

# RENTAL ASSISTANCE DEMONSTRATION (RAD) OPPORTUNITY



## FREQUENTLY ASKED QUESTIONS



### TOP 10 QUESTIONS

#### 1 What is RAD?

RAD is a vital opportunity to avert the pending affordable housing crisis due to the federal government's inability to adequately fund public housing across the United States. The Rental Assistance Demonstration (RAD) is a voluntary program of the Department of Housing and Urban Development (HUD). RAD seeks to preserve public housing by providing Public Housing Agencies (PHAs) such as the Housing Authority of the City of El Paso (HACEP) with access to more stable funding to make needed improvements to aging properties.

#### 2 Why is RAD needed?

Public housing units across the country need more than \$26 billion in repairs. HUD refers to these repair costs as capital needs, and over the past several years, Congress has not provided enough funding for Public Housing Agencies to keep their properties in good condition. As a result, Public Housing Agencies have had to make tough decisions between things like repairing roofs and plumbing—or worse, demolishing public housing resources. In El Paso, federal funding decreases for public housing have removed more than \$16 million from HACEP's revenue. RAD provides Public Housing Agencies like HACEP a new way to rehabilitate or repair units without depending on additional money from Congress.

#### 3 How does RAD benefit El Paso?

Through RAD, HACEP can address the crumbling infrastructure of El Paso's old housing stock, construct new housing using LEED Silver construction strategies, and eradicate asbestos that is present in 76 percent of its 46 public housing and Section 8 properties. RAD also aligns with citizen feedback and Goals 6.1 through 6.4 from Plan El Paso. Moreover, RAD creates significant economic opportunities for our community (see #5).

#### 4 How many people are affected by HACEP?

Public housing in El Paso provides homes for many of our most vulnerable citizens—7,800 children, 2,000 seniors, 1,600 families with disabilities and 185 formerly homeless veterans. In total, 40,000 of El Paso's citizens count on HACEP for a place to live through public housing, the Housing Choice Voucher Program, and tax credit programs.

# RAD AS A SOLUTION TO TRANSFORM PUBLIC HOUSING



## 5 What is the local economic impact of RAD?

RAD enables HACEP to continue providing safe and affordable housing for El Paso's most vulnerable citizens while bringing \$500 million of investment to El Paso and creating good-paying jobs. The result is a total economic impact of \$1 billion.

## 6 How does a RAD conversion work?

Public Housing Agencies manage properties using one of two types of HUD funding sources: Section 8 project-based vouchers (PBV) or Section 8 project-based rental assistance (PBRA). RAD allows public housing agencies the chance to engage in 15- or 20- year PBV and PBRA contracts, fixing subsidy rates. This shift will make it easier for Public Housing Agencies to use low income housing tax credits (LIHTCs) and secure other forms of financing. These private sources of additional money will enable HACEP to make improvements essential to preserving El Paso's public housing. Public Housing Agencies must submit applications to convert some or all of their public housing assistance to these long-term PBV or PBRA contracts through RAD by September 30, 2015.

## 7 Will RAD increase my taxes?

No. The renovation and reconstruction of El Paso public housing units will not use a single penny of local taxpayer money and will have no impact on local taxes.

## 8 Will RAD negatively affect my property values?

No. RAD is a critical opportunity to revitalize 6,346 aging El Paso properties. The result will be vibrant mixed-use, mixed-income neighborhoods that enhance our city's image, increase civic pride, and improve home valuations for surrounding residents across the city.

## 9 Are crime rates higher in El Paso's public housing?

No. The crime rate in El Paso's public housing is actually lower than the citywide crime rate.

## 10 Is RAD an expansion of public housing?

No. It is a one-for-one replacement of deteriorating public housing units.

FOR ADDITIONAL INFORMATION ABOUT RAD AND ANSWERS TO OTHER FREQUENTLY ASKED QUESTIONS VISIT: [HACEP.ORG](http://HACEP.ORG)

## ABOUT HACEP

Founded in 1938, the Housing Authority of the City of El Paso, Texas (HACEP) provides safe, decent and affordable housing to assisted families at or below 80 percent of the area median income. HACEP provides high-quality housing assistance to 40,000 El Pasoans through its Public Housing, Housing Choice Voucher, Tax Credit, Non-Subsidized and Section 8 New Construction programs. HACEP is the 14th largest public housing authority in the United States and the largest in Texas. The U.S. Department of Housing and Urban Development (HUD) primarily funds its \$91 million annual budget.



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