Investing In The Future Of Public Housing
The Rental Assistance Demonstration Program Is Working In Greater Boston

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SPECIAL TO BANKER & TRADESMAN

**H**igh quality public housing is a resource we cannot afford to lose, but because resources are very limited, every day and across the country hundreds of units are lost as they fall into disrepair.

An innovation by the federal government piloted in the last few years has the potential to change this. In 2012, the Office of Housing and Urban Development (HUD) launched a modest demonstration, called the Rental Assistance Demonstration program, to explore whether housing authorities would be able to access private market resources.

The demand has been enormous, all across the country, with a successful program currently underway right in our area. As a result, HUD was granted authority to expand the program to 185,000 units from the original 60,000. And there is great interest within the Obama administration and beyond to expand this opportunity even further.

The RAD program, as it is more commonly known, is a means to leverage every public dollar available with additional private capital. Since its inception, it has expanded funds for capital improvement and has engaged and enabled private companies to assume responsibility for the maintenance and improvement of permanent affordable housing.

Since the 1930s, the federal government has invested in public housing, for families and individuals like seniors unserved by market-rate housing. As federal resources have declined over the past several decades, public housing has suffered deep funding cuts.

RAD involves converting the resources that would otherwise be made available as direct operating and capital funds to long-term rental subsidy contracts under the Section 8 program assigned to each property. It provides a stable and predictable income stream that can be leveraged by developers and owners who operate these properties, in order to secure the investment needed for revitalization. It is revenue-neutral to the federal government.

What makes RAD exceptional and different from other initiatives is the commitment to principles for each property: 1) no net loss of affordable units serving extremely low income residents and 2) no forced permanent displacement of any resident.

Putting It To Work In Our Region

There are those who believe that this program has the potential to transform the public housing landscape.

Two years into the pilot, 129 properties involving more than 13,200 living units have proceeded and are well on their way to success ahead of schedule. As a result, the “cap” on the number of RAD units nationwide was expanded, essentially to accommodate all of those on a waiting list of the pilot. At one point the waiting list was for 121,295 units – or about 10 percent of the entire stock of federally funded public housing in the nation.

In a recent CNN.com article, Julian Castro, secretary of Housing and Urban Development, noted that “RAD has allowed local communities to raise more than $733 million in new capital to date. That’s why we’re asking Congress to give every community the chance to participate by lifting the restrictions on this program.”

Not every RAD-supported development will look the same. In some cases, such as the Bunker Hill development in Charlestown that has attracted recent press, new market-rate units could be built alongside renovated existing public housing stock.

The Boston Housing Authority is now considering RAD and its potential by soliciting interest from the development community on a variety of sites in multiple neighborhoods.

The city of Cambridge is at the forefront. Its housing authority is currently in the process of converting 952 units on eight sites, with a plan to convert all of its 2,129 federally funded public housing units over the next 18 months.

“RAD conversion is a transformative solution, allowing CHA to stabilize and raise the quality of its properties portfolio-wide,” Cambridge Housing Authority Executive Director Gregory Russ said in a recent story in Banker & Tradesman. Cambridge made RAD work by combining it with another federal program, called Moving To Work. “The significant thing is the flexibility. It allows us to enhance the income for properties under RAD.”

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There are those who oppose RAD, seeing it as a continuation of a disturbing trend of privatization and a lack of commitment on behalf of the government to fund public housing. On the other hand, many housing advocates see it as a something working for the long run at a time when the seemingly inevitable trend has been a reduction in federal dollars.

“Without RAD, public housing authorities have very limited and sometimes no options to prevent at-risk public housing properties from being lost entirely due to obsolescence or decay,” said Emily Cadik, senior analyst at Enterprise Community Partners Inc., a national affordable housing and community development group that is part of a coalition advocating lifting the program cap.

Though not a panacea, RAD can be an effective way of ensuring investment that is sorely needed. Now is the time to expand it and really put it to work.

Susan Gittelman is executive director of B’nai B’rith Housing (BBH), a nonprofit, nonsectarian developer and operator of affordable and mixed-income housing serving families and elders in communities of Greater Boston. BBH is currently working on a development in Andover, and has expressed its interest in working in partnership with the Boston Housing Authority in Brighton using RAD.