



U. S. Department of Housing and Urban Development

Rental Assistance Demonstration (RAD) Program

FINANCING PLAN

SUBMISSION REQUIREMENTS	DATE OF CHAP ISSUANCE:	
	FINAL DATE FOR FINANCING PLAN:	
	DATE FINANCING PLAN SUBMITTED:	

APPLICANT

NAME:	
MAILING ADDRESS: (STREET OR P.O. BOX)	
MAILING ADDRESS: (CITY, STATE, ZIP CODE)	
APPLICANT PRIMARY POINT OF CONTACT:	
EMAIL ADDRESS:	
PHONE NUMBER:	

PROJECT

NAME:	
PHYSICAL ADDRESS: (STREET OR P.O. BOX)	
PHYSICAL ADDRESS: (CITY, STATE, ZIP CODE)	

The RAD Financing Plan must be submitted to HUD within 180 days following issuance of the Commitment to enter into a Housing Assistance Payments Contract (CHAP).



TABLE OF CONTENTS

ITEM	DESCRIPTION	COMPLIANCE SATISFIED BY EITHER ATTACHING A FILE, CHECKING A BOX, OR ITEM IS NOT APPLICABLE		
		FILE ATTACHED	CHECK BOX	N/A
1	Type of Conversion	Note filename for upload if there's been a change in conversion type	Place an "X" by the appropriate selection	
2	Physical Condition Assessment (PCA)	Note filenames here for the narrative and the EXCEL tool		
3	Scope of Work	Note filenames here for upload		Place an "X" here if not applicable
4	Completed Environmental Review	Note filename here for upload		Place an "X" here if FHA-insured
5	Relocation Plan	Note filename here for upload		Place an "X" here if not applicable
6	Development Budget	Note filename here for upload		Place an "X" here if not applicable
7	Development Team	Note filename here for upload		Place an "X" here if not applicable
8	Proposed Financing	Note filename here for upload		Place an "X" here if not applicable
9	Operating Pro Forma	Note filename here for upload		
10	Market Study	Note filename here for upload		Place an "X" here if not applicable
11	Rehabilitation/ Construction Management	Note filename here for upload		Place an "X" here if not applicable



Rental Assistance Demonstration (RAD) Program Financing Plan

Project: _____ Applicant: _____

1. Type of Conversion
(Reference: Final Notice, Attachment 1A.1.A.)

Indicate either Project Based Vouchers or Project Based Rental Assistance by checking the appropriate box. If there has been a change since making the selection for the 90 Day Milestone, upload a file describing the rationale for changing the selection.

_____ Project Based Vouchers _____ Project Based Rental Assistance

_____ No change since making the selection for the 90 day Milestone

2. Physical Condition Assessment (PCA)
(Reference: Final Notice, Attachment 1A.1.B.)

Upload the latest version of the PCA. This includes the written narrative and the EXCEL tool. If there are any changes since the submission for the 90 Day Milestone, upload a file describing them.

3. Scope of Work for Rehabilitation or New Construction/ Substantial Rehabilitation (Reference: Final Notice, Attachment 1A.1.C.)

The "Exhibit A" worksheet in the PCA EXCEL tool and the written PCA narrative satisfy this requirement, provided the requirements in the Final Notice are met:

- a. Identify and address all PCA identified repairs, including immediate rehabilitation needs, identify the PHA's choices for components, and provide a justification for any repairs not included and for any recommendations that differ from the PCA provider.
- b. Include quantities and costs.
- c. Include a summary of environmental issues, planned environmental remediation, and a summary of accessibility features that are required.
- d. Include a description of how the utility-consuming components beyond their estimated useful life and those that are not functioning will be replaced with the most financially efficient alternative. If the project earned competitive ranking points for committing to pursue an industry-recognized standard for green building, all components necessary to achieve the green building standard must be included.



Rental Assistance Demonstration (RAD) Program Financing Plan

Project: _____ Applicant: _____

- e. *Include a 10 percent construction contingency fee in the cost estimate (or higher if so determined by HUD).*
- f. *Include a separate relocation expense line item if tenant relocation is planned.*
- g. *Confirm the amount of rehabilitation is equal to or greater than that estimated in the application. If the amount currently proposed is less, the validity of your proposal selection will be reviewed. In such a case, upload a file describing how the reduced scope would not have affected your project’s selection.*

4. Completed Environmental Review
(Reference: Final Notice, Attachment 1A.1.D.)

Upload the completed environmental review. If the applicant is pursuing an FHA insured loan, check the box marked “N/A, FHA insured loan” (HUD will complete the Environmental Review on FHA-insured properties).

_____ File Uploaded _____ N/A, FHA-Insured Loan

5. Accessibility and Relocation Plan Checklist
(Reference: Final Notice, Attachment 1A.1.E.)

If there is any tenant relocation planned, upload a Relocation Plan that meets the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and its implementing regulations (49 CFR Part 24). The cost of the relocation must be fully funded in the Development Budget.

_____ File Uploaded _____ N/A, no tenant relocation planned

6. Development Budget (Sources and Uses of Funds)
(Reference: Final Notice, Attachment 1A.1.F.)

Upload the completed HUD template (available at www.hud.gov/rad/xxx) to document sources and uses of funds for the project development activities.



Rental Assistance Demonstration (RAD) Program Financing Plan

Project: _____ Applicant: _____

- a. *Include a reasonable, balanced and comprehensive presentation of sources and uses of funds.*
- b. *Identify all existing loans or debt. Demonstrate that existing loans or debt will be paid off at the closing or supported through net operating income.*
- c. *Identify all Identity of Interest (IOI) loans or advances. Demonstrate that these loans or advances will be converted to Surplus Cash Notes (IOI loans may not be paid off from the proceeds of new financing).*
- d. *Identify any initial operating deficit that is expected as a result of the planned rehabilitation. Upload a description of the initial operating deficit and how it will be funded, including any operating deficit escrow or similar fund.*

7. Development Team
(Reference: Final Notice, Attachment 1A.1.G.)

Upload a file that meets RAD requirements. Your team’s experience should be of the type and of a time period that would convince a reviewer of the team’s capability to complete the rehabilitation and repositioning envisioned in the RAD conversion.

- a. *Identify all participants, including the PHA, the general contractor (if applicable), the legal entity that will own the project, the proposed management agent, and all principals of those entities.*

Note: All principals must have Previous Participation Certification in the Active Partners Performance System (APPS) (formerly the Form 2530) and must not be debarred, suspended, or subject to a Limited Denial of Participation.

- b. *If the project will require substantial rehabilitation or new construction, PHAs must engage a general contractor.*
- c. *Include evidence of recent successful experience with similar rehabilitation or construction projects. 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.*



8. Proposed Financing (Reference: Final Notice, Attachment 1A.1.H.)

All sources of funds (lender, investor, or grantor) must be disclosed and described according to the RAD requirements:

- a. *Upload the latest lender, investor or grantor engagement letter with key terms identified (including amount, repayment terms, interest rate, amortization, maturity, prepayment restrictions, pay-in schedule, etc) from all financing provider(s). Key terms for any permanent financing must comply with the conditions under Section 1.4(B)(1) of this 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.). Additionally, 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 MAP Guide and any subsequent revisions or updates to the MAP Guide.*
- b. *Upload a file that includes a brief discussion of the conditions / milestones to be satisfied prior to closing each source of funding. Estimate the projected closing date for all identified financing. Discuss any known impediments to closing within the timeframe required under the Notice. Include a discussion of key milestones in the closing process and when the PHA anticipates completing each such milestone.*
- c. *Upload 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.*

CONTINUED ON THE NEXT PAGE ...



Rental Assistance Demonstration (RAD) Program Financing Plan

Project: _____ Applicant: _____

8. Proposed Financing (continued)

Complete the following chart for each source of funding (duplicate the chart as necessary for each source):

SOURCE:	
AMOUNT:	
REPAYMENT TERMS:	
INTEREST RATE:	
AMORTIZATION PERIOD:	
MATURITY:	
PREPAYMENT RESTRICTIONS:	
PAY-IN SCHEDULE:	
CONDITIONS TO CLOSING:	<i>(list each condition; be specific)</i>
IMPEDIMENTS TO CLOSING:	
MILESTONES (DATES) TO CLOSING:	<i>(identify each milestone and an estimated date)</i>
ESTIMATED CLOSING DATE:	
LIEN POSITION:	___ FIRST ___ SUBORDINATE
FIRST MORTGAGE LENDER CONSENT TO USE AGREEMENT AND ACKNOWLEDGEMENT THAT FIRST MORTGAGE WILL BE SUBJECT TO THE RAD USE AGREEMENT:	___ YES (UPLOADED) ___ N/A



Rental Assistance Demonstration (RAD) Program Financing Plan

Project: _____ Applicant: _____

9. Operating Pro Forma
(Reference: Final Notice, Attachment 1A.1.I.)

Upload the completed HUD template (available at www.hud.gov/rad/xxx) that will include all major Revenues and Expenses. The Operating Pro Forma must project out for the term of the initial contract.

- a. Upload a narrative discussion of the extent of 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.
- b. Upload a Rent Comparability Study for projects converting to PBRA where current funding is greater than 120 percent 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 Renewal Guide. See http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/mfhsec8.
- c. Upload a narrative discussion justifying each Revenue and Expense line item that does not comply with the benchmarks identified in the Final Notice (one file that includes all categories of non-compliance preferred).
- d. Complete the following chart identifying compliance with the benchmarks:

BENCHMARK	PRO FORMA COMPLIES WITH BENCHMARK	FILE UPLOADED JUSTIFYING NON-COMPLIANCE
Rents		
All Other Income		
Vacancy Loss		
Allowance for Bad Debt		
Real Estate Taxes		
Payment In Lieu of Taxes		(upload legal opinion)
Insurance		(upload documentation)
All Other Operating Expenses		
Annual Replacement Reserve Deposit		



Rental Assistance Demonstration (RAD) Program Financing Plan

Project: _____ Applicant: _____

10. Market Study
(Reference: Final Notice, Attachment 1A.1.J.)

Upload any market study required by any financing source or check the box stating that no financing source required a market study. If there is a marketing study that identified competitive issues the PHA must upload a file discussing how those issues are addressed by the proposed rehabilitation and upgrades.

_____ Market Study required (one or more) – all Market Studies uploaded

_____ No Market Studies were required

_____ Competitiveness issues raised – plan to address issues uploaded

11. Rehabilitation/Construction Management
(Reference: Final Notice, Attachment 1A.1.K.)

Upload a Rehabilitation/ Construction Management Plan that is prepared following this format:

- a. Rehabilitation/ Construction Funds Control
 - i. Escrow Agent (if applicable)
 - ii. Fund Investment Plan (if applicable)
- b. Rehabilitation/ Construction Administration Fees
- c. Procurement (Bids)
 - i. Plan
 - ii. Anticipated Timing
- d. Implementation
 - i. Inspection Process
 - ii. Draw Process
 - iii. General Contractor (if applicable)
- e. Work Commencement
 - i. Commencement Date
 - ii. Justification (if work will not commence within 30 calendar days after closing, include a supporting justification for the work commence date)
- f. Rehabilitation/ Construction Schedule
(beginning with the estimated RAD conversion closing date and ending with the completion of work, show each aspect/ component of rehabilitation/ construction and its estimated completion date).



Rental Assistance Demonstration (RAD) Program Financing Plan

Project: _____ Applicant: _____

CERTIFICATION OF APPLICANT AND APPROVAL OF SUBMISSION

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

I have reviewed this RAD Program Financing Plan and all uploaded files and certify that the information is correct to the best of my knowledge. I agree to notify HUD if any new or conflicting information comes to my attention after this date.

Applicant Primary Point of Contact
Printed Name: _____

Date

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

I have reviewed this RAD Program Financing Plan and all uploaded files and certify that the information is correct to the best of my knowledge. I agree to notify HUD if any new or conflicting information comes to my attention after this date.

Authorized Signature for the Applicant
Printed Name: _____
Title/ Organization: _____

Date

Email: _____
Phone: _____