 8 Mod Rehab) the opportunity for long-term rental assistance contracts to finance improvements.

Tenant Rights and Benefits

Tenant rights and permanent affordability are **guaranteed** by federal law. RAD maintains the public stewardship of the converted property through clear rules on ongoing ownership and use.

Transition from public housing to new ownership entity makes tenant protections especially important for current residents.

Will my rent change?

No. Just like public housing, residents will pay 30% of income towards rent.

Will NYCHA manage my building?

No. New private and professional building management will replace NYCHA. They will be responsive and efficient.

Will repairs really be lasting and fix underlying problems like leaking plumbing?

Yes. Building systems and apartments will be upgraded to a **high standard** (funding for 20 years of capital repairs at each development). Plus, there will be ample building reserves for future maintenance and capital work.

Will I be eligible to stay in my apartment?

Yes. All existing residents on the lease have the right to remain without screening. Current households are grandfathered into the RAD program regardless of income.



Is NYCHA the only housing authority applying for RAD?

No. More than 30,000 public housing units have converted through RAD nationwide, raising more than \$2.2 billion for building repairs.

Are there other RAD rights and benefits?

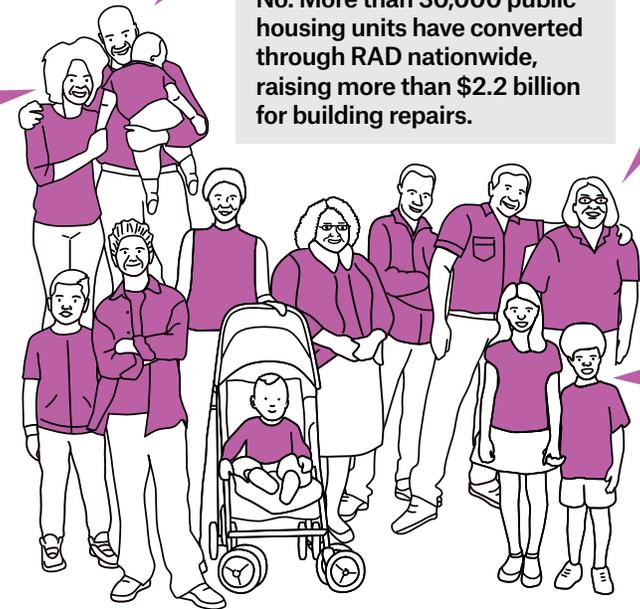
Yes. Other rights that remain in place include: succession rights, grievance procedures, tenant participation funding and the right to establish resident organization. A new benefit is the right to Section 8 mobility voucher if you chose to move out (if available).

Will NYCHA manage the waitlist for vacant apartments?

Yes. Because NYCHA will be supplying project-based vouchers, vacancies will be filled from its existing Section 8 waitlist.

Can the new owner "opt out" of the affordable requirements?

No. Federal regulations guarantee affordability through mandatory renewal of 20-year Section 8 rental assistance funding. Plus, NYCHA will have a role in the ownership entity.



Additional tenant rights and benefits may also be negotiated with public housing authority and bestowed on tenants when RAD begins. Protections are codified in NYCHA ground lease, HUD-required use agreement, regulatory agreements and tenant leases.