

RENTAL ASSISTANCE DEMONSTRATION

Instructions to Applicants: Owners of Mod Rehab Projects

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This collection of information is required for applying to the Rental Assistance Demonstration pursuant to PL-112-55 and HUD requirements as explained in PIH Notice PIH-2012-032. The information will be used to provide HUD with sufficient information to enable a determination that the proposed conversion is financially feasible and that HUD statutory and regulatory requirements have been met.

Please address any comments or questions on this data collection to rad@hud.gov and the appropriate personnel will respond to your inquiry in a timely manner. HUD may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB number. Limited confidentiality is assured.

Note: This Excel Spreadsheet has multiple worksheets listed in the tabs below. Depending upon each worksheet's applicability to your application, you may be required to fill out several of these worksheets in order for HUD to consider your application complete. To navigate among the worksheets, click the individual worksheet tabs at the bottom of this window. If no worksheet tabs are visible, select "Options ..." from the "Tools" menu. In the dialogue box, select the "View" tab and then "Normal".

U.S. Department of HUD, Form HUD-5261

OMB Approval Number 2577-xxxx
(Issue Date x/xx) (Expires x/xx)


INTRODUCTION

- 1 In accordance with Notice PIH-2012-32, this Excel-based Application Form shall be used by owners of Mod Rehab projects in submitting applications under Section 2.2 of the Rental Assistance Demonstration (RAD).
- 2 As part of the application, the user will be completing both an Operating Pro-Forma and a Development Budget for the proposed conversion. An application cannot be submitted (see "fatal error" message, below) if the Pro-Forma or Development Budget do not balance or otherwise contain error messages.

GENERAL INSTRUCTIONS

- 1 Complete one Application Form for each Mod Rehab project proposed for conversion.
- 2 Upon completion of the application, print out the associated attachments.
- 3 Submit the completed application, along with the signed attachments (where applicable), and email to RADApplication@hud.gov.

HOW THIS EXCEL WORKBOOK WORKS

- 1 Fill in all items that appear in grey highlight.
- 2 Bright blue squares containing a white question mark offer additional guidance.  Place the mouse cursor over the square to read this guidance.
- 3 Note that, for the purposes of reviewing applications, HUD has standardized some of the financing assumptions. These benchmarks/assumptions are only for the purposes of reviewing the applications; actual lender underwriting may be different. If an entry trips one of these assumptions, an error message will appear, indicating either that the user provide an explanation or that the user enter an amount that complies with the standardized assumption.
- 5 If a "fatal error" message appears in red, the application cannot be submitted. Review the fatal error message and correct the input(s) as needed. The fatal error message will disappear once the input(s) has been corrected.

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- 6 Once all information has been entered, print the following form-generated attachments (where applicable):
 - **Financing Letter of Interest/Intent.** This is a document that a lender or equity investor must sign. A PDF copy of the signed document must be submitted with the RAD Application. It is designed to give the lender or equity investor information on key aspects of the proposed transaction. A separate Financing Letter of Interest/Intent must be submitted for each proposed source of funding. Failure to submit all of the required Letters of Interest/Intent with the application will result in its rejection.
 - **Choice-Mobility Letter Agreement.** This is a document that will be signed by both the PHA that is providing choice-mobility vouchers and by the Mod Rehab project owner whose RAD project will receive the choice-mobility vouchers. A PDF copy of the signed document must be submitted with the Application in order to qualify for the choice-mobility ranking factor.

These attachments will include the name of the authorized representative identified in the application. Additionally, the Financing Letter of Interest/Intent will include both a Statement of Sources and Uses and a Financing Pro-Forma, generated from the information submitted on the Application Form.

Note that the Application Form, along with all the attachments, must be submitted electronically as part of the submission package. The full list of attachments needed will be automatically generated at the end of the Application Form once it has been completed.

**Rental Assistance Demonstration (RAD)
Mod Rehab Application for Conversion**

There are several explanation boxes that extend the full width of this form. Increase or decrease the height of the box as needed (click to the left on the horizontal line below the row number, then drag the line up or down as needed).

Section 1: Owner and Project

Legal name of ownership entity	<input type="text"/>
Owner Contact Information:	
? Contact Person	<input type="text"/>
Title	<input type="text"/>
Mailing Address	<input type="text"/>
City	<input type="text"/>
State	<input type="text" value="Enter two character State code"/>
Zip Code	<input type="text"/>
Telephone	<input type="text"/>
Email	<input type="text"/>

Identify who will sign the certifications at the end of this form, on behalf of the owner / applicant

Authorized Owner Representative	<input type="text"/>
Title	<input type="text"/>
Date Signed	<input type="text" value="Date owner will sign this form"/>

Project Name	<input type="text"/>
Project Street Address	<input type="text"/>
City	<input type="text"/>
County	<input type="text"/>
State	<input type="text" value="Enter two character State code"/>
Zip Code	<input type="text"/>

? Mod Rehab Contract Number	<input type="text"/>
Contract Effective Date	<input type="text"/>
Contract Expiration Date	<input type="text"/>

Section 2: Type of Conversion

Are you requesting conversion to PBRA or to PBVs?	<input type="text"/>
Are you requesting a Choice-Mobility exemption?	<input type="text"/>

Section 3: Unit Mix and Rents

Enter the current rent schedule from the Mod Rehab contract and information for the assisted and unassisted units at the project post-conversion.

? Mod Rehab Contract Units	0BR	1BR	2BR	3BR	4BR	5BR+	Total
Units under Contract							0
Units to Convert							0
Current Contract Rent Levels							\$0
Current Utility Allowance							\$0
Other Affordable Units							
Units							0
Rents							\$0
Market Rate Units							
Units							0
Rents							\$0
Total Units Post-RAD	0	0	0	0	0	0	0
Total Monthly Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0

De Minimis Reduction Allowance

The table below compares the units currently under the Mod Rehab contract, the number proposed for conversion, the number proposed to be reduced, and the applicable de minimis threshold. If applicable, indicate the number of reductions by eligible category in the rows that follow, along with an explanation in the accompanying text box.

Current Units Under Mod Rehab Contract	Total Units Proposed for Conversion	Units Proposed to be Reduced	de minimis threshold	Units above the de minimis threshold
0	0	0	5	0

No entry or explanation necessary

0	Units have already received Section 18 Demolition-Disposition approval from HUD
0	Reconfiguring efficiency apartments
0	Facilitating social service delivery
0	Units vacant for more than 24 months
0	Total



Section 4: Capital needs and Replacement Reserves

? Enter the most recent estimate of capital needs for the project, broken down by Immediate, Short-term, and Long-term needs. If these break-downs are not available, provide reasonable estimates.

	Total	Per Unit
? Year 1 (Immediate)	\$0	\$0
Years 2-5 (Short-term)	\$0	\$0
Years 6-20 (Long-term)	\$0	\$0

Please explain how you have arrived at these estimates.

Explanation

? Replacement Reserve Funding

Enter the current balance of the project's Replacement Reserve and the proposed Initial Deposit and Annual Deposit to the Replacement Reserve

Current Replacement Reserve Balance	\$0	
	<i>Formula Need</i>	<i>Proposed</i>
Initial Deposit to Repl. Reserve (IDRR)	\$0	\$0
Annual Deposit to Repl. Reserve (ADRR)	\$0	\$0

Section 5: Existing Debt

Existing First Mortgage Loan:

Origination Date		
Original Loan Amount		
Unpaid Principal Balance		as of
Interest Rate		per year
MIP / Other Credit Enhancement		per year
Amortization Term		years
Maturity Term		years
Calculated Monthly P+I	\$0.00	
Monthly P+I		
Current Monthly MIP		

If FHA Insured, please provide the following information:

? FHA Project Number:

Will this loan be refinanced in conjunction with the RAD Conversion? Yes

Existing Subordinate Loan:

Origination Date		
Original Loan Amount		
Unpaid Principal Balance		as of
Interest Rate		per year
MIP / Other Credit Enhancement		per year
Amortization Term		0.0 years
Maturity Term		0.0 years
Calculated Monthly P+I	\$0.00	
Monthly P+I		
Current Monthly MIP		

Will this loan be refinanced in conjunction with the RAD Conversion? No

By signing this form, the applicant certifies that this lender has agreed to subordinate this loan to the new financing

Section 6: Pro Forma Post-RAD Cash Flow

Enter three-year historical cash flow data and proposed pro forma data (enter all numbers as positive values)

?	Fiscal Year End:	2010	2011	2012	Post-RAD	
Gross Potential Rents (Apartments)		\$0	\$0	\$0	\$0	
Vacancy Loss (Apartments)		\$0	\$0	\$0	\$0	enter % <input type="text"/>
Bad Debt (Apartments)		\$0	\$0	\$0	\$0	enter % <input type="text"/>
Gross Potential Rents (Commercial)		\$0	\$0	\$0	\$0	
Vacancy Loss (Commercial)		\$0	\$0	\$0	\$0	enter % <input type="text"/>
Bad Debt (Commercial)		\$0	\$0	\$0	\$0	enter % <input type="text"/>
Late/NSF charges		\$0	\$0	\$0	\$0	
Damage Charges		\$0	\$0	\$0	\$0	
Laundry/Vending		\$0	\$0	\$0	\$0	
Concessions (Other)		\$0	\$0	\$0	\$0	
Interest Income		\$0	\$0	\$0	\$0	
Other Income		\$0	\$0	\$0	\$0	
Effective Gross Income		\$0	\$0	\$0	\$0	
Administrative Salaries and Expenses		\$0	\$0	\$0	\$0	
Property Management Fee		\$0	\$0	\$0	\$0	
Tenant Services		\$0	\$0	\$0	\$0	
Total Utilities (Owner Paid)		\$0	\$0	\$0	\$0	
Garbage and Trash Removal		\$0	\$0	\$0	\$0	
Maintenance Salaries		\$0	\$0	\$0	\$0	
Protective Services		\$0	\$0	\$0	\$0	
Maintenance Supplies / Contract		\$0	\$0	\$0	\$0	
Other Operating & Maintenance		\$0	\$0	\$0	\$0	
Real Estate Taxes		\$0	\$0	\$0	\$0	
Property / Liability Insurance		\$0	\$0	\$0	\$0	
Other taxes and insurance		\$0	\$0	\$0	\$0	
Total Operating Expenses		\$0	\$0	\$0	\$0	
Replacement Reserve Deposit		\$0	\$0	\$0	\$0	
Net Operating Income		\$0	\$0	\$0	\$0	
Existing First Mortgage Debt Service						
Principal and Interest		\$0	\$0	\$0	\$0	
MIP / Other Credit Enhancement		\$0	\$0	\$0	\$0	
Existing Other Debt Service:						
Principal and Interest		\$0	\$0	\$0	\$0	
MIP / Other Credit Enhancement		\$0	\$0	\$0	\$0	
Historical Cash Flow		\$0	\$0	\$0		
Total Available For New Debt Service (NOI, less ongoing debt service payments)					\$0	

No explanation is required.

Explanation

Section 7: New First Mortgage Loan Sizing

Are you proposing to take out a new first mortgage loan for this project?

Is FHA insurance proposed?

Interest Rate % per Year	
Mortgage Insurance Premium %	
Amortization Term	
Maturity Term	
Debt Service Coverage Ratio	
Maximum Supportable Mortgage Loan	\$0
Proposed Mortgage Loan Amount	
Calculated Annual Debt Service	\$0

Post Conversion Debt Service and Cash Flow Summary

Net Operating Income (from Section 6)	\$0
New First Mortgage Debt Service	\$0
Ongoing Debt Service (from Section 5)	\$0
Operating Cash Flow	\$0

Section 8: Pro Forma Sources and Uses of Funds

Sources of Funds

New First Mortgage Loan	\$0
Existing Replacement Reserve Balance	\$0
Existing Balance in Other Escrow Accounts	\$0
Low Income Housing Tax Credit Equity - 4%	\$0
Low Income Housing Tax Credit Equity - 9%	\$0
Other #1	\$0
Other #2	\$0
Other #3	\$0
Other #4	\$0
Other #5	\$0
Other #6	\$0
Total Sources of Funds	\$0

Uses of Funds

Acquisition Costs

? Building and Land Acquisition	\$0
? Payoff Existing Loans (from Section 5)	\$0
? Other Costs	\$0

? Construction Costs	\$0
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? Relocation Costs	\$0
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Professional Fees

? Architecture & Engineering	\$0
? Physical Conditions Assessment	\$0
? Borrower's Legal Counsel	\$0
? Lender's Legal Counsel	\$0
? Feasibility Studies (LEAN Costs)	\$0
? Environmental Reports	\$0
? Appraisal / Market Study	\$0
? Accounting	\$0
? Survey	\$0
? Other Costs	\$0

Loan Fees and Costs

? FHA MIP	\$0
? FHA Application Fee	\$0
? FHA Inspection Fee	\$0
? Financing Fee	\$0
? Organizational Costs	\$0
? Title Insurance/Exam Fee	\$0
? Recordation Fee	\$0
? Closing Escrow Agent Fee	\$0
? Prepayment Penalty/Premium	\$0
? Payables	\$0
? Construction Interest	\$0
? Construction Loan Fees	\$0
? Cost of Bond Issuance	\$0
? Other Costs	\$0

Reserves

? Initial Deposit to Replacement Reserve	\$0
? Initial Operating Deficit Escrow	\$0
? Operating Reserve	\$0
? Tax and Insurance Escrow	\$0
? Other Costs	\$0

Developer Fee

? Developer Fee	\$0
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Total Development Cost	\$0
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Section 9: Projects Utilizing Low Income Housing Tax Credits ('LIHTCs')

You are not proposing to use LIHTCs. Skip this section.

Do you have a LIHTC reservation? []

Briefly discuss the application submission and approval timing that is provided under the current QAP. Please provide sufficient detail that HUD can understand when you will submit an application, when you will be notified regarding selection, and when a LIHTC Reservation letter would be issued to you.

Discussion of QAP timing

RAD requires that you demonstrate recent success, internally or through development team partners, in obtaining 9% LIHTCs. Below, briefly discuss your capacity and experience in obtaining 9% LIHTCs from the relevant State allocating agency.

Demonstration of recent success obtaining 9% LIHTCs

Do you have a letter from the credit-issuing authority as described in the RAD Notice? []

Provide evidence that the applicant diligently attempted to secure such a letter

Efforts to secure letter from credit-issuing authority

RAD requires that you attach a self-scored QAP application. Below, briefly discuss why you believe that a QAP application for the subject project, at the indicated score, is likely to receive a 9% LIHTC award.

Likelihood of obtaining 9% LIHTCs

Section 10: Ranking Factors

1) Are you requesting the Ranking Factor for Choice-Mobility?

[]

a) Are you receiving choice-mobility vouchers? []

2) Are you requesting the Ranking Factor for Green Building and Energy Efficiency?

[]

[]

3) Do you want to designate this project as your priority project?

[]

By signing this application, the applicant certifies that the owner or its affiliates has not submitted another Mod Rehab RAD application for which it is claiming priority project status. If an owner or its affiliates submits more than one Mod Rehab RAD application in which it is claiming priority project status, all applications will be rejected. Below, if applicable list all projects under Mod Rehab contracts that are controlled by the owner or its affiliates of the subject project:

	Project Name	Mod Rehab Contract number
1)		
2)		
3)		
4)		
5)		

Section 11: Narratives

Provide written responses in the grey highlighted rows below. Please limit each responses to 200 words.

Briefly describe the land, location / neighborhood, and physical plans for the project.

Description

Discuss any known environmental or building product risks such as lead based paint, asbestos, PCBs, flood zone status, aluminum wiring, and fuel storage tanks (whether underground or above ground), along with associated remediation measures.

Explanation

? Discuss any needed accessibility modifications.

Explanation

Discuss any known market competitiveness issues, such as small unit sizes or limited on-site parking, and how the conversion plans to address these issues.

Explanation

Discuss any proposed relocation plans for the project.

Explanation

? Discuss the capacity of the development team to undertake the proposed conversion.

Explanation

Section 12: Application Validation

The attachments indicated 'Yes' below must be included in your electronic application package. Incomplete application packages will be rejected.

Yes	Mod Rehab Contract, including Exhibits
Yes	Compiled comments received from residents and description of how comments are addressed in conversion plan
No	Choice-Mobility Letter Agreement
No	Financing Letter of Intent for each proposed loan, grant, or equity contribution
No	Letter from PHA agreeing to administer PBVs
No	9% LIHTC Reservation Letter
No	Letter from credit-issuing authority
No	Self-Scored QAP Application for 9% LIHTCs

Section 11: Certification

I hereby certify to the following: (1) that I have the requisite authority to execute this application on behalf of the owner; (2) that HUD can rely upon this certification in evaluating the Application, (3) that I acknowledge that I have read and understand PIH Notice 2012-32 (the "Notice"), which describes the Rental Assistance Demonstration (RAD) (the "Program"), and agree to comply with all requirements of the Program or Notice; (4) that all materials submitted in association with the application are accurate, complete and not misleading; (5) that the application meets all applicable eligibility requirements for the Program set forth in the Notice; (6) that neither the Applicant, owner, the management agent of the Project, or any Principal (as defined in HUD Form-2530) is currently debarred or suspended from participation in any federal program, has a delinquent federal debt, has any litigation of other claim pending or threatened, or has any judgement or lien in favor of the government of the United States of America or any agency or instrumentality; (7) that, if selected for award, the owner will comply with the fair housing and civil rights requirements at 24 CFR 5.105(a) (general requirements) and will affirmatively further fair housing; and (8) that, if selected for an award, the owner will comply with all provisions of HUD's Commitment to Enter into a HAP (CHAP), which shall indicate the HUD-approved terms and conditions for conversion of assistance, or will indicate to HUD within 15 days that it is refusing the terms of the CHAP and withdrawing from RAD participation.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 USC Sections 1001, 1010, 1012; 31 USC Sections 3729, 3802)

By ()

Authorized Signature:

Date: January 00, 1900

Attachment 2D - Financing Letter of Interest/Intent for Mod Rehab Projects

RAD Application for

Units	0
Average Bedroom Size	0.00

Pro Forma Sources and Uses

Sources of Funds	Amount	Per Unit
New First Mortgage Loan	\$0	\$0
Existing Replacement Reserve Balance	\$0	\$0
Existing Balance in Other Escrow Accounts	\$0	\$0
Low Income Housing Tax Credit Equity - 4%	\$0	\$0
Low Income Housing Tax Credit Equity - 9%	\$0	\$0
Other #1	\$0	\$0
Other #2	\$0	\$0
Other #3	\$0	\$0
Other #4	\$0	\$0
Other #5	\$0	\$0
Other #6	\$0	\$0
Total Sources of Funds	\$0	\$0
Uses of Funds	Amount	Per Unit
Acquisition Costs	\$0	\$0
Construction Costs	\$0	\$0
Relocation Costs	\$0	\$0
Professional Fees	\$0	\$0
Loan Fees and Costs	\$0	\$0
Reserves	\$0	\$0
Developer Fee	\$0	\$0
Total Uses of Funds	\$0	\$0

Stabilized Cash Flow Pro Forma

	Total	PUPA
Gross Potential Rents (Apartments)	\$0	\$0
Gross Potential Rents (Other)	\$0	\$0
Gross Potential Rents (Commercial)	\$0	\$0
Vacancy Loss and Bad Debt Loss/Concessions	\$0	\$0
Other Income	\$0	\$0
Effective Gross Income	\$0	\$0
Total Operating Expenses	\$0	\$0
Annual Deposit to Replacement Reserve	\$0	\$0
Effective Gross Income	\$0	\$0
#DIV/0!	\$0	\$0
Operating Cash Flow	\$0	\$0

Owner's Explanation of the Proposed Total Operating Cost being less then 85% of the 3 Year Historical Operating Expenses

3 Year Historical Average Comparison	2010	2011	2012	Average	Proposed
	\$0	\$0	\$0	\$0	\$0

Explanation

PHA's Explanation of the Capital Needs and Replacement Reserves Estimates

Explanation

Discussion of QAP timing

Discussion of QAP timing

Demonstration of recent success obtaining 9% LIHTCs

Demonstration of recent success obtaining 9% LIHTCs

Likelihood of obtaining 9% LIHTCs

Likelihood of obtaining 9% LIHTCs

Statement of Lender / Equity Provider:

The project appears feasible for ABC Mortgage Company to fund. Our general repayment terms and any conditions are stated above and/or in the comment block below. ABC Mortgage Company understands and acknowledges the RAD program requirements and policies and agrees to cooperate with the applicable RAD processes, as appropriate. This letter of interest/intent is not a firm commitment. Final approval will be contingent on the results of ABC Mortgage Company due diligence process and approvals.

State any exceptions

ABC Mortgage Company: By Pat Winslow (President)

Authorized Signature:

February 3, 2012

Date: February 03, 2012

Attachment 1D – Choice-Mobility Letter Agreement

Between (contributing vouchers)

And (receiving vouchers)

Regarding RAD Application for

1. Capitalized terms herein shall have the meaning given to them in Notice PIH-2012-32 (the "Notice") and in the Rental Assistance Demonstration ("RAD").
2. certifies that he or she is the of and that he or she has been authorized by to enter into this Choice-Mobility Letter Agreement regarding the RAD application submitted by ().
3. certifies that he or she is the of and that he or she has been authorized by to enter into this Choice-Mobility Letter Agreement regarding the RAD application submitted by ().
4. , through its duly authorized representative, commits that if the subject project converts assistance under RAD, will provide Section 8 Housing Choice Vouchers to the assisted residents of the subject project to achieve the choice-mobility objective described in Section 1.7(C)(5) of the Notice. agrees that this commitment is binding on without regard to whether any RAD application submitted by is selected for participation in RAD.
5. acknowledges that if the subject project's application for RAD conversion is incomplete, fails to meet threshold criteria, or is submitted outside of the Initial Application Period, will not earn any Ranking Factor. However, if such application is submitted during the Initial Application Period, is complete, and meets threshold criteria, then will earn a Ranking Factor regardless of whether such application is selected, or, once selected, is withdrawn or terminated.
6. acknowledges that if the subject project's application for RAD conversion is incomplete, fails to meet threshold criteria, or is submitted outside of the Initial Application Period, will not earn any Ranking Factor.

: By ()

Signature:

December 30, 1899

Date:

: By ()

Signature:

December 30, 1899

Date: