

WHA News of the Day

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NEWS ALERT – FOR IMMEDIATE RELEASE

WILSON –The U.S. Department of Housing and Urban Development recently announced what it called “A Groundbreaking Rental Assistance Demonstration Program” in its effort to preserve and strengthen public and other HUD-assisted housing. “The Wilson Housing Authority is proud to have been named as a participating agency in this innovative program,” said President/CEO Edward R. Jagnandan.

According to HUD, the Rental Assistance Demonstration program (RAD) is expected to preserve and enhance more than 13,000 units of affordable housing across the country and generate more than \$650 million in private capital to address the estimated \$26 billion backlog in capital needs faced by public housing authorities in the United States. This additional capital will also stimulate employment in the construction trades across the country.

In the City of Wilson, the WHA was authorized to turn 535 public housing units into 535 project-based vouchers. No additional funding accompanies the change. Instead, FHA insured financing is available for renovations. The Wilson Authority anticipates combining the financing with 4% Low Income Housing Tax Credit funding and bonds, using those financial instruments and moving the properties into private partnerships.

HUD awarded 112 initial commitments to 68 public housing authorities (PHAs), allowing these local housing agencies to seek private financing to rehabilitate units that are otherwise at risk of being lost from the affordable housing inventory. In addition, HUD approved 11 requests from private owners of assisted housing projects to convert and extend rental assistance contracts for 1,100 units (see attached list of private developments). Combined, the commitments announced today are projected to preserve more than 13,000 public and other HUD-assisted housing units for the next 20 years.

RAD allows public housing agencies and private owners of certain at-risk, federally assisted properties to convert their current assistance to long-term Section 8 contracts. Such contracts will allow owners to leverage millions of dollars in debt and equity to better address immediate capital needs and preserve these affordable housing units. In addition, participating agencies are freed from antiquated public housing rules and restrictions that hindered their ability to best preserve and manage their housing similar to other affordable housing owners and managers.

More information on the HUD RAD program is available at www.hud.gov

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