

Evaluation of the Rental Assistance Demonstration (RAD)

Asset Management of RAD-Converted Properties



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Asset Management of RAD-Converted Properties

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Office of Policy Development and Research

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Acknowledgments

This study of the asset management practices used by public housing agencies (PHAs) that have completed the conversion of public housing properties to project-based rental assistance or project-based voucher contracts under the Rental Assistance Demonstration (RAD) program represents the independent work of the authors, Alex Thackeray and Dennis Stout, both of Econometrica, Inc. However, these authors acknowledge the important roles other individuals and organizations played during the course of this study for their efforts spent in collecting or providing needed data, asking probing questions, and offering helpful advice.

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Foreword

The Rental Assistance Demonstration (RAD) was authorized by Congress in 2012 to preserve affordable housing units over the long term by enabling public housing agencies (PHAs) to apply to HUD to convert at-risk public housing properties to two different forms of project-based Section 8 Housing Assistance Payments contracts—project-based voucher (PBV) or project-based rental assistance (PBRA). Doing so gives PHAs more flexibility to access private and public funding sources to meet short-term capital needs, reduce their reliance on limited appropriations, and stabilize their financial and physical condition. Choice Mobility, an additional feature of RAD, allows residents of RAD properties to request a Housing Choice Voucher that they can use to move to a housing unit in the private market.

PD&R has supported [research on RAD](#) since its authorization, with reports completed in 2014, 2016 and 2019. The 2019 report, “[Evaluation of HUD’s Rental Assistance Demonstration](#),” found that RAD had helped HUD-assisted properties access funding through sources such as the Low-Income Housing Tax Credit and commercial loans to support capital improvements. Although some properties converted without construction, most converted with a rehabilitation investment. The 2019 report also showed that construction costs for shallow rehabilitation of RAD properties averaged \$10,025 per unit, whereas the average construction cost for moderate to deep rehabilitation of RAD properties was \$61,888 per unit. When compared to non-RAD properties, the research showed that RAD conversions “were able to improve their physical condition, whereas non-RAD properties experienced a decline in their physical condition.”

This 2023 report is part of five follow-up studies that addressed some longer-term questions about RAD. The five studies were conducted in response to Congress’ request to evaluate the Choice Mobility option, RAD implementation and its impact on tenants, related protections, and long-term preservation of housing affordability.

This study focused on the adequacy of asset management practices in RAD properties to ensure their long-term preservation. Of the RAD PHAs surveyed, 74.7 percent retained ownership of RAD conversions, either directly through an affiliated entity or through a low-income housing tax credit entity in which the PHA is the sole general partner or managing member.

The study also found that asset management practices in RAD properties were generally adequate. Many RAD PHAs and property owners reported implementing asset management strategies consistent with industry best practices. They conformed to industry standards in several areas, including budget preparation, reporting, and surveillance, and were aware of the most significant financial risks affecting RAD properties.

About 87% of RAD PHAs surveyed stated that their properties were in a better asset management and operations position for long-term preservation than before RAD. However, the study found that PHAs focused more on short-term than long-term asset management practices. Almost half of PHAs surveyed reported not having a written business or strategic plan for their RAD properties, a departure from industry best practices. As the RAD portfolio grows, PHAs could benefit from asset management training.

A handwritten signature in black ink, appearing to read 'Solomon Greene', with a stylized, cursive script.

Solomon Greene
Principal Deputy Assistant Secretary for Policy Development and Research
U.S. Department of Housing and Urban Development

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Executive Summary

The Rental Assistance Demonstration (RAD) was created to give public housing agencies (PHAs) a tool to preserve and improve public housing properties and address a backlog of deferred maintenance. The current research effort expands on an earlier evaluation of the RAD program, completed in June 2019, and consists of five component studies (Stout et al., 2019). This report describes and assesses the asset management practices at RAD-converted properties. Separate reports consider the financial condition and long-term preservation of RAD-converted properties, the use of the Choice Mobility option, PHA organizational change after conducting at least one RAD conversion, and the RAD program's effect on tenants.

Introduction

The RAD program enables PHAs to convert their public housing to Section 8 project-based vouchers (PBVs) or project-based rental assistance (PBRA). The main objective of the program is to preserve converted housing projects by encouraging more project investment and stabilizing project financial performance. A secondary objective is to enable PHAs and third-party property owners and operators to provide more accountable and rigorous management and oversight of converted properties.

This report describes asset management practices at RAD-converted properties. It describes the research questions, data, methodology, and findings from the collection and analysis of information from several sources, including responses to the census of PHAs with RAD conversions, administrative and financial data provided by the U.S. Department of Housing and Urban Development (HUD), and interviews with PHA and HUD staff, affordable housing asset managers, and other subject matter experts.

Major Findings of the Asset Management Study

When public housing converts to project-based Section 8 under RAD, the oversight of that housing shifts from a purely public housing model of asset management to either a PBV or PBRA model, depending on the type of Housing Assistance Payments (HAP) contract. This study focuses on understanding how the PBV and PBRA models of asset management differ from one another, how they compare with asset management best practices for affordable rental housing, and what changes could improve the asset management of properties that have converted under RAD. It also considers how asset management of converted properties has changed compared with asset management under public housing requirements. Findings on this subject are based on the census of PHAs that have carried out at least one RAD conversion (RAD PHAs) conducted in the second half of 2021, supplemented by the census of RAD owners and operators not affiliated with a PHA and conducted in the spring of 2022. The asset management study population has 248 PHAs, of which 113 completed the asset management section of the survey, and another 43 viewed or answered at least one question in the asset management section for a total response rate of 62.9 percent. Respondents provided contact information for 62 unaffiliated owners and operators of which 26 completed the asset management section of that survey for a total response rate of 42.6 percent.

The research team conceives of asset management as involving a series of interrelated functions and activities designed to enhance the financial performance of RAD properties and preserve

their use as long-term affordable housing. The team conducted a literature review and interviews with affordable housing asset managers, subject matter experts, and HUD and RAD PHA staff to develop an asset management framework, a list of asset management functions, and a set of best practices—all applicable to RAD properties.

This framework, list of functions, and set of best practices were the basis for a gap analysis of asset management by RAD PHAs and non-PHA owners and operators in this report. The RAD portfolio is diverse, so the emphasis placed on each function or activity will vary by property. Exhibit ES-1 lists the framework's 10 major functions.

Exhibit ES-1. Rental Assistance Demonstration Asset Management Functions

Functions
Property Baseline
Budget Preparation
Business Planning
Financial Analysis
Capital Planning
Promoting Operational Efficiency
Compliance
Assessment of External Factors
Reporting and Surveillance
Communication

Property Baseline, in this context, is an asset management function that is unique to RAD properties, capturing the state of the property following the RAD conversion.¹ In particular, it encompasses completion of planned construction or rehabilitation and access to PBV or PBRA subsidy. The other nine functions are common in real estate asset management but have characteristics and best practices specific to affordable housing and RAD program requirements. Section 4 of this report describes these functions and related best practices.

The analyses of asset management at RAD properties presented in this report are limited to the self-reported perceptions of surveyed asset managers; an independent review does not support their perceptions of asset management practices at those properties. This study did not evaluate two major affordable housing asset management functions: (1) capital expenditure and management and (2) recapitalization and disposition support. Given the physical condition and financial capitalization of RAD properties following conversion, little or no activity under either function is expected at RAD properties until 5 to 10 years after the publication of this report.

RAD Ownership Structures and Property Baseline

Most PHAs (74.7 percent) retain ownership of RAD conversions, either directly, through an affiliated entity, or through a low-income housing tax credit (LIHTC) entity in which the PHA is the sole general partner or managing member. This ownership structure holds for both PBRA and PBV conversions, although the PHA is more likely to directly own PBRA conversions, and

¹ The Property Baseline function is comparable with the prestabilization phase of many affordable housing developments and redevelopments, but for this study, it focuses on characteristics specific to the RAD program.

the PHA is more likely to indirectly own PBV conversions through an affiliate entity or LIHTC structure.

HUD's support for and monitoring of RAD conversions has evolved and improved over time. As recently as 2020, the transition from public housing to oversight by the Office of Field Operations (PBV conversions) or the Office of Multifamily Housing Programs (PBRA conversions), facilitated by HUD's Office of Recapitalization, was not smooth. A gap in support and oversight during the period between RAD closing and completion of any rehabilitation or new construction could potentially affect a RAD conversion's Property Baseline through delays or reductions in the scope of construction or in a failure to access the new PBV or PBRA subsidy in a timely manner. All three HUD offices have been working to improve support and monitoring during this post-closing period. Examples include the Office of Recapitalization introducing a Completion Certification to monitor RAD-related construction and ensure that the RAD conversion owner is meeting the obligations of the RAD Conversion Commitment (RCC), the Office of Multifamily Housing Programs offering third-party technical assistance to help with the transition to Section 8 subsidy, and the Office of Field Operations conducting outreach to RAD conversions to review funding adequacy in the first year after closing.

The Effect of Regulatory Structures on Asset Management at RAD Properties

Based on interviews with subject matter experts and affordable housing asset management practitioners, a best practice is to implement a universal asset management approach for all properties, including standardizing interactions with regulatory entities, rather than managing properties individually. RAD PHAs and owners and operators have generally reported following this best practice. The approach to asset management did not differ significantly between PBV and PBRA conversions, with differences mostly limited to requirements specific to each subsidy. Similarly, other regulatory structures (specifically those associated with LIHTC investment) did not appear to lead to differences in the approach to asset management. Ownership structure did have an effect on overall asset management approaches, notably for LIHTC properties in which LIHTC investors are more involved in certain asset management decisions.

Affordable Housing Asset Management Practices at RAD Properties

After conversion, RAD PHAs report being more aware of affordable housing asset management functions and placing more emphasis on those functions for their RAD properties compared with when those properties were in the public housing program. Many components of the approach to asset management that PHAs at RAD properties take conform to best practices. These PHAs have a good understanding of the importance of physical condition and undertake best practices in budgeting, including the use of specialized software to track property-level data and expenditures. RAD PHAs are aware of the significant financial risks of underfunded replacement reserves and insufficient operating cost adjustment factors (OCAF). They are generally satisfied with the property management arrangements at their RAD properties and with their decision to keep it in-house or contract out. RAD PHAs appear to have strong communication practices and demonstrate effective teamwork in the asset management of RAD properties.

Gaps in Asset Management at RAD Properties

The gaps that this study identifies between how PHAs report approaching asset management at RAD properties and affordable housing asset management best practices indicate that RAD PHAs focus more on short-term results than on longer term outcomes or maximizing value over

the life of the asset. Almost half of PHAs do not have a written business or strategic plan for their RAD properties, which is a clear departure from industry best practices of having such a plan. This specific gap reflects a more general gap in terms of how PHAs emphasize short-term asset management functions, such as budgeting and operating efficiency, over longer term functions, such as strategic planning and financial analysis. PHAs demonstrate additional divergences from industry best practices, such as not assessing opportunities and risks of external factors like changes in insurance coverage or taxation. Based on survey responses, approximately 1 in 10 RAD PHAs struggle to understand and implement affordable housing asset management. The management of affordable housing assets is a long-term effort, and the gaps this report identifies can be addressed before causing significant harm to the preservation of RAD properties as affordable housing.

Conclusion

For the current state of RAD, it appears that the asset management structures for RAD properties are generally adequate for the long-term viability of the units as affordable housing. Gaps exist between industry best practices and RAD PHA practices for some asset management functions—most notably, the proportion of RAD PHAs that have a business or strategic plan for their RAD properties is low. This gap, along with some other practices, implies that PHAs are not approaching asset management from a longer term or strategic viewpoint. Addressing the business or strategic plan gap will likely carry over into these other gaps; as PHAs learn to use and update business plans, they will have to consider longer term asset management.

The research team suggests the following recommendations to improve asset management at RAD conversions.

- Continue to evaluate and improve the process of transitioning a PHA or property from public housing to PBV or PBRA subsidy. Both the Office of Asset Management and Portfolio Oversight (OAMPO) for PBRA conversions and the Office of Public and Indian Housing (PIH) for PBV conversions are now involved in the RAD conversion process prior to issuance of the RCC.
- OAMPO and PIH also facilitate technical assistance for RAD PHAs and owners and operators to access Section 8 subsidy and meet RAD program requirements, such as funding replacement reserves. The increased involvement in the RAD conversion process and facilitation of technical assistance are relatively recent improvements that can be reviewed in the context of the volume and characteristics of RAD conversions and HUD staffing or technical assistance funding constraints.
- Continue to review and improve PIH and the Office of Field Operations' capacity to support and monitor the PHAs administering RAD PBV contracts. For all PBVs, the PHA that administers the vouchers is the contract administrator and is expected to conduct oversight of the PBV units. PIH has been proactive in offering training and technical assistance to PHAs administering RAD PBVs, which should continue. HUD staff interviewed for this study also mentioned the overlap between RAD PBV data and monitoring and efforts being made to improve HUD's understanding of its aggregate PBV portfolio.
- Partner with the National Association of Housing and Redevelopment Officials, Public Housing Authorities Directors Association, and Council of Large Public Housing

Authorities or encourage them to offer more RAD-specific trainings and resources, which should focus on asset management at RAD conversions and other post-conversion topics. The high proportion of RAD PHAs active in the ownership and operations of RAD properties after conversion was an unexpected finding of this study, and these three organizations can reach RAD PHAs effectively and leverage resources to prepare and conduct high-quality trainings.

- Prepare for LIHTC exit from the first waves of RAD properties. According to subject matter experts interviewed for this study, although the LIHTC affordability period is 15 years, most investors curtail or end their involvement after 10 years. Responses to the census of RAD PHAs implied that some PHAs are delegating much of asset management to the LIHTC investors, and those PHAs may not be prepared to take on a lead role in asset management when the investors exit. All RAD properties with LIHTCs need to prepare for LIHTC exit and identify funding sources for future recapitalization. LIHTCs have become very competitive, so simply rolling over tax credits is not guaranteed.

Limitations

This study was unable to address all aspects of asset management at RAD properties, primarily due to the long-term nature of asset management. This study did not evaluate the capital expenditures and management function because most RAD conversions are in excellent physical condition following any rehabilitation or construction associated with RAD. The research team would not expect a sufficient amount of RAD capital expenditures for an evaluation any time before 2040. Similarly, it is too early to evaluate the Recapitalization and Disposition Support function. This function could be evaluated in part with a study in the early 2030s covering LIHTC exit from RAD properties.

This study was also limited in its evaluation of other regulatory structures outside of PBRA, PBV, and LIHTC. Given the expanding universe of RAD properties and limited funding, HUD may consider including RAD as a component in larger evaluations and studies, such as adding a research question on RAD to an evaluation of Federal Housing Administration mortgage insurance, rather than focusing solely on how RAD properties interact with these other regulatory structures.

This study relies on responses to survey questions collected from the population of PHAs that HUD had chosen and approved to take part in RAD and had completed conversion of public housing properties to Section 8 before the study began. RAD continues to support PHAs interested in converting properties to Section 8. The population of RAD PHAs as a whole, therefore, is still growing, whereas the population of RAD PHAs used in this analysis is fixed. Because the study population of PHAs represents the agencies first attracted to RAD, it may not resemble the population of PHAs that applied for RAD in later years. It is possible that the findings of this study would differ in some respects if the entire population of RAD PHAs had been available for inclusion.

Nonresponse bias is a potential issue with all surveys in which responses are received from only a subset of those surveyed. The survey conducted for this study had a relatively high response rate but still had a noticeable proportion of nonresponses. Although comparisons of respondents with nonrespondents did not reveal significant differences between them, it is possible that yet-untested differences may have influenced the outcome. Two such differences are informational

and attitudinal variance between the surveyed population and those that responded—specifically, that knowledge of and good or bad experiences with asset management concepts would increase the probability of responding. Informational and attitudinal response biases were not analyzed, and any such biases could be either positive or negative.

This study focuses on the experiences of RAD PHAs, not all PHAs in general. Because RAD PHAs differ from non-RAD PHAs, the findings of this study cannot be readily applied to the experiences of the latter.

1. Introduction

This final report presents the results from the asset management component of the current evaluation of the Rental Assistance Demonstration (RAD). The Asset Management study explores the asset management practices at RAD conversions to assess the sufficiency of such practices to protect the U.S. Department of Housing and Urban Development's (HUD) interest in preserving affordable housing. This report describes the research questions, data, methodology, and findings from the collection and analysis of responses to the census of public housing agencies (PHAs) and unaffiliated owners and operators with RAD conversions, HUD-provided administrative and financial data, and interviews with PHAs, HUD staff, and private sector asset managers.

The Asset Management study is one of five component studies carried out for this RAD evaluation. HUD procured the services of Econometrica, Inc., and its subcontractors, the Urban Institute and SSRS, to conduct a multiyear evaluation of selected effects of the RAD program beginning in October 2019. HUD approved the evaluation design in May 2020, and the final component study in the evaluation is scheduled to be completed in 2023. In addition to the Asset Management study described in this report, the research team evaluated the long-term preservation of RAD properties, the use of the Choice Mobility option, organizational change at PHAs with at least one RAD conversion, and tenant outcomes.

Econometrica (as prime contractor) and the Urban Institute (as subcontractor) previously evaluated the RAD program under a contract with HUD's Office of Policy Development and Research. That evaluation produced two published reports. The interim report, published in September 2016, covered RAD projects primarily from the first year of implementation up to conversion to Section 8 and the enrollment of more than 500 RAD residents (identified through analysis of Office of Public and Indian Housing Information Center data) for future surveys. The study approach included statistical analysis of the census of RAD projects from the early years (analyzing complex administrative and secondary housing data); interviews with a sample of participating and nonparticipating PHAs (using a quasi-experimental research design) and smaller samples of lenders, developers, and advisors; and analysis of RAD project financing. It included site visits to collect physical condition data, as well as the collection, coding, and analysis of interview data from multiple respondents at RAD and non-RAD PHAs.

The first RAD evaluation final report, published in October 2019, used the same quasi-experimental design to evaluate whether RAD improved projects' physical condition (after a second round of site visits) and enabled them to cover their long-term capital needs (Stout et al., 2019). The report analyzed financial statement changes in the same small sample of RAD projects (the treatment group) before and after conversion compared with a small and genetically matched sample of non-RAD projects (the control group). In addition, the report surveyed the sample of tenants previously enrolled in the study to assess the effect of RAD on tenant protections, use of Choice Mobility, and other outcomes. Finally, the study used interviews with the small sample of RAD PHAs to describe how RAD affected their organization, staffing, and project management.

1.1. Asset Management Component Goals and Methods

When public housing converts to project-based Section 8 under RAD, the oversight of that housing shifts from a purely public housing model of asset management to either a project-based voucher (PBV) or project-based rental assistance (PBRA) model, depending on the type of Housing Assistance Payments (HAP) contract. This study focuses on understanding how the PBV and PBRA models of asset management differ from one another, how they compare with asset management best practices for affordable rental housing, and what changes could be made to improve the asset management of properties that have converted under RAD. It also considers how asset management of converted properties has changed compared with asset management under public housing requirements. The research team conceives of asset management as a process involving a series of interrelated functions and activities designed to enhance the financial performance of RAD properties and to preserve their use as long-term affordable housing.

Data collection and analysis occurred in three phases. The first phase included a literature review; examination of tools and documents related to affordable housing asset management; and interviews of staff at seven PHAs with at least one completed RAD conversion (RAD PHAs), staff of two RAD owners and operators unaffiliated with a PHA, nine affordable housing asset management practitioners, five subject matter experts, and nine HUD employees. The data collected from these efforts were compiled into a set of asset management functions for affordable housing and a set of best practices, which are in section 4.

The second phase consisted of a census of PHAs with one or more RAD conversions that had at least 1 full year of “normal” (that is, nonpandemic) operations. The web-based census of RAD PHAs was conducted between August 12 and November 12, 2021 and included questions related to the Long-Term Preservation and Choice Mobility studies, as well as questions on asset management. The asset management study population consists of 248 PHAs; approximately 113 PHAs completed the asset management section of the survey, and another 43 PHAs viewed or answered at least one question in the asset management section for a total response rate of 62.9 percent. Section 5 presents the results of the RAD PHA census, and findings from the gap analysis are in section 6.

The third phase consisted of a census of RAD owners and operators not affiliated with a PHA. A major finding from phase 2 is that the vast majority of RAD conversions remain under direct or indirect ownership of the PHA, so the number of owners and operators included in the phase 3 census was smaller than planned. The web-based census of unaffiliated RAD owners and operators was conducted between February 7 and May 4, 2022, and also included questions related to the other two studies. Twenty-six owners and operators responded to some or all of the asset management questions for a total response rate of 42.6 percent. Given the small population and number of respondents, the results of the census of unaffiliated RAD owners and operators are used to supplement the results of the census of RAD PHAs in section 5 and the findings in section 6.

1.2. Summary of Major Findings

- PHAs retain ownership of the vast majority (74.7 percent) of RAD conversions, either directly through an affiliated entity or through a low-income housing tax credit (LIHTC) entity in which the PHA is the sole general partner or managing member.
- PHAs with multiple RAD conversions tended to use the same ownership structure for all RAD properties, except when LIHTCs were used and a specific ownership entity was required.
- The PHA is more likely to own PBRA conversions directly than PBV conversions, whereas the PHA is more likely to own PBV conversions indirectly through an affiliate entity or LIHTC structure.
- During the timeframe between RAD closing and completion of any RAD-related rehabilitation or new construction, RAD properties had limited HUD support. HUD has improved support and monitoring during this transition period since 2020, and these efforts should continue to better assist PHAs and unaffiliated RAD owners and operators in mitigating any delays or reductions in the scope of rehabilitation or new constructions, as well as access the new PBV or PBRA subsidy in a timely manner.
- Based on interviews with subject matter experts and affordable housing asset management practitioners, a best practice is to implement a universal asset management approach for all properties in a portfolio. Affordable housing asset managers should attempt to standardize reporting and other interactions to address the requirements of all regulatory entities across their portfolio.
 - In general, the approach to asset management of RAD properties did not differ significantly between PBV and PBRA conversions. The differences that survey respondents noted generally focused on requirements specific to each subsidy or related to ownership structures.
 - Similarly, other regulatory structures—specifically LIHTCs—did not appear to lead to differences in the approach to asset management. LIHTC investors are more involved in certain asset management decisions, particularly the choice of the property management company.
- After conversion, RAD PHAs are more aware of affordable housing asset management functions, such as operational efficiency and compliance and reporting, and place more emphasis on those functions for their RAD properties compared with their pre-RAD public housing.
- Many components of PHAs' approach to asset management of RAD properties conform to best practices.
 - RAD PHAs have a good understanding of the importance of physical condition, with 89.6 percent of PHAs planning to update the existing capital needs assessment (CNA) or conduct a new CNA on their RAD properties within 10 years.

- o Approximately 83.0 percent of RAD PHAs are satisfied with the property management arrangements at their RAD properties and their decisions to keep it in-house or contract it out.
- o RAD PHAs appear to emphasize budgeting and conform to asset management best practices in budget preparation.
- o For the best practice of identifying potential financial risks, RAD PHAs appear to be aware of the significant risks of underfunded replacement reserves and insufficient operating cost adjustment factors (OCAF).
- o Approximately 87.8 percent of RAD PHAs use an accounting or commercial asset or property management software package as the primary means of tracking property-level data, conforming to industry standards to use software that includes powerful real estate and financial analysis tools.
- o RAD PHAs appear to have strong communication practices and demonstrate effective teamwork in the asset management of RAD properties.
- Some major gaps exist between PHAs' approach to asset management of RAD properties and affordable housing asset management best practices. Taken together, the identified gaps imply that PHAs are more focused on short-term results than on either longer term outcomes or maximizing value over the life of the asset.
 - o Only 52.2 percent of PHAs conform to the best practice of having a written business or strategic plan for their RAD properties.
 - o The three asset management functions that RAD PHAs most emphasized are operating efficiency, budgeting, and compliance, which highlight functions generally mapped to shorter term results compared with longer term functions like strategic planning and financial analysis.
 - o Assessment of external factors, such as insurance or taxes, is a function that most PHAs de-emphasized, which decreases the likelihood of maximizing value and increases the likelihood of missing opportunities. This gap may carry over into the financial analysis function.
 - o Only 15.5 percent of PHAs listed cost as one of the top three considerations in evaluating options for property management. Although industry best practices around the selection of property management acknowledge that cost is not necessarily the primary consideration, it is considered an important factor.
 - o PHAs' communication with RAD residents shows a significant gap, although it is not universal: 28.9 percent of PHA asset managers meet with residents at least monthly, whereas 28.1 percent do so once per year, and 19.3 percent do so less often.
- Throughout the responses to the census of RAD PHAs, approximately 1 in 10 respondents gave answers that are consistent with a struggle to understand and implement affordable housing asset management, such as assuming that their CNA does not need updating or not communicating regularly with property management staff.

1.3. Organization of Report

This report is organized into seven sections (including this introduction) and seven appendixes.

- **Section 1. Introduction.**
- **Section 2. Rental Assistance Demonstration Program Description.** Overview of the RAD program, the RAD conversion process, and a profile of program participation at the time of RAD PHA population selection for this study.
- **Section 3. Approach.** Describes the research questions, methodology, data sources, and limitations.
- **Section 4. Asset Management: Conceptual Framework and Best Practices.** An overview of asset management, including a literature review, and development of the asset management framework and best practices used in this study.
- **Section 5. RAD Public Housing Agency and Unaffiliated Owner and Operator Census Results.** Presentation and discussion of the results of the asset management sections of the two censuses.
- **Section 6. Findings.** Discussion of regulatory structures at RAD properties, their relationship with asset management functions and practices, and a gap analysis of self-reported asset management activities at PHAs with at least one RAD conversion compared with industry best practices.
- **Section 7. Conclusions.** Conclusions based on the research, recommendations, and suggestions for future study.
- **Appendix A. Glossary of Terms.**
- **Appendix B. Study Population.**
- **Appendix C. PHA Survey Instrument.**
- **Appendix D. Owner-Operator Survey Instrument.**
- **Appendix E. Framework for Weighting Survey Section and Question Nonresponse.**
- **Appendix F. COVID-Related Survey Questions for Rental Assistance Demonstration Public Housing Agencies.**
- **Appendix G. References.**

2. Rental Assistance Demonstration Program Description

2.1. Rental Assistance Demonstration Program Summary

The Rental Assistance Demonstration (RAD) statute is intended to stem the potential loss of public housing and other subsidized housing units due to the growing backlog of unfunded capital needs. The program allows for the conversion of public housing properties to one of two forms of project-based Section 8 Housing Assistance Payments (HAP) contracts:² Project-based voucher (PBV)³ or project-based rental assistance (PBRA).⁴ The option to convert provides public housing agencies (PHAs) with more flexibility to access private and public funding sources and augment insufficient direct appropriations.⁵ The expectation is that by providing a predictable, long-term annual funding stream, PHAs can use Section 8 HAP contracts to leverage external sources of capital (private and public) to pay the rehabilitation or redevelopment costs of RAD projects. RAD also supports the goals and objectives of both the *HUD 2014–2018 Strategic Plan* and *HUD 2018–2022 Strategic Plan* by improving long-term affordable housing options, preserving high-quality, affordable rental housing where it is needed most, and simplifying the delivery of HUD’s rental housing programs and more closely aligning them with one another.

The RAD program has two components. The first, Public Housing and Section 8 moderate rehabilitation housing (Mod Rehab; excluding single-room occupancy dwellings) or “RAD Public Housing,” allows up to 455,000 units (the original cap was 60,000 units) of public housing and Section 8 Mod Rehab properties to convert to project-based Section 8 HAP contracts following an application and review process.⁶ The second component, or “RAD 2,” permits the conversion of properties supported through Rent Supplement (Rent Supp), Rental Assistance Payment, Section 8 Mod Rehab, McKinney-Vento Single Room Occupancy, and Section 202 Project Rental Assistance Contracts to project-based Section 8 HAP contracts. This

² A HAP contract is the legal agreement between a project’s ownership entity and either HUD or the public housing agency that manages the vouchers. The HAP contract specifies the number and bedroom count of units covered at the property and the terms and procedures by which subsidy payments are made to the property.

³ PBVs are Section 8 vouchers attached to specific housing units and administered as part of a public housing agency’s Housing Choice Voucher (HCV) program. Under the PBV program, a public housing agency enters an assistance contract with the project owner for a specified number of units and length of time. The project owner could be the public housing agency or a limited liability company, or LLC, or general partnership. Typically, the public housing agency refers families to project owners to fill vacancies. Because PBV assistance is tied to the unit, the assistance remains with the unit when a family moves from the project-based unit. In contrast, HCV assistance is portable and can be used at any qualified available unit in the public housing agency’s jurisdiction.

⁴ PBRA contracts are attached to specific housing units. The contract is directly between HUD and the project owners; the public housing agency is not a party to the contract unless it is the project owner or a member of the project ownership entity.

⁵ For RAD conversions, the HAP for PBV is typically a 15-year contract, and the HAP for PBRA is typically a 20-year contract, although PHAs can extend the PBV contract term to up to 20 years. In addition to having long-term funding commitments from HUD, these contracts receive an operating cost adjustment factor (OCAF), which is a percentage increase in contract rents applied on a yearly basis as established by HUD and published annually in the Federal Register. HAPs for both PBV and PBRA conversions also have a required renewal at contract expiration.

⁶ This evaluation focuses on public housing units. Mod Rehab projects converted to RAD under the first component, covering 410 units, will not be examined in this report. Mod Rehab units also convert under the second component; all Mod Rehab units converting after publication of the second revision of the RAD notice do so under the second component.

evaluation focuses exclusively on the effects of the conversion of public housing units and does *not* include RAD 2 conversions or Mod Rehab projects that were in the first component of RAD.

Since the establishment of the RAD program, HUD has issued new and revised guidance to help implement the program more effectively and reduce the regulatory burden on conversions. This guidance includes waivers that streamline the conversion process while protecting tenant rights and services. In addition, Congress has also modified the RAD program, most notably by increasing the unit cap—that is, the maximum number of public housing units allowed to convert through the RAD program—and expanding the range of projects eligible for RAD conversion.

As of March 15, 2022, the RAD Statute governs the RAD program as authorized and amended by Congress (most recently in March 2022) and the RAD Notice, Revision 4 (HUD Notice H 2019-09 PIH 2019-23, published on September 5, 2019). Additional governing notices, statutes, and regulations are available at <https://www.hud.gov/RAD/library/notices>.

Congress authorized the RAD program without providing additional appropriations; as a result, HUD is implementing RAD as budget neutral.⁷ The lack of incremental funds for RAD is consistent with the program’s design, which is to provide a sustainable form of affordable housing by enabling public housing properties to access more flexible private funding sources to cover the immediate and long-term capital needs of the properties that convert to Section 8. RAD Public Housing was designed to observe whether the conversion of public housing to project-based Section 8 enables PHAs to preserve and improve that housing better than the current funding system. The ultimate goal of RAD is to keep properties affordable and in good condition, protect tenant rights, enhance opportunities for tenant mobility, and maintain public or nonprofit ownership.

RAD allows HUD to convert public housing properties from conventional public housing support (Section 9) to an assisted housing approach that uses Section 8 PBV or PBRA as the long-term source of federal project subsidy. The ongoing Section 8 subsidy to the properties is calculated based on the total amount of the capital and operating subsidies that the public housing program provides to each property, subsequently adjusted by an annual operating cost adjustment factor (OCAF).⁸ HUD provides no additional subsidy dollars to projects under RAD. However, by leveraging their projects’ PBV or PBRA subsidies after conversion, PHAs can finance debt and access other external funds, which could include grants and equity investment motivated by low-income housing tax credits (LIHTCs). PHAs can then use those funds in conjunction with internal resources, such as “soft loans,” to recapitalize and renovate or redevelop their projects.

⁷ The initial RAD contract rents are established by adding together the base-year public housing operating subsidy, base-year capital funding, and tenant contributions so that the total subsidy cost is the same after conversion to RAD as it was before conversion. A transfer from the HUD Section 9 public housing budget to the HUD Section 8 budget funds future subsidies through the project-based Section 8 HAP contracts.

⁸ Capital and operating subsidies are the two streams of funding provided to PHAs to assist with making capital improvements and subsidize the management operations of public housing units. Capital funding is allocated based on the age, size, and estimated capital needs of each property; operating funds are based on the PHA’s approved budget, reduced by the amount tenants pay.

Participation in RAD is voluntary. Properties that convert to project-based Section 8 assistance are subject to long-term rental assistance contracts and use restrictions that survive any disposition of the property, including foreclosure or bankruptcy. RAD project-based Section 8 contracts also require public or nonprofit entities to own or control properties, or, if LIHTCs are used, the PHA must demonstrate adequate control of the property, which LIHTC regulations require a limited liability company to own.

2.2. RAD Program Status and Statistics

The asset management study population was identified based on RAD administrative data as of October 16, 2020. This section presents statistics on the RAD program as of October 16, 2020. The following information—including that related to participation, type of conversion, financing, and the effect on the public housing stock—is based on HUD program data.⁹ Up-to-date statistics on the RAD program are available on the RAD Resource Desk at https://www.radresource.net/pha_data2020.cfm

2.2.1. RAD Program Description

Through October 16, 2020, the RAD program closed RAD transactions covering 1,293 projects and 139,744 units. An additional 69,485 units and 617 projects had active Commitments to Enter into a Housing Assistance Payment (CHAPs; exhibit 1).

Exhibit 1. Rental Assistance Demonstration Participation by Census Region

Region	Active CHAPs	Closed CHAPs	Total
Northeast	55 PHAs 137 projects 19,268 units	82 PHAs 195 projects 24,200 units	116 PHAs 332 projects 43,468 units
Midwest	49 PHAs 134 projects 13,958 units	68 PHAs 199 projects 24,790 units	103 PHAs 333 projects 38,748 units
South	130 PHAs 277 projects 31,132 units	193 PHAs 698 projects 76,528 units	268 PHAs 975 projects 107,660 units
West	19 PHAs 69 projects 5,127 units	52 PHAs 201 projects 14,226 units	57 PHAs 270 projects 18,493 units
All Regions	252 PHAs 617 projects 69,485 units	394 PHAs 1,293 projects 139,744 units	541 PHAs 1,910 projects 209,229 units

CHAP = Commitment to Enter into a Housing Assistance Payment. PHA = public housing agency.

Notes: Some PHAs have both active and closed CHAPs, so the total number of PHAs differs from the sum.

Withdrawn and revoked CHAPs are not included. The South region includes the U.S. Virgin Islands and Puerto Rico for this analysis.

Source: Rental Assistance Demonstration program data for active and closed projects through October 16, 2020

Overall, the South has been the most active region in terms of the number of PHAs, active and closed projects, and units converting under RAD. RAD participation in the Northeast, Midwest, and West are similar in terms of the number of projects. The West has fewer RAD PHAs, but it

⁹ The primary data sources for the program analysis are three tracking spreadsheets provided by HUD. The first compiles statistics on all active and closed projects, the second consists of a breakdown of funding sources for all closed RAD transactions, and the third lists withdrawn and revoked CHAPs.

has fewer PHAs overall (approximately 10.5 percent of all PHAs are in the West). For all regions except the Northeast, roughly two-thirds of units converting under RAD are from closed projects.

PHA size affects the capacity to carry out a complex RAD conversion. Small PHAs, by definition, have fewer units and fewer projects than medium and large PHAs, so even though roughly the same number of small and medium PHAs participate in RAD, larger PHAs have more projects and convert more units. Small PHAs represent 43.6 percent of the RAD PHAs but only 12.1 percent of RAD units. Large PHAs are 15.2 percent of the RAD population but cover 50.7 percent of units. Medium PHAs are 42.1 percent of the RAD population and represent 37.2 percent of RAD units (exhibit 2).

Exhibit 2. Rental Assistance Demonstration Participation by PHA Size

PHA Size	Active CHAPs	Closed CHAPs	Number of Total CHAPs	Percentage of Total CHAPs (%)
Small	81 PHAs	162 PHAs	236 PHAs	43.6
	92 projects	200 projects	292 projects	15.3
	7,740 units	17,632 units	25,372 units	12.1
Medium	110 PHAs	168 PHAs	228 PHAs	42.1
	240 projects	467 projects	707 projects	37.0
	29,550 units	48,236 units	77,786 units	37.2
Large	62 PHAs	65 PHAs	82 PHAs	15.2
	285 projects	626 projects	911 projects	47.7
	32,195 units	73,876 units	106,071 units	50.7
All Sizes	252 PHAs	394 PHAs	541 PHAs	100.0
	617 projects	1,293 projects	1,910 projects	100.0
	69,485 units	139,744 units	209,229 units	100.0

CHAP = Commitment to Enter into a Housing Assistance Payment. PHA = public housing agency.

Notes: Some PHAs have both active and closed CHAPs, so the total number of PHAs differs from the sum.

Withdrawn and revoked CHAPs are not included.

Source: Rental Assistance Demonstration program data for active and closed projects through October 16, 2020

2.2.2. Characteristics of RAD Conversions

Because some aspects of a RAD conversion can change before closing, the following analyses focus on closed RAD transactions unless otherwise noted.

The choice between PBRA and PBV is fundamental in the RAD conversion process. Although more than a third of closed RAD transactions used PBRA, they covered 42.6 percent of RAD units (exhibit 3). Broken down by PHA size, small PHAs choose PBV as often as PBRA and converted about the same number of units under each subsidy type. Medium and large PHAs are much closer to the overall PBRA to PBV ratio in terms of projects.

Exhibit 3. Rental Assistance Demonstration Projects by Subsidy Type

Subsidy Type by PHA Size	Number of Closed CHAPs	Percentage of Closed CHAPs	Number of Converted Units	Percentage of Converted Units (%)
PBRA	484	37.4%	59,563	42.6
Small	98	7.6%	9,152	6.5
Medium	160	12.4%	18,482	13.2
Large	226	17.5%	31,929	22.8
PBV	809	62.6%	80,181	57.4
Small	102	7.9%	8,480	6.1
Medium	307	23.7%	29,754	21.3
Large	400	30.9%	41,947	30.0

CHAP = Commitment to Enter into a Housing Assistance Payment. PBRA = project-based rental assistance. PBV = project-based voucher. PHA = public housing agency.

Source: Rental Assistance Demonstration program data through October 16, 2020

RAD conversions can facilitate rehabilitation of existing affordable units, construction of new affordable units, or financially reposition existing units without construction activities (referred to as paper transactions). The research team grouped the 1,293 closed CHAPs into three categories.¹⁰

- **Conversion with rehabilitation.** Some or all financing is used for rehabilitation of existing units (indicated by positive construction costs and no new construction).
- **Conversion with new construction.** The conversion includes the construction of new affordable units (indicated by a new construction flag in the data).
- **Nonfinancial (or paper) conversion.**¹¹ The conversion has minimal construction (usually indicated by \$0 construction costs and no new construction).

Exhibit 4 shows that most RAD projects are conversions with rehabilitation, which holds across PHA size, region, and subsidy types. For PHA size, small PHAs pursue rehabilitation at a higher rate than average, whereas large PHAs have a slightly higher proportion of nonfinancial conversions. Midwestern and Western PHAs, where nonfinancial conversions are less common, show greater deviation from the overall proportions (with a shift to rehabilitation in the Midwest and new construction in the West). The largest deviations occur by subsidy type; 68.2 percent of PBRA conversions focus on rehabilitation, whereas 30.3 percent of PBV conversions are nonfinancial.

¹⁰ These categories have many complex permutations, such as rehabilitating and reconfiguring an existing building to larger unit sizes, then partially transferring rental assistance to a newly constructed building to preserve the total number of assisted units.

¹¹ A nonfinancial conversion is inferred from existing HUD data. Such conversions could occur with construction funded by other sources, which the data would not reflect. A RAD transfer of assistance transaction also could be identified as nonfinancial if units targeted for the assistance transfer were acquired or built using non-RAD funds.

Exhibit 4. RAD Rehabilitation and Construction by PHA Size, Region, and Subsidy Type

PHA or Subsidy Type	Number of Closed CHAPs	Conversion With Rehabilitation	Conversion With New Construction	Nonfinancial Conversion
All RAD Projects	1,293	767 (59.3%)	202 (15.6%)	324 (25.1%)
PHA Size				
Small PHAs	200	131 (65.5%)	21 (10.5%)	48 (24.0%)
Medium PHAs	467	281 (60.2%)	74 (15.8%)	112 (24.0%)
Large PHAs	626	355 (56.7%)	107 (17.1%)	164 (26.2%)
PHA Region				
Northeast	195	108 (55.4%)	37 (19.0%)	50 (25.6%)
Midwest	199	132 (66.3%)	39 (19.6%)	28 (14.1%)
South	698	411 (58.9%)	81 (11.6%)	206 (29.5%)
West	201	116 (57.7%)	45 (22.4%)	40 (19.9%)
Subsidy Type				
PBRA	484	330 (68.2%)	75 (15.5%)	79 (16.3%)
PBV	809	437 (54.0%)	127 (15.7%)	245 (30.3%)

CHAP = Commitment to Enter into a Housing Assistance Payment. PBRA = project-based rental assistance. PBV = project-based voucher. PHA = public housing agency. RAD = Rental Assistance Demonstration.

Note: All RAD conversions with \$0 construction costs and no new construction are defined as nonfinancial conversions.

Source: RAD projects with closed CHAPs through October 16, 2020

2.2.3. The RAD Program Over Time

Exhibit 5 displays RAD's activity as the statutory unit cap increased. Each period following a cap increase is referred to as a RAD round. These cap increases correspond to changes in the RAD Statute and RAD Notice. Exhibit 5 shows the number of CHAPs by RAD round, PHA size, region, and type of Section 8 contract.¹²

¹² Each round represents a different length of time, with a different constraint on the number of units. Round 1 had a 60,000-unit cap that was in effect for approximately 38 months. Round 2 had a 185,000-unit cap that was in effect for 29 months. Round 3 had a 225,000-unit cap that was in effect for about 12 months. Round 4 currently has a 455,000-unit cap that has been in effect for approximately 29 months. The team expects more activity under the 185,000-unit cap than under the 225,000-unit cap, because the former was in effect longer and represented a larger proportional increase in the number of units allowed.

Exhibit 5. Rental Assistance Demonstration Activity Over Time

PHA or Subsidy Type	Round 1 Total	Round 1 Closed	Round 2 Total	Round 2 Closed	Round 3 Total	Round 3 Closed	Round 4 Total	Round 4 Closed
CHAPs issued	467	426	805	728	114	48	520	91
PHA Size (Issued CHAPs)								
Small PHAs	52	49	114	111	28	21	98	19
Medium PHAs	171	161	298	268	24	7	213	31
Large PHAs	244	216	393	349	62	20	209	41
PHA Region (Issued CHAPs)								
Northeast	41	39	144	137	27	8	119	11
Midwest	48	40	148	129	19	10	116	20
South	276	256	395	369	59	23	244	50
West	102	91	118	93	9	7	41	10
Section 8 Contract Type (Issued CHAPs)								
PBRA conversions	221	206	249	227	36	20	173	31
PBV conversions	246	220	556	501	78	28	347	60

CHAP = Commitment to Enter into a Housing Assistance Payment. PBRA = project-based rental assistance. PBV = project-based voucher. PHA = public housing agency.

Note: Withdrawn and revoked CHAPs are not included.

Source: Rental Assistance Demonstration projects with active or closed CHAPs through October 16, 2020

Later RAD rounds had a higher proportion of small PHA projects than earlier RAD rounds. The increase in the proportion of small PHA projects is coupled with a decrease in the proportion of large PHA projects. About half of issued CHAPs in each RAD round were from the South. Approximately twice as many projects were from the West as from the Northeast or Midwest in the first RAD round. Subsequent rounds saw a drastic decrease in the proportion of projects from the West, however. Round 4 had about twice as many projects from the Northeast or Midwest as from the West. Another striking shift is in the proportion of PBV and PBRA projects. Almost the same number of PBV and PBRA CHAPs were issued in the first round. In subsequent rounds, the ratio is close to two PBV projects for each PBRA project.

Approximately 25.8 percent of all closed projects included non-RAD units (exhibit 6). The percentage of closed projects that included non-RAD units in each RAD round was similar, except for round 3, in which the percentage spiked to 41.7 percent. When broken down by PHA size, medium or large PHA projects were generally more than twice as likely to include non-RAD units as small PHA projects. In round 3, large PHA projects were approximately four times as likely to include non-RAD units. After the first round, medium PHA projects were about as likely to include non-RAD units as large PHA projects. The Northeast, Midwest, and South shared a similar percentage of projects with non-RAD units at approximately 20 percent. Projects from the West were almost three times as likely to include non-RAD units as projects from the Northeast, Midwest, or South. Overall, PBV projects were almost twice as likely to include non-RAD units as PBRA projects. This ratio was inconsistent across RAD rounds, however. In round 3, PBV projects were more than four times as likely to include non-RAD units as PBRA projects,

whereas, in round 4, PBRA projects were almost as likely as PBV projects to include non-RAD units.

Exhibit 6. Percent of Closed CHAPs That Include Non-RAD Units Over Time

PHA or Subsidy Type	Round 1	Round 2	Round 3	Round 4	Total Program
All CHAPs Issued	27.0	24.0	41.7	26.4	25.8
PHA Size (Issued CHAPs)					
Small PHAs	16.3	12.6	14.3	10.5	13.5
Medium PHAs	19.9	27.2	57.1	29.0	25.3
Large PHAs	34.7	25.2	65.0	31.7	30.2
PHA Region (Issued CHAPs)					
Northeast	18.0	17.5	50.0	36.4	20.0
Midwest	22.5	24.0	20.0	30.0	24.1
South	18.8	18.2	43.5	20.0	19.3
West	56.0	57.0	57.1	40.0	55.7
Section 8 Contract Type (Issued CHAPs)					
PBRA Conversions	19.9	14.1	15.0	22.6	17.2
PBV Conversions	33.6	28.5	60.7	28.3	31.0

CHAP = Commitment to Enter into a Housing Assistance Payment. PBRA = project-based rental assistance. PBV = project-based voucher. PHA = public housing agency. RAD = Rental Assistance Demonstration.

Note: Withdrawn and revoked CHAPs are not included.

Source: RAD projects with closed CHAPs through October 16, 2020

3. Approach

3.1. Overview

When public housing converts to project-based Section 8 under the Rental Assistance Demonstration (RAD), the oversight of that housing shifts from a purely public housing model of asset management to a model compatible with project-based voucher (PBV) or project-based rental assistance (PBRA) subsidies, depending on the type of Housing Assistance Payment (HAP) contract. This study focuses on understanding how models of asset management used at RAD conversions differ based on subsidy type, how they compare with asset management best practices for affordable rental housing, and what changes could be made to improve the asset management of properties that have converted under RAD. It also considers how asset management of converted properties has changed compared with asset management under public housing requirements.

The design for this study adopts a business process improvement orientation, with a gap analysis methodology that compares the current state of RAD project-based asset management with the desired state of asset management best practices. This approach to study asset management under RAD uses multiple data collection efforts in parallel with the other two studies and additional data collection from asset management experts and other practitioners. Data collection occurred in three phases. During phase 1, data were collected through interviews with property owners and operators at eight RAD public housing agencies (PHAs) about PBV and PBRA asset management. During this phase, a separate data collection effort was made to interview HUD staff about PBV and PBRA asset management policies and procedures, as well as a small sample of private-sector asset managers about standard asset management practices.

In phase 2, a census was conducted of RAD PHAs that included a survey module on asset management. In phase 3, a similar survey was conducted with RAD project owners and operators that are not affiliated with a PHA. The asset management questions in this owner-operator survey were comparable with those in the PHA survey, and an analysis of the combined responses from the two surveys is in section 5, which provides a complete picture of asset management at RAD conversions.

3.2. Research Questions

This approach addresses the following nine research questions regarding how well converted assets are currently managed and how their asset management can be improved. Asset management includes a short-term focus on property operations, budgets, and efficiency; a long-term perspective on capital investment, asset repositioning, and value maximization; and a continuing emphasis on reporting and compliance.

1. How does the asset management infrastructure compare between (1) situations in which HUD is the party to the HAP contract (that is, RAD PBRA) or the mortgage insurance contract (that is, Federal Housing Administration [FHA]-insured PBV properties) and (2) situations in which HUD has delegated the role of party for the HAP contract to a local PHA (that is, RAD PBV properties)?
2. What regulatory bodies are involved in various affordable housing asset management structures?

3. Are the asset management structures different from the standard PBRA or PBV asset management structures?
4. Is the asset management infrastructure typically different in PBRA or PBV properties in which the PHA is a participant in the ownership entity or in other ways?
5. Can parallels be drawn to any private-sector affordable housing situations (for example, an equity investor's long-term interest in an affordable property), and if so, what are the similarities and differences with HUD's interest?
6. To what extent do asset management activities for RAD PBRA, RAD PBV (with and without FHA insurance), non-RAD PBRA, and non-RAD PBV rely on asset management best practices related to project-based budgeting, accounting, and performance assessment?
7. Are there areas of strength or weakness that should be identified or best practices that should be disseminated?
8. Is the asset management infrastructure adequate to protect HUD's interest in continuously preserving the physical units as affordable, assisted housing?
9. How do the public housing asset management practices before conversion compare with the PBRA and PBV asset management practices after conversion?

These research questions were defined during the study design and planning process. After evaluation of the available data, development of the study's affordable housing asset management framework, and discussions with HUD, it became apparent that effective asset management is an important factor in the long-term preservation of RAD units. Therefore, research question 9, which compares pre and post-conversion asset management practices, was added after discussion with HUD staff.

The approach to some questions also changed. Of note, due to a lack of compiled ownership information, research question 4 evolved to include a taxonomy of RAD ownership structures. Many of the research questions face limitations based on the age and condition of the RAD properties and the unique role that most PHAs have in the affordable housing and real estate markets. For example, as most RAD properties included rehabilitation or new construction at the time of conversion, they will not be due for significant capital investment until 5 to 15 years after completion of this study, so an examination of capital investment as an asset management function will be severely limited.

COVID-19 has also affected the study. The pandemic required a shift from in-person site visits to remote interviews of PHA and owner-operator staff, with additional delays due to interview logistics and competing priorities the public health emergency created. However, it also presented an opportunity to examine asset management structures and management resilience to a disaster and to identify gaps and best practices based on PHA staff self-assessment of "what worked" during the pandemic and "what you wish worked but did not."

3.3. Data Sources

3.3.1. Asset Management Conceptual Framework and Best Practices

This study includes a thorough review of real estate asset management literature, establishing a standardized definition of “asset management” and including a discussion of affordable housing asset management and asset management models HUD uses. This literature review informed a basic framework for real estate asset management that was further developed through interviews with practitioners and subject matter experts focusing on affordable housing asset management. These practitioners and subject matter experts also identified specific best practices for asset management. Interviews with HUD and PHA staff and RAD owners and operators unaffiliated with a PHA allowed the identification of specific asset management functions and practices with particular relevance for RAD properties, as well as those that had less importance to RAD properties at the time of this study.

These same interviews, supplemented by asset management resources and RAD regulations and requirements, form the basis for a description of the current state of asset management for RAD conversions. Note that this description is informed by interviews with staff at seven PHAs selected to be representative of the universe of RAD PHAs within the constraints of this evaluation.

3.3.2. Census of RAD PHAs

A census of RAD PHAs, using a web-based survey, provides information essential to answering the research questions. This census, sometimes referred to as the PHA survey, included questions related to the Long-Term Preservation and Choice Mobility studies, as well as a question on asset management. All PHAs eligible for inclusion in at least one of the three studies received a survey invitation. The total number of PHAs in the census was 339, with 248 eligible for the asset management study.

The web-based survey was divided into four sections. The first section requested conversion-level information on ownership and the status of any construction activities conducted as part of the RAD conversion. All 339 PHAs were asked to complete section 1, whereas sections 2, 3, and 4 were specific to the three studies: Choice Mobility, Long-Term Preservation, and Asset Management, respectively. The 248 PHAs eligible for the asset management study were asked to complete sections 3 and 4, because some questions related to long-term preservation overlapped with asset management functions.

To capture accurate asset management and operational information from RAD PHAs, the study population should be limited to PHAs with one or more RAD conversions with at least 1 full year of “normal” (that is, nonpandemic) operations—in other words, RAD properties that were in stabilized operation for calendar year 2019. Because no recorded date shows when “normal” operations begin at RAD conversions, an assumed lag between RAD closing and the stabilization of operations, based on the extent of construction related to the RAD conversion, was used to identify the study population.

- For RAD conversions with no construction or rehabilitation, a 6-month lag between closing and stabilized operations was assumed. Any of these conversions that closed before July 1, 2018, were included in the asset management study population.

- For RAD conversions that included rehabilitation, an 18-month lag was assumed. Any of these conversions that closed before July 1, 2017, were included in the study population.
- For RAD conversions that involved new construction, a 24-month lag was assumed. Any of these conversions that closed before January 1, 2017, were included in the study population.

Six sections or subsections of the PHA survey were applicable to the asset management study. The ownership information in section 1 informed the taxonomy of RAD ownership structures. Because long-term preservation is an asset management function, the questions in section 3 on financial activities and conditions were applicable to this study. Section 4 was specific to asset management and included subsections on general asset management, oversight, specific asset management activities, and responses to COVID-19.

3.3.3. Census of Unaffiliated RAD Owners and Operators

The research team used a web-based survey to conduct a census of RAD property owners and operators who are not affiliated with a PHA. Unaffiliated RAD owners and operators were identified from responses to section 1 of the census of RAD PHAs; respondents indicated the ownership structure for specific RAD conversions, and when the PHA was not affiliated with the ownership entity, respondents were asked to provide contact information for the owner. Administrative data from the RAD Resource Desk supplements the ownership contact information collected through the census.

All owners and operators identified through the census of RAD PHAs received a survey invitation. The total number of owners and operators in the census was 61, and all 61 were eligible for the asset management study. As the owners and operators were identified from the census of RAD PHAs, the assumptions regarding at least 1 full year of “normal” operations carried over.

The web-based survey was divided into two sections. The first section was specific to the Choice Mobility study, whereas the second section combined questions for the Long-Term Preservation and Asset Management studies. The 61 owners and operators were asked to complete section 2, which included questions on financial activities and conditions, general asset management, oversight, specific asset management activities, and responses to COVID-19.

3.4. Data Limitations

The data collected through both censuses do have limitations. The response rate to the census of RAD PHAs was less than expected, but an analysis did not show any evidence for nonresponse bias (appendix E). Some PHA responses were incomplete or failed to provide key information, such as a description of why approaches to asset management differ for PBV compared with PBRA conversions or for RAD compared with non-RAD properties. The percentage of RAD owners and operators not affiliated with a PHA, 9 percent, was much smaller than expected. The response rate to the census of unaffiliated RAD owners and operators was also low but from a small population. For these analyses, the responses from both censuses were combined, with the assumption that the lack of evidence showing nonresponse bias for the census of RAD PHAs carried over to the entire dataset. Overall, the data are sufficient to describe RAD asset

management structures and perform a gap analysis based on affordable housing asset management best practices.

4. Asset Management: Conceptual Framework and Best Practices

4.1. Asset Management Literature Review

This component of the evaluation is interested in the oversight and management of properties following Rental Assistance Demonstration (RAD) conversion—functions that are grouped under the term “asset management” within the real estate industry. Still, asset management is a broad term, with variations based on the type of asset and the organization managing that asset. The following review of the literature provides insight into the term and its application in both the real estate industry and the affordable housing sector.

4.1.1. Defining Asset Management

Although asset management has its origins in the real estate industry (Glickman, 2004), it is now recognized as potentially applying to any type of asset. In 2014, the International Organization for Standardization (ISO) published a series of standards that provide “an overview of asset management, its principles and terminology, and the expected benefits from adopting asset management” (ISO, 2014). These standards define asset management as: “The coordinated activity of an organization to realize value from assets,” where an asset is an “item, thing or entity that has potential or actual value to an organization.”

The ISO further expands on this definition, illustrating the breadth of asset management: An asset’s value can be “tangible or intangible, financial or nonfinancial, and includes consideration of risks and liabilities, [and] can be positive or negative at different stages of the asset life.” Realizing value through asset management normally involves “a balancing of costs, risks, opportunities and performance benefits.”

Asset management examines how physical assets can be best used to meet organizational objectives by looking at what the organization owns, why it was acquired, what condition it is in, where it is located, and what opportunities it provides or risks it entails (Smith, 2014a). Although asset management can focus on individual assets, a systematic approach identifies opportunities and risks among and across an organization’s assets during the life cycles of those assets. The British Standards Institute defines a systematic approach to asset management as—

Systematic and coordinated activities and practices through which an organization optimally and sustainably manages its assets and asset systems, their associated performance, risks and expenditures over their life cycles for the purpose of achieving its organizational strategic plan. (BSI, 2008)

4.1.2. Defining Real Estate Asset Management

Applying the ISO definition to real estate assets is conceptually straightforward: *the coordinated activity of an organization to realize value from real estate assets*. In reality, two significant complications exist. The first is in defining a “real estate asset,” which includes physical property (for example, land, buildings, housing units) and financial assets (for example, mortgages, rents), as well as other aspects of real estate that have potential or actual value to an organization (for example, air rights, mission-oriented factors). The second complication is in the overlap between asset management and more established property management and portfolio management functions in the traditional real estate management trichotomy.

Other complications arise when defining real estate asset management within an organization. The “asset manager” job description varies widely across organizations, and many organizations maintain strong asset management systems without designating a specific asset manager. Defining real estate asset management as a process or system allows the definition to be applied without being constrained by job titles or organizational charts. A process-oriented definition also allows for a variety of approaches to real estate asset management united by broadly defined best practices.

What Is a Real Estate Asset?

Following ISO, a real estate asset is defined by a real estate organization, so different organizations could define a particular asset in different ways. A real estate asset does need to be anchored to real property; physical real estate assets (that is, land and buildings) are the most familiar real estate assets, and organizations value them based on the real estate market. Physical real estate assets also exist that are based on the potential development of land or buildings; that is, the right to build or redevelop is a real estate asset. Financial real estate assets are ongoing payments that a real estate asset generates. Rents are financial real estate assets, as are mortgages (that is, loans tied to real property). Financial real estate assets can be complex, such as mortgage-backed securities, or they can derive indirectly from the real property, such as income from leasing mineral rights. However, a key characteristic of real estate assets is that all of them—except for land—have a finite lifespan and must be valued accordingly (Damodaran, 2012). Buildings deteriorate, and both leases and mortgages have finite terms.

Organizations can also identify and value nonphysical, nonfinancial real estate assets. These assets are specific to each organization, although multiple organizations may identify the same asset, and some may give it a negative value. An organization that values providing housing for senior citizens, for example, will identify an elderly housing restriction as an asset. Very few organizations would consider the right to tunnel underneath a parcel of land to be an asset, but telecommunications companies value the ability to lay fiber optic cable in a straight line.

The definition and value of a real estate asset can change across organizations and over time. For example, certain organizations’ environmental values first drove sustainability measures.¹³ However, as the cost of green building materials decreased, sustainability measures became a financial asset by reducing operating costs. Now, a building’s sustainability features have become a physical asset, with “sustainability ratings” and a “green premium” on sale prices (PwC, 2014).

Real estate asset management encompasses all types of real estate assets. A key component of effective asset management is balancing the value of each asset identified by the organization. For affordable housing asset management, as discussed in greater detail to follow, the market value of the physical real estate asset is balanced against rents and mission-driven goals, such as the preservation of affordable housing units.

The Traditional Real Estate Management Trichotomy

In the traditional real estate management trichotomy (Read, 2017), asset management bridges the gap between portfolio management and property management. Portfolio management is the strategic management of a portfolio of properties and includes determining where to focus

¹³ See, for example, the U.S. Green Building Council at <https://www.usgbc.org/about/brand>.

investments geographically; what asset classes to own; property size targets; capitalization strategy; and supervision and execution of those decisions, including performing property acquisition and disposition transactions (Fick, 2015).

Property management is the day-to-day management of a specific property. A property manager is the primary point of contact for residents and tenants, as well as the party responsible for preliminary budgeting, rent collection, bill payment, obtaining competitive pricing from vendors, and overseeing onsite personnel (Glickman, 2004). The property manager has also become accountable for the overall tenant experience, adding value to the property by incorporating best practices in property management (Fick, 2015).

Asset management fits between the strategic overview of portfolio managers and the day-to-day operations that property managers oversee. Asset management's position within the trichotomy also leads it to overlap with both portfolio and property management. This overlap originates in the lack of standardization in job titles and responsibilities in a very diverse industry and is driven by the increasing demand for property managers to be more sophisticated, professional entities and by the need for asset managers to take on the role of chief executive officer for their properties within a larger portfolio (Fields, 2015; Glickman, 2004).

Real Estate Asset Management as a Process

In the real estate industry, asset management is less well defined than both portfolio and property management. The professional definition of an asset manager is evolving, and many organizations do not have specific asset management positions. Defining asset management as a process allows for greater flexibility across organizations, as asset management functions and activities can be carried out by employees who are not asset managers.

Read (2017) defines asset management as “a process involving a series of interrelated functions or activities designed to enhance the financial performance of income-producing properties.” These functions can be delegated to a number of different parties in a number of different ways, depending on the structure, culture, and strategic objectives of a given real estate firm. Read (2017) identifies 10 asset management functions (exhibit 7).

Exhibit 7. Asset Management Functions

Asset Management Function	Description
Acquisition Support	Asset managers are asked to evaluate prospective real estate acquisitions based on their experience. Acquisition is traditionally a portfolio management function, and portfolio managers can leverage an asset manager's market knowledge to review underwriting assumptions. This function also supports effective asset management after acquisition, as the asset manager is familiar with both the property and the organization's financial expectations for it.
Budget Preparation	Asset managers use budgets as guides and as a means of monitoring performance. Budget preparation has two facets, and an effective asset manager is able to balance them. The first facet is budget preparation, which requires ongoing communication and coordination with the property team, as well as market knowledge and an understanding of the organization's business plan and strategic goals. The second facet is monitoring and revising the budget to account for changing conditions. Asset managers need to prepare or approve a realistic budget that achieves the organization's goals and intuit when budget revisions are necessary, given the resources needed to make accurate revisions (for example, is an unexpected vacancy sufficient reason to revise the budget? Probably not in an active market with short turnover times, but likely yes for a smaller building in a slow market in which an extended vacancy could significantly affect revenue).
Business Planning	Efficient real estate organizations develop business plans for individual properties based on assumptions made during the acquisition process (acquisition support is a related function), and asset managers carry out the business plan after acquisition. For shorter term acquisitions, the asset manager follows the business plan closely (an effective asset manager would also be involved in developing the business plan before acquisition). For long-term properties, the asset manager plays an essential role in assessing the status of the property relative to the business plan and in revising the business plan over time.
Disposition Assistance	Similar to acquisition support, although asset managers may not be involved in the actual disposition of a property, their knowledge of the property is key to maximizing property-level returns. The asset manager's knowledge informs sell or hold recommendations and marketing activities.
Financial Analysis	Asset managers are responsible for the organization's strategic goals at the property level. These goals are often financial, so financial analysis and an understanding of risk are important for aligning property performance with strategic goals. Asset managers should view the deployment of capital as strategic to improve the financial performance of properties and minimize risk.
Lease and Capital Expense Approval	Both leasing and capital expenses have an effect on property cashflow, and asset managers should be involved in some capacity. Leasing is a key input in an asset manager's cashflow analysis, although capital expenses are investments in the property that the asset manager monitors for returns. Asset managers apply market knowledge to inform leasing strategy or decisions. Although capital expenditures are often included in the business plan, asset managers evaluate the need and cost against the disruption to operations and to the property budget.

Asset Management Function	Description
Leading a Team	Asset managers lead a team of professionals responsible for achieving the organization's strategic goals for the property. The asset manager oversees and guides property management, operations, and leasing. These functions can be performed in-house or contracted out; in either case, the asset manager may not have direct authority over team members, so leading the team may require the ability to motivate, collaborate, and cooperate outside of a hierarchical structure.
Market Research	Local market conditions affect many asset management activities and choices. Understanding supply and demand fundamentals at the local level informs asset management, so asset managers must be able to conduct and apply market research to make strategic decisions.
Promoting Operational Efficiency	Cashflow is a key metric for asset managers. A property's business plan and budget are based on cashflow data and assumptions, and the asset manager can improve the property's performance and position by exceeding these assumptions. A common strategy is to improve operational efficiency—that is, to achieve the same level of operations while using fewer resources more efficiently. Asset managers can identify cost savings, leverage economies of scale, or explore new beneficial initiatives, such as sustainability improvements that lower utility costs.
Reporting and Surveillance	Not only do asset managers monitor their properties' performance, they also report on that performance to portfolio managers, organizational management, lenders, and owners. Such surveillance and reporting can include narratives describing the physical condition and market position of properties, evaluations of a leasing and property management team's effectiveness, financial reports summarizing key performance metrics and budget variances, periodic value estimates, justifications for any deviation from the acquisition strategy or business plan, and assessments of legal threats and other sources of risk exposure.

4.1.3. Approaches to Real Estate Asset Management

Although Read's asset management process encompasses these 10 functions, the actual implementation of asset management within a real estate organization varies based on the size and structure of the organization, the assets under management, and employee capacity and skills.

As an example of an organizational approach to asset management, Smith (2014b) describes the management of building energy use and environment that considers the length, breadth, and depth of the assets. Smith discusses details and tradeoffs that would not be apparent from a more constrained type of management; for example, when considering lighting options, a cost-oriented approach would look to minimize costs by utilizing natural light, although an asset management approach would consider whether more costly lighting allows for value-added building use in the evening and at night. The comprehensive nature of Smith's example demonstrates both the complexity (short- and long-term life cycles of assets and components, interaction of building systems and uses, and asset data management) and the benefits (increased cashflow, operational efficiency, and asset value) of asset management.

Staff availability and capacity may limit an organization's approach to asset management. Some individuals holding asset management titles engage in the 10 functions Read describes and have considerable autonomy to make property-level decisions, whereas other asset managers have

much narrower job descriptions and far less discretion (Read, 2017). For organizations without established asset management positions, the trend has been for property managers to take on a greater role in the financial analysis and positioning of properties (Fields, 2015). In other words, property managers are expanding their scope of responsibilities to become asset managers.

Real estate professionals interviewed about asset management described four common approaches to asset management staffing within their organizations (Read, 2017).

- **Analytical asset managers** have strong quantitative backgrounds and primarily view their work as comprising data analysis, financial modeling, and surveillance, as opposed to leading a team of leasing agents and property managers.
- **Operational asset managers** tend to come from property management backgrounds and prioritize collaboration with onsite personnel as a means of improving performance and enhancing tenant relations.
- **Transactional asset managers** limit the amount of time they spend on both financial analysis and property management issues in favor of interacting with the brokerage community, negotiating leases, and setting rents in an effort to drive revenue growth.
- **Comprehensive asset managers** simultaneously have strong financial management and human resource management skills that allow them to make strategic decisions and participate at a high level in all 10 of the functions Read describes.

Asset Management Best Practices

As previously discussed, asset management bridges the divide between, and overlaps with, portfolio management and property management. Mission-oriented organizations face additional challenges in meeting nonfinancial mission-based goals while remaining financially solvent. Just as the approach to asset management varies based on the size, mission, and capacity of real estate companies, specific best practices will also vary. Asset management best practices can be generalized into three categories: staffing, goals and performance data, and business and budget planning.

A key best practice is allocating and supporting staff based on their capabilities. Each of the four common approaches to asset management requires support for the organization to effectively perform all 10 asset management functions (Read, 2019b). For example, operational asset managers will need support, typically from portfolio managers, in business planning and major capital expenditure planning.

Effective real estate organizations establish clear goals for asset and property management, performance measures, and feedback mechanisms (Diaz, 2004). These organizations then measure outcomes and quantify the effect on realized value from their assets, such as the impact on financial performance (Read, 2019a). Common measures include physical condition, cashflow, financial, portfolio, and management changes, as well as assessments of external opportunities and risks (AHIC, n.d.).

A comprehensive business plan—which encompasses financial, marketing, and operating strategies that are appropriate for the local economic environment and that address the owner’s objectives for the property—guides these asset management practices (Glickman, 2004). The

business plan informs asset-level budgets and vice versa; resource scarcity and forecasting, which can lead to adjustments in the business plan, shape the budgets.

4.1.4. Affordable Housing Asset Management

For real estate, the value realized by asset management is generally financial—that is, cashflow from rents or capital gains from development or sale of assets, or both. The affordable housing sector typically restricts these cashflows through affordability requirements that cap rents or deed restrictions that affect property prices. In the affordable housing sector, the definition of “asset” expands, as do the types of value the asset generates and the asset manager manages. Affordable housing developers and owners have a double bottom line: (1) The financial performance and sustainability of properties and the organization and (2) the mission and specific goals to which the developer or owner is committed (Diaz, 2004).

Affordable housing asset management has a significant financial component. Rents may be restricted, but they are still collected, and affordable housing projects generally anticipate positive cashflow. Affordable housing real estate is still an asset, and generating value from the ultimate sale or disposition of the real estate remains an end goal for some organizations. For example, asset managers monitor the long-term viability of a property beyond the expiration of the affordability period (Taylor, 2013).

The difference with affordable housing asset management is the existence of a nonfinancial mission and bottom line. If an organization’s mission is to provide housing for elderly people, then successful provision of such housing creates mission-based value regardless of the cashflow generated. This double bottom line allows for successful asset management without maximizing financial value, but it also creates a challenge when allocating scarce resources. Affordable housing asset managers cannot pursue every deal while serving every family or addressing every social problem; only by making tradeoffs can an asset manager keep the property or organization financially solvent and able to meet mission-based goals (Read, 2019a).

Another difference for affordable housing development and management is the extent of involvement by funders. In addition to the return on investment that funders expect of traditional housing, affordable housing organizations must comply with the requirements and conditions specified for each funding source, such as the federal and state regulations governing the low-income housing tax credit (LIHTC) program (Taylor, 2013). Therefore, compliance is a major function of an affordable housing asset manager. Key compliance issues include monitoring maximum rents (which may vary between funding sources), income or demographic restrictions on tenants, and balancing future capital needs with reserve requirements and balances (Taylor, 2013). Asset managers may also be responsible for providing compliance reports to funders that include information for each property on current debt service coverage, occupancy, and cash reserve levels; curb appeal; a review of annual audited financial statements and tax returns; the role of the participants in meeting their obligations under the governing documents; an assessment of the management agent’s proficiency; and the asset manager’s recommendations for rectifying any problems (Feliz, 2009).

The changing environment for affordable housing funding is putting pressure on organizations to better manage their assets. Nassau (2015) describes challenges that affordable housing developers and owners face, including funders’ preference for new construction over

preservation, expectations for resident services without additional funding, and greater need for capitalization. Effective asset management—specifically by expanding asset management to develop strategic goals that reflect the organization’s financial posture, competitive needs, and mission commitments—can address these challenges.

4.1.5. HUD Asset Management

Within HUD, both the Office of Public and Indian Housing (PIH) and the Office of Multifamily Housing Programs have embraced modern asset management. In 2005, PIH published a final rule entitled “Revisions to the Public Housing Operating Fund Program,” requiring that public housing agencies (PHAs) with 250 or more units convert to asset management.¹⁴ As part of the Multifamily for Tomorrow Transformation in the early 2010s (HUD, n.d.a.), the Office of Multifamily Housing Programs expanded its asset management office and renamed it the Office of Asset Management and Portfolio Oversight (OAMPO) to promote the highest standards of asset management practices.

Asset management can bring a different approach and way of thinking to an organization (IAM, 2015). An example is the conversion to asset management in public housing. Based on a study of public housing operating costs (Harvard University, 2003), HUD required PHAs to manage their properties according to an asset management model consistent with the management norms in the broader multifamily management industry.¹⁵ The key components of HUD’s public housing asset management model are project-based funding, budgeting, accounting, management, and oversight—a departure from the centralized approach most PHAs took before 2005 (Harvard University, 2003).

For the Office of Multifamily Housing Programs, OAMPO is now responsible for HUD’s portfolio of multifamily assets after the development phase. OAMPO’s definition of asset management is encompassed in its mission statement.

Our goal is to support the targeted Multifamily Housing mission within the broader mission of HUD. We accomplish this through the development of supporting policies and interpretation of policy, control of participation in the multifamily asset programs, oversight of lender and field servicing activities including multifamily management and field operations, and management of relationships with internal and external partners. (HUD, n.d.b)

4.2. Framework for Asset Management

The research team applies Read’s (2017) framework to affordable housing in general and RAD properties in particular, refining it based on a review of other articles and resources and interviews with subject matter experts.

By its nature, a framework for asset management is difficult to define. One can think of it as a building, with multiple systems that work together and support each other, along with multiple redundancies to reinforce the structure. Some pieces of the framework are hidden within more prominent pieces, and although a generalized framework will fit most assets, the asset refines its

¹⁴ Revisions to the Public Housing Operating Fund Program; Final rule, 70 Fed. Reg. 54983 (September 19, 2005) (to be codified at 24 C.F.R. 990).

¹⁵ 24 C.F.R. 990.

management framework. For example, the compliance function is not explicit within Read's framework, but experts universally identified compliance as a primary function of affordable housing asset management.

The asset management framework that this study uses as the basis for the gap analysis of asset management of RAD properties centers on the following asset management functions.

- Property Baseline.
- Budget Preparation.
- Business Planning.
- Financial Analysis.
- Capital Planning.
- Promoting Operational Efficiency.
- Compliance.
- Assessment of External Factors.
- Reporting and Surveillance.
- Communication.

These functions, which this section describes in greater detail, differ from those in Read's framework due to the nature of RAD properties as affordable housing and the common approach to the RAD portfolio expressed by PHAs and other RAD owners and operators. The most notable absences are Read's Acquisition and Disposition functions. The availability of public housing units and other units eligible for conversion constrains RAD acquisition. Unless a national organization is pursuing a RAD-specific acquisition strategy (and the research team is unaware of any such organization), developers and portfolio managers see RAD as a tool to facilitate acquisition, not as a driver of acquisition strategy. Rarely does an organization have years of asset management experience with RAD converted properties to draw on when considering additional RAD acquisitions, and organizations that do have asset management experience with RAD converted properties typically do not have additional RAD acquisition opportunities available in their communities.

Property disposition within the RAD portfolio also appears to be limited.¹⁶ Every PHA and owner or operator interviewed has a long-term goal of preserving their specific RAD properties as affordable housing in perpetuity, so the idea of disposing of these properties was immediately dismissed. Although this commitment to retain ownership of RAD properties as affordable housing may evolve into a significant gap in asset management,¹⁷ it is too soon to evaluate disposition support as an asset management function of RAD properties.¹⁸

Read's Capital Expense Approval function has been revised to Capital Planning for a related reason. Because of the good condition of most RAD properties following conversion and any related rehabilitation or construction, the research team assumes that minimal capital expenditures have occurred within the RAD portfolio since conversion. The PHAs and owners

¹⁶ The disposition activity this report discusses is for properties after RAD conversion. PHAs have a variety of repositioning options for their public housing, including RAD conversion or disposition. Following the RAD conversion, the property is no longer eligible to use public housing disposition options such as Section 18 or Streamlined Voluntary Conversion.

¹⁷ Interviewees gave the impression that they would be reluctant—at best—to conduct a sell-hold analysis of their RAD properties, which could limit the opportunities for profitable sale of the real estate and transfer of assistance to another property.

¹⁸ PHAs with RAD conversions funded by LIHTCs may face a disposition decision when LIHTC investors exit, but that decision point is at least 5 years in the future. Given RAD requirements related to ongoing public or nonprofit ownership or control of the asset, disposition in this context will typically entail the PHA determining its role in the ownership structure of the property after the LIHTC investors exit.

and operators interviewed confirmed that they expect capital expenditures at their RAD properties to begin at least 10 and up to 20 years after conversion.

Read's Lease Approval function has greater weight as a separate function for commercial leases, which are a rarity at RAD properties. As such, the Promoting Operational Efficiencies function absorbs Lease Approval in this study's asset management framework. The Communication and Assessment of External Factors functions similarly absorb Read's Leading a Team and Market Research functions, respectively.

This study adds three functions to Read's framework. Assessment of External Factors and Compliance both convert existing components of Read's framework into standalone functions that are more specific to affordable housing asset management. Meanwhile, Property Baseline is independent of Read's framework and encompasses management of the conditions of the RAD property between closing and occupation. For this study, the Property Baseline function is unique to asset management of RAD properties, given the rehabilitation or new construction that can occur as part of a RAD conversion and the shift away from public housing asset management. In private-sector or nonprofit asset management, Property Baseline is comparable to the prestabilization phase of many affordable housing developments and redevelopments and is typically a function of the developer or is already established when a property is acquired without input from the asset manager.

4.2.1. Context—Affordable Housing and HUD

Read's framework was developed in the context of large real estate investors. Although it is generally applicable to all forms of real estate asset management, its application to asset management of RAD properties requires consideration of a RAD property's status as affordable housing. Major changes to Read's asset management functions have already been described. Within the remaining functions, emphasis changes based on the affordable nature of the property.

The largest difference in affordable housing is the mission-driven nature of the asset manager and the "double bottom line" discussed in the literature review. For this study's asset management framework, this difference manifests most directly in the elimination of Read's Disposition Assistance function. It also has an overall asset management impact by limiting property cashflow, although interviewees argued that affordable rents are a known characteristic of the property; that their effect was built into the affordable housing asset management model; and that they have nonfinancial benefits, such as high demand leading to low vacancy rates and minimal unit turnover time.

Another major difference is a mission-driven focus on residents and resident services. Although the literature and subject matter experts generally classified the provision of resident services as a property management function, RAD PHAs and owners and operators interviewed for this study that provide resident services identified oversight and direction of those services as an asset management function.

HUD's role in RAD leads to additional differences. HUD has well-developed requirements for asset management of both RAD and non-RAD project-based rental assistance (PBRA) properties. Although one could argue that HUD's requirements supersede any other asset

management framework, the research team views these requirements as complementary to the asset management framework this study uses and applicable within the RAD portfolio. HUD's project-based voucher (PBV) requirements are less developed than those for PBRA conversions, but some fall outside of Read's framework. Section 4 describes HUD's PBV and PBRA asset management frameworks for RAD properties.

4.2.2. Asset Management Framework for Rental Assistance Demonstration Properties

The asset management framework for RAD properties that this study uses is process based and involves a series of interrelated functions and activities. The RAD portfolio is diverse, so the emphasis placed on each function will vary by property, as will the presence or absence of specific activities, such as the provision of resident services. This framework will inform best practices and is the basis for the gap analysis of asset management at RAD conversions. Exhibit 8 describes the framework's 10 major functions.

Exhibit 8. Asset Management Functions for Rental Assistance Demonstration Properties

Asset Management Function	Description
Property Baseline	<p>The nature of a RAD conversion allows a PHA or owners and operators a significant degree of control over the property's condition and key variables affecting asset management. This function captures RAD conversion decisions in terms of asset management. RAD also allows PHAs and owners and operators to adjust these decisions and the asset management position of the property in the years after the conversion. An overlap exists between this function and the RAD conversion process, and some decisions cannot be changed, only mitigated to a degree once the RAD conversion is complete.</p> <p>Subject matter experts, HUD staff, and PHAs identified three major components to this asset management function.</p> <ul style="list-style-type: none"> • <i>Completion of RAD Construction.</i> Although the extent of rehabilitation or new construction is determined during the RAD planning and conversion process, completion of any construction is a key input to the Property Baseline. Incomplete construction or subpar work leaves the property with a capital deficit and will lead to unplanned expenditures, reduced useful life, and potentially insufficient replacement reserves. This component of the Property Baseline function begins at RAD closing and carries over through the first few years of occupancy—checking the quality of construction after time and use, managing additional work or repairs, and rectifying financial and budgetary impacts. • <i>Access to Subsidy.</i> HUD staff stated that a significant portion of RAD conversions failed to transfer to a project-based voucher or project-based rental assistance subsidy in a timely manner and access all available subsidy. This represents lost positive cashflow and a negative financial outcome in the first year after conversion. • <i>The Property Management Decision.</i> The subject matter experts interviewed all agreed that the decision to keep property management in-house or contract it out is one of the most important decisions an asset manager will make. This decision is complex and not limited to cost, and it should be revisited regularly to ensure that the reasons for the initial decision are still valid.

Asset Management Function	Description
Budget Preparation	<p>Asset managers use budgets as guides and as a means of monitoring performance. Budget preparation has two facets, and an effective asset manager is able to balance them without obsessing over them. The first facet is budget preparation, which requires ongoing communication and coordination with the property team, as well as market knowledge and an understanding of the organization's strategic and mission-driven goals. The second facet is monitoring and revising the budget to account for changing conditions. Asset managers need to prepare or approve a realistic budget that achieves the organization's goals and intuit when budget revisions are necessary, given the resources needed to make accurate revisions.</p> <p>Budget preparation includes both an operating budget and a capital budget. Capital budget preparation overlaps with the Capital Planning function described later in this section.</p>
Business Planning	<p>Efficient real estate organizations develop business plans for individual properties. For RAD properties, these business plans are based on assumptions made during the RAD conversion process, and asset managers carry out the business plan after closing. RAD properties have long-term planning horizons, and the asset manager plays an essential role in assessing the status of the property relative to the business plan and in revising the business plan over time.</p>
Financial Analysis	<p>Asset managers are responsible for the organization's strategic goals at the property level. No matter the mission, the financial health of an organization's portfolio allows it to carry out that mission. Financial analysis and an understanding of risk are important for aligning property performance, ensuring long-term solvency, and achieving mission-oriented goals. Asset managers should view the deployment of capital as strategic to improve the financial performance of properties and minimize risk.</p>
Capital Planning	<p>This asset management function exists for the first 10 to 20 years after conversion, after which it evolves into the Capital Expenditures and Management function. The Capital Planning function is proactive, revolving around regularly conducting or updating a CNA and applying CNA data to budgets, financial analyses, and the property's strategic or business plan. A secondary activity is monitoring changes in the cost, type, and availability of capital improvements and evaluating the sufficiency of replacement reserves given market trends.</p> <p>The Capital Planning function overlaps with the budget preparation function, particularly in terms of preparing an annual capital budget and in planning and budgeting for preventative maintenance.</p>
Promoting Operational Efficiency	<p>Cashflow is a key metric for asset managers. A property's business plan and budget are based on cashflow data and assumptions, and the asset manager can improve the property's performance and position by exceeding these assumptions. A common strategy is to improve operational efficiency—that is, to achieve the same level of operations while using fewer resources more efficiently. Asset managers can identify cost savings, leverage economies of scale, or explore new beneficial initiatives, such as sustainability improvements that lower utility costs.</p> <p>Effective oversight of property management also improves operational efficiency. Although property managers typically deal with month-to-month occupancy issues, asset managers can review maintenance, vacancy, leasing, and turnover data to identify trends and implement process improvements.</p>

Asset Management Function	Description
Compliance	<p>All affordable housing programs and funding sources have rules and requirements to ensure that their target populations are served. Compliance with these requirements is universally regarded as one of the most important affordable housing asset management functions. For RAD properties, compliance is implied in every part of the RAD asset management framework, but its importance is such that it deserves recognition as a separate function.</p> <p>For RAD properties, compliance includes requirements in the RAD Notice (such as implementing choice mobility) and RAD Civil Rights Notice; requirements of the subsidy type; and requirements from any other funding source, notably those of the tax credit investors and the state housing finance agency for low-income housing tax credit-funded projects.</p> <p>RAD asset managers must also be aware of and in compliance with local, state, and federal housing requirements, such as fair housing and civil rights laws and tax liability.</p>
Assessment of External Factors	<p>Local market conditions affect many asset management activities and choices. Understanding supply and demand fundamentals at the local level informs asset management, so asset managers must be able to conduct and apply market research to make strategic decisions.</p> <p>External factors beyond market conditions can also affect a property. Asset managers should be aware of trends and changes that can have a direct financial impact on the property, such as insurance coverage and premiums, taxation, legal threats, minimum wage laws, and changes in building codes. Other factors and trends may have an indirect effect, such as zoning changes, public and private redevelopment plans, transportation planning, and demographic trends.</p>
Reporting and Surveillance	<p>Not only do asset managers monitor their properties' performance, they also report on that performance to portfolio managers, organizational management, lenders, and owners. Such surveillance and reporting can include narratives describing the physical condition and market position of properties, evaluations of a leasing and property management team's effectiveness, financial reports summarizing key performance metrics and budget variances, periodic value estimates, justifications for any deviation from the acquisition strategy or business plan, and assessments of legal threats and other sources of risk exposure.</p>
Communication	<p>The RAD asset manager is the fulcrum in a network operating the property, and communication is key to the property's success. The asset manager oversees and guides property management, operations, and leasing. These functions can be performed in-house or contracted out; in either case, the asset manager must communicate effectively even without direct authority over team members.</p> <p>RAD asset managers also report to and work with a range of stakeholders and have direct responsibility for communicating the status of the property to portfolio managers, ownership, and investors. The RAD asset manager often also has responsibility for communicating with or responding to the PHA and HUD, which both have roles in the operations and oversight structure.</p> <p>COVID-19 illustrated the importance of communication with RAD residents, which is typically coordinated by the asset manager and carried out by property management. A number of PHAs interviewed identified strong communication practices with residents as a key factor in their safe, effective, and enduring response to the pandemic.</p>

CNA = capital needs assessment. PHA = public housing agency. RAD = Rental Assistance Demonstration.

In addition to these 10 functions, the research team identified 2 additional functions that are not currently applicable to the RAD program, given the program's age at the time of this evaluation. The first, Capital Expenditures and Management, is an evolution of the Capital Planning function that encompasses analysis of capital projects and expenditures for return on investment and in terms of the long-term preservation of affordable housing units.¹⁹ Other activities within this function include "green" investment and management of replacement reserves. For most RAD properties, the evolution from Capital Planning to Capital Expenditures and Management would occur 10 to 15 years after conversion.

The second function is Recapitalization and Disposition Support. The PHAs and owners and operators interviewed for this study were adamant that they intended to retain ownership of their RAD properties, but that does not preclude the need for a disposition function in the study's asset management framework. These same interviewees generally acknowledged the need to refinance or recapitalize their RAD properties in the medium or long term; including recapitalization with disposition elevates this to a function within the asset management framework while acknowledging that few if any owners anticipate disposing of their RAD properties. Recapitalization and Disposition Support would become a meaningful asset management function for RAD properties 6 to 8 years after conversion for projects that include LIHTC funding and 20 to 30 years after conversion for non-LIHTC properties.

4.3. Best Practices for Asset Management

The following are generalized best practices for asset management, based on the framework and functions described previously and supported by interviews with subject matter experts, affordable housing asset management practitioners, and RAD PHAs and owners and operators. As with an asset management framework, the asset determines the best and most applicable asset management best practices. Similarly, just as asset management functions overlap, asset management best practices can also overlap. One best practice can be applied to multiple functions and activities, and although the best practices listed here are grouped by primary asset management function, many of them apply across functions.

4.3.1. Asset Management Capacity

Understanding the RAD program and subsidy (PBV or PBRA) requirements is vital to effective asset management of RAD properties, as is an understanding of affordable housing asset management. The conversion from public housing to a PBV, PBRA, or multiple-subsidy property (possibly including market rate units) is an additional challenge for PHAs that retain ownership of or operational authority over the property. As HUD's Office of Recapitalization stated during an interview, asset management of RAD properties is a natural progression from public housing asset management, but no direct link exists.

¹⁹ Rehabilitation or new construction that occurred as part of the RAD conversion process took place before stabilized operations at the properties included in this study, thus it is considered separate from the Capital Planning or Capital Expenditures and Management functions in this study's asset management framework. Even so, it is notable that those involved in planning and managing such construction often continue in an asset management role for the property.

Specific best practices include—

- Use the Office of Recapitalization’s resources to prepare for asset management of RAD properties. Specific guides and webinars describe PBV and PBRA requirements, as well as guidance on RAD-specific requirements, such as the operating cost adjustment factor (OCAF) and Choice Mobility.
- For PBRA conversions, become familiar with multifamily asset management resources. Establish a relationship with the HUD field office and discuss the strategic plan for the RAD property.
- For PBV conversions where the PHA retains ownership of the property, follow the independent entity requirements for PHA-owned units (HUD, 2017a).
- Engage the PHA Board of Directors and PHA leadership in setting the direction for asset management at the PHA and providing resources to meet asset management goals.
- Determine the asset management structure for the RAD portfolio. Include PHA leadership, PHA voucher staff, investors and lenders, property management, residents, and other stakeholders. Most RAD portfolios are small (1 to 4 properties) relative to private-sector asset management portfolios (15 to 50 properties), so the asset manager for RAD units will likely have additional non-RAD responsibilities.
- Create a schedule and checklist of asset management activities. Include key dates, such as for debt payments or reporting to ownership. The checklist should be divided into weekly, monthly, and annual tasks.
- Participate in regular training and professional development, including both HUD and third-party or association webinars and conferences.

4.3.2. Property Baseline Best Practices

The goal of the Property Baseline function is to establish and maintain a concrete base for asset management of a RAD property. A best practice for this function is to preempt it with rigorous management of the RAD conversion process and any related construction. PHAs with development experience can leverage that experience on the RAD conversion even if the conversion does not include any new development. Subject matter experts recommend that PHAs without development experience bring on a consultant to assist or manage the RAD conversion, understanding that the upfront cost will eliminate potentially major post-conversion challenges.

Specific Property Baseline best practices include—

- Complete the subsidy source transition as early as possible so that receipt of payment is not delayed. Include the subsidy transition on internal RAD timelines and planning documents, and confirm the transition with HUD.
- Conduct a thorough analysis of the property management question—that is, whether to keep it in-house or contract it out. Consider factors beyond cost, such as familiarity with PBV or PBRA; experience with affordable housing; and for PHAs, property management as a revenue source. Work with external stakeholders (for example, many LIHTC

investors have specific requirements for the property manager). Evaluate this decision and the property management entity on a regular basis.

4.3.3. Budget Preparation Best Practices

Property budgets, typically an operating budget and a capital budget, are valuable asset management tools, but the level of involvement in the budgeting process depends on the type of asset manager. Some asset managers draft property budgets, whereas others delegate budget preparation to property managers. Regardless of the asset manager's role in budget preparation, they should understand the budget and how to use it as a management tool.

Specific budget preparation best practices include—

- The asset manager should review, understand, and approve the budget, regardless of who prepares it. Other entities in the asset management structure, such as the owner or the PHA Board of Directors, may have final say, but the asset manager should be a part of the approval process.
- Use budget comparisons to identify issues at the property. Compare the current budget with the proposed budget and make sure that variations can be explained. Continue budget comparison analysis by reviewing budget-to-actual reports on a monthly basis.
- Ensure that all entities in the ownership structure have access to the budget and understand its contents.

4.3.4. Business Planning Best Practices

The business plan or strategic plan is an important asset management tool that contains written documentation of the goals for the property and a map for achieving those goals. A written property-level plan is far superior to a general or verbalized strategy in that it is concrete, easy to share among stakeholders or pass along to a new asset manager, and encourages a shared understanding and interpretation of long-term property goals. At the same time, the business plan or strategic plan is a living document designed to adapt to changing conditions and to evolve as the property ages.

Specific Business Planning best practices include—

- Put the business plan and strategic goals for the property in writing. Work with other stakeholders as needed to draft and finalize the plan.
- Identify milestones within the plan, develop measures to track progress toward the property's strategic goals, and create a process to analyze these measures.
- Establish criteria for revising and updating the business plan and strategic goals. Revisions should occur on a regular schedule; every 5 years is a common interval (for example, a PHA's 5-year plan). Sufficient change in the physical condition of the property, in the economic environment, or in underlying assumptions should trigger an update. For example, the changes in the economy and property operations due to COVID-19 should trigger a plan update once the pandemic ebbs.

4.3.5. Financial Analysis Best Practices

Many of the goals identified in the business plan or strategic plan are financial, and financial analysis is the primary means for tracking progress toward those goals. Financial analysis also provides insight into the health of the asset. Financial analysis and budget analysis are complementary, and the asset manager should combine them to better understand the property's short- and medium-term financial position.

Specific Financial Analysis best practices include—

- Align financial analyses with strategic goals and measures so that the measures are clearly identified and explained and are prominent within financial reports.
- Identify potential financial risks and conduct specific analyses as needed. For RAD properties, two common risks that should be regularly reviewed are the sufficiency of the OCAF and the replacement reserves balance and usage.
- Analyze once-per-year expenditures, such as insurance and property taxes.²⁰ Insurance is a competitive market, although a successful property assessment appeal can reduce taxes significantly.
- As with the property budget, provide financial statements and reports to entities within the ownership structure and, when required, regulatory structures. In the case of PBRA conversions, for example, HUD requires submission of annual financial statements.

4.3.6. Capital Planning Best Practices

RAD requires PHAs to conduct a capital needs assessment (CNA) with a 20-year horizon as part of the conversion process. Asset managers should use this CNA as a tool and update it regularly (public housing physical needs assessments must be updated every 5 years, although HUD's Office of Multifamily Housing Programs has a 10-year CNA update cycle). Asset managers should be aware of changes to the assumptions underlying the CNA and to trends in the construction industry.

Specific Capital Planning best practices include—

- Conduct a CNA every 5 years.
- Include an energy audit as part of the CNA.

4.3.7. Promoting Operational Efficiency Best Practices

Like budget preparation, involvement in property management varies by the type of asset manager. Regardless of the level of involvement, though, the asset manager oversees property management and is responsible for promoting operational efficiency. Asset managers can better identify longer term or complex improvements to operations, such as the introduction of web-based maintenance requests or a redesign of common areas.

²⁰ RAD conversions are no longer public housing, and local property tax exemptions often do not apply to the converted property.

Specific best practices that Promote Operational Efficiency include—

- Regularly evaluate property managers, which should include annual evaluations and, if property management is contracted out, regular procurements (every 3 to 5 years). Evaluations should include resident input, such as through an annual resident survey.
- Require property managers to prepare monthly operations reports, including standard metrics such as vacancies and measures related to the property's strategic goals.
- Consider operational efficiency at the asset management level and at the property level—that is, how can you promote efficiency in asset management?

4.3.8. Compliance Best Practices

Compliance may be the most important affordable housing asset management function. It not only plays a role in every other function but also ensures that the property can remain solvent. Every RAD property depends on subsidies to remain viable and occupied, so compliance with PBV or PBRA requirements is essential to their existence as affordable housing. Every asset management decision or action should, therefore, include compliance as a factor—that is, after this decision or action, will the property remain compliant?

LIHTC investors emphasize compliance, and an asset management goal should be to meet their expectations without being asked. Proactive cooperation with tax credit investors on compliance will improve the relationship and help ensure that the property remains compliant after the investors exit.

Specific Compliance best practices include—

- List all reporting requirements and deadlines for funders, government entities, and other stakeholders on the asset management schedule and checklist.
- Work to understand the requirements and how compliance is measured. Discuss reporting requirements with stakeholders, and review regulatory and contractual documents to ensure a comprehensive understanding of compliance at the property.

4.3.9. Assessment of External Factors Best Practices

Asset management extends beyond the property's boundaries, and the asset manager must be aware of external factors that could affect the property, which should extend beyond market research to encompass government actions, such as rezoning, and other external opportunities or threats.

Specific Assessment of External Factors best practices include—

- Conduct market research regularly, which can include informal research, such as touring nearby housing developments or identifying new amenities by reading vacancy listings. The frequency of formal market studies will depend on the size of the portfolio and the funding available, as a market study is applicable to all managed properties in the area. Small portfolios may conduct a market study every 5 years, whereas larger portfolios may conduct one biannually.
- Join and participate in a local property owners or asset managers association.

4.3.10. Reporting and Surveillance Best Practices

Although asset management is removed from day-to-day operations, it is still hands-on, and regular reporting is important for identifying issues and trends. Asset managers should supplement these reports with more direct and less scripted interactions with the property and stakeholders. Their respective functions cover regular financial, budgetary, and operational reporting. An asset manager should synthesize these reports, as small discrepancies in each report could indicate a larger overall problem.

Specific reporting and surveillance best practices include—

- Conduct a formal site visit annually. Interview property management staff and speak with any third-party staff (for example, cleaning crew) onsite during the visit. Ensure that permits (for example, occupancy, elevator status, fire suppression system certification) are current. Observe the physical structure. Include resident outreach, such as a formal resident meeting.
- Drive past or walk through the project monthly to observe the physical structure, landscaping, and environment. If the opportunity presents, have informal conversations with residents.

4.3.11. Communication Best Practices

Asset managers do not work alone. Effective communication is necessary, particularly given the number and type of people with whom an asset manager works. Asset managers must be adaptable in the tone and content of their communications. An asset manager may have to take a firm tone with an underperforming property manager, then immediately switch to deference when a large investor calls.

- Schedule regular phone calls or meetings with property stakeholders. Use a broad definition of “stakeholder,” and schedule communication based on the relative importance of each stakeholder to the property and to asset management. For example, an asset manager should communicate with the property manager weekly, although lunch with legal staff once or twice per year should be sufficient.
- Work with property management to develop a method for communicating with residents.

5. RAD Public Housing Agency and Unaffiliated Owner and Operator Census Results

This study included censuses of Rental Assistance Demonstration (RAD) public housing agencies (PHAs) and of RAD owners and operators unaffiliated with a PHA. The design of these censuses was such that responses from RAD PHAs would inform the population of the census of unaffiliated owners and operators. Specifically, RAD PHAs would provide information on the ownership structure of their RAD conversions and contact information for any unaffiliated owners and operators. One of the first major findings following the census of RAD PHAs was that unaffiliated owners and operators are fewer than expected. As the following section discusses in greater detail, only 17 percent of RAD properties have ownership not directly tied to a PHA, which greatly reduced the population of unaffiliated owners and operators covered in this study. The result of this reduced population is that the information the unaffiliated owners and operators provided is used to complement the analysis of RAD PHAs, rather than as a basis for a direct comparison.

This section presents a picture of asset management at RAD properties, and the next section discusses the findings related to asset management in the context of the study research questions. Note that to a large extent, these results and findings are based on survey responses—that is, the perception of the respondent—rather than an independent review of asset management practices at RAD properties. Reflecting the involvement of PHAs in the ownership and operation of the vast majority of RAD conversions, the exhibits and discussion draw primarily from the census of RAD PHAs.

5.1. Description of the Two Censuses

The web-based census of RAD PHAs was conducted between August 12 and November 12, 2021. For the asset management study, the population is 248 PHAs; of these, 113 PHAs completed the asset management section of the survey (section 4), and another 43 PHAs viewed or answered at least one question in the asset management section—for a total response rate of 62.9 percent. The research team tested for nonresponse bias and found no evidence for bias (see appendix E). This was a census of all qualified PHAs, so the probability of selection was 100 percent. The results presented in this section are representative of the RAD PHAs with one or more conversions that meet the criteria for inclusion in the asset management study (see section 3.3).

The web-based census of RAD owners and operators unaffiliated with a PHA was conducted between February 7 and May 4, 2022. The population of this census was dependent on data collected from the census of RAD PHAs. Specifically, for the RAD conversions included in section 1 of the web-based survey of RAD PHAs, the respondents identified and provided contact information for any unaffiliated owners and operators. Out of 423 RAD conversions that qualified for inclusion in the asset management study, respondent PHAs identified 72 conversions with 61 unique unaffiliated owners and operators (owners and operators may have multiple RAD properties). Twenty-six of these 61 owners and operators completed some or all of the web-based survey for unaffiliated RAD owners and operators for a response rate of 42.6 percent. Given the small number of respondents and the use of these data in the following

analyses, testing the unaffiliated owners and operator responses for representativeness or nonresponse bias was not necessary.

5.2. RAD Ownership Taxonomy and Construction Status

Section 1 of the web-based survey asked PHAs about the ownership structure and construction status of specific RAD conversions. All PHAs eligible for any of the three studies were asked these questions, so the results here are presented for the entire population of 339 PHAs and for the 248 PHAs eligible for the asset management study. To reduce respondent burden, the question on ownership structure was asked for up to 11 RAD conversions per PHA, and the question on construction status was asked for up to 3 RAD conversions per PHA. These specific conversions were selected at random from the PHA's portfolio, with the only requirement being that for PHAs with both project-based voucher (PBV) and project-based rental assistance (PBRA) conversions, at least one of each subsidy type is included. The nine PHAs eligible for any of the studies with the most RAD conversions were asked these questions for all their RAD conversions separately from the web-based survey.²¹ The population for the census of RAD owners and operators unaffiliated with a PHA was drawn from PHA responses to section 1 of the web-based survey.

Exhibit 9 presents the results for RAD conversions eligible for the asset management study for all conversions and by subsidy type. These 422 conversions occurred at 154 PHAs. The distribution over ownership structures is similar for the 488 conversions eligible for any of the three studies. A small number of "other" responses were coded to one of the eight structures listed in exhibit 9. Most of the coding was straightforward, but a few responses indicated that the PHA had bought out the other partners in a low-income housing tax credit (LIHTC) structure or intended to do so. As this is a taxonomy at the time of conversions, these responses were coded as the appropriate LIHTC entity, but the change in ownership structure following the expiration of LIHTCs is a potential topic for future research.

Exhibit 9. Rental Assistance Demonstration Ownership Structures

Ownership Structure	Number of Conversions Eligible for the Asset Management Study	Percentage of Conversions Eligible for the Asset Management Study	PBV Conversions	PBRA Conversions
The PHA continues to own the project	133	31.5%	26.7%	41.8%
An affiliate entity in which the PHA is the sole owner or member	113	26.8%	31.3%	17.2%
Another public or nonprofit entity not affiliated with the PHA	17	4.0%	5.2%	1.5%
Control agreement with other ownership and control arrangements approved by HUD	2	0.5%	0.7%	0.0%

²¹ These nine PHAs received an Excel spreadsheet via e-mail that listed all eligible RAD conversions, with columns corresponding to each question in section 1 of the web-based survey.

Ownership Structure	Number of Conversions Eligible for the Asset Management Study	Percentage of Conversions Eligible for the Asset Management Study	PBV Conversions	PBRA Conversions
LIHTC entity with the PHA (or PHA-affiliated entity) as the sole general partner or managing member	69	16.4%	19.1%	10.4%
LIHTC entity with the PHA (or PHA-affiliated entity) as one of many general partners or managing members	35	8.3%	10.4%	3.7%
LIHTC entity with the PHA (or PHA-affiliated entity) as a passive partner	34	8.1%	2.8%	19.4%
LIHTC entity in which the PHA is not a partner and retains control through a long-term ground lease	19	4.5%	3.8%	6.0%
Total	422	100.0%	100.0%	100.0%

LIHTC = low-income housing tax credit. PBRA = project-based rental assistance. PBV = project-based voucher. PHA = public housing agency.

Source: Responses from 154 PHAs, Census of Rental Assistance Demonstration PHAs, August to November 2021

All the ownership structures allowed by HUD were used (RAD Resource Desk, n.d.), although the PHA remains the primary or sole owner (directly through an affiliate or through a sole member LIHTC entity) of a large majority of RAD conversions (74.6 percent). A control agreement that requires HUD approval is the least common ownership structure (0.5 percent), whereas a LIHTC entity owns 37.2 percent of RAD conversions. However, the distribution of ownership structures exhibits differences by subsidy type; the PHA remains the primary owner (directly or through a sole member affiliate or LIHTC entity) of 69.4 percent of PBRA conversions compared with 77.1 percent of PBV conversions. The PHA is more likely to directly own PBRA conversions than PBV conversions, whereas the PHA is more likely to indirectly own PBV conversions through an affiliate entity or LIHTC structure. The proportion of conversions with some form of LIHTC entity ownership are about the same for PBV and PBRA conversions. Ownership by another public or nonprofit entity is more common for PBV conversions, and the two conversions with a control agreement that requires HUD approval are PBV conversions.

Of the 154 PHAs eligible for the asset management study that provided ownership information, 26 used multiple ownership structures (89 PHAs have one RAD conversion and, thus, one ownership structure). The number of PHAs with multiple ownership structures is partly due to the fact that 23 of those 26 PHAs have one or more conversions using LIHTCs, which require a LIHTC ownership structure. PHAs with multiple RAD conversions tend to use only one or two ownership structures (only 9 of the 26 PHAs with multiple ownership structures had more than two types: 7 had three types, 1 had four types, and 1 had five types). For the 17 PHAs that use two ownership structures, most used the same ownership structure for all but one of their RAD conversions.

Exhibit 10 presents the status of any construction or rehabilitation required per the RAD Conversion Commitment (RCC) in which a major delay is one lasting 3 or more months.²² The distribution over construction status is similar for the 370 RAD conversions eligible for any of the three studies and for which a response was provided. Some of the practitioners interviewed in phase 1 of the data collection prompted this question. They stated that they had heard anecdotally that some RAD conversions were not completing construction and rehabilitation that the RCC requires. Although the vast majority of RAD conversions complete construction and rehabilitation with no or minor delays, 8.1 percent face major delays and 2.6 percent do not complete work or have not been in stable operations while the required work continues, which is notable. Both major delays and incomplete work are more common for PBV conversions.

Exhibit 10. Rental Assistance Demonstration Construction Status

Construction Status	Number of Conversions Eligible for the Asset Management Study	Percentage of Conversions Eligible for the Asset Management Study	PBV Conversions	PBRA Conversions
Construction required under the RCC completed without major delays	117	33.8%	26.4%	49.5%
Construction required under the RCC completed with major delays	28	8.1%	9.4%	5.4%
Construction required under the RCC incomplete or still in process	9	2.6%	3.0%	1.8%
Not applicable, no construction required per the RCC	192	55.5%	61.3%	43.2%
Total	346	100.0%	100.0%	100.0%

PBRA = project-based rental assistance. PBV = project-based voucher. RCC = Rental Assistance Demonstration Conversion Commitment.

Source: Responses from 149 public housing agencies, Census of Rental Assistance Demonstration public housing agencies, August to November 2021

PHAs provided explanations for six of the RAD conversions with incomplete work. One indicated that units were being rehabilitated on vacancy, and another cited high costs for scaling down the planned work. Construction at one conversion appears to be close to completion, with some cosmetic or decorative work and final inspections outstanding. The other three conversions have more substantial work that is incomplete, such as work in crawlspaces, work in residential units, or work planned for building systems.

5.3. Asset Management—General

Section 4 of the web-based survey asked PHAs about their asset management practices. The first part of section 4 covered asset management in general. A total of 113 PHAs completed section 4, and 2 additional PHAs responded to at least one question in section 4.

²² The construction or rehabilitation required by the RCC is derived from, but not necessarily limited to, work identified in the capital needs assessment or equivalent assessment conducted as part of the RAD application process.

For this and the remainder of the results in this section, the unit of analysis is the RAD PHA (as opposed to the previous RAD conversion). PHAs with at least one PBV conversion are in the PBV Conversion columns of the tables in this section, and PHAs with at least one PBRA Conversion are in the PBRA conversion columns. The responses from the eight PHAs that have both PBV and PBRA conversions are in both columns.

Exhibit 11 demonstrates the breadth of RAD PHAs' activities beyond RAD, with 90.7 percent of RAD PHAs owning, operating, managing, or otherwise participating in one or more of the programs or real estate listed. However, PHAs self-select into the RAD program both through the PHA performance requirements needed to receive HUD approval and through the transformative nature of RAD.

Exhibit 11. RAD PHA Participation in Other Types of Programs or Real Estate

Program or Type of Real Estate	All PHAs	PBV Conversions	PBRA Conversions
Public housing	47.5%	55.0%	39.1%
Non-RAD PBV projects	48.3%	57.5%	30.4%
Non-RAD PBRA projects	20.3%	16.3%	28.3%
Non-RAD housing funded by LIHTCs	48.3%	50.0%	47.8%
Other affordable housing	55.9%	60.0%	43.5%
Market-rate housing	37.3%	41.3%	34.8%
Commercial and retail property	21.2%	21.3%	19.6%

LIHTC = low-income housing tax credit. PBRA = project-based rental assistance. PBV = project-based voucher. RAD = Rental Assistance Demonstration. PHA = public housing agency.

Source: Responses from 118 PHAs, Census of RAD PHAs, August to November 2021

Unaffiliated RAD owners and operators vary in size and in the breadth of their real estate activities. Of the 26 owners and operators that responded to the web-based survey, 25 own or operate a variety of assets. The 26th is a new entity created specifically to own two RAD conversions. The 26 owners and operators own or operate an average of 70 properties and 5,887 units, with 6 owning more than 100 properties and 19 owning more than 1,250 units. Nineteen own non-RAD PBV units, 15 own non-RAD PBRA units, and 21 own or operate non-RAD LIHTC units. Fourteen include market-rate units in their portfolios, and 6 include commercial properties.

The survey asked RAD PHAs to rank seven asset management functions in order from those most to those least emphasized for their RAD properties. Note that a lower ranking of emphasis does not mean that the PHA neglects or fails to carry out a function. Exhibit 12 presents the average rank for each function and the number of PHAs ranking that function as the most emphasized.

Exhibit 12. Rank of Function by Emphasis for the Asset Management of Rental Assistance Demonstration Properties

Asset Management Function	All PHAs	All PHAs	PBV Conversions	PBV Conversions	PBRA Conversions	PBRA Conversions
	Average Rank	% Ranked 1st	Average Rank	% Ranked 1st	Average Rank	% Ranked 1st
Long-Range or Strategic Planning	4.4	13.8	4.6	11.5	4.2	19.6
Capital Planning	3.9	6.9	3.9	6.4	4.0	6.5
Budgeting	2.9	20.7	2.7	23.1	3.3	13.0
Operational Efficiency	2.7	29.3	2.8	26.9	2.6	32.6
Financial Reporting and Analysis	4.3	5.2	4.2	5.1	4.7	4.3
Compliance and Reporting	3.4	24.1	3.4	26.9	3.2	23.9
Assessment of External Factors	6.3	0.0	6.4	0.0	6.2	0.0

PBRA = project-based rental assistance. PBV = project-based voucher. PHA = public housing agency.

Source: Responses from 117 PHAs, Census of Rental Assistance Demonstration PHAs, August to November 2021

For RAD properties, the most emphasized asset management functions are operational efficiency, compliance, and budgeting in terms of both average rank (out of 7) and the percentage of PHAs selecting those functions as the most emphasized. Budgeting is less emphasized for PBRA conversions, whereas strategic planning is more emphasized. The survey also asked the PHAs to rank the functions by emphasis for overall asset management and oversight of their entire (RAD and non-RAD) portfolios. In general, the PHAs placed the same emphasis on each function for both RAD and non-RAD properties; 33.6 percent of PHAs indicated no difference in which functions are emphasized, and 32.8 percent changed their rank order for one or two functions.

Unaffiliated RAD owners and operators were asked a similar question concerning their entire portfolios. The 26 owners and operators who responded placed similar emphasis on the seven asset management functions, with one notable difference. Owners and operators unaffiliated with a PHA placed less emphasis on capital planning (average rank of 4.9) compared with RAD PHAs. This change in emphasis filtered through the other asset management functions, with unaffiliated owners and operators putting more emphasis on both compliance and financial analysis. This perspective was also reflected in the most emphasized asset management functions, with none of the 26 owners and operators ranking capital planning as most emphasized.

The PHAs were also asked about variation in their approach to oversight and asset management within their RAD portfolios. Only 8.6 percent responded that a difference existed, and when asked to describe that difference, most PHAs mentioned additional requirements due to LIHTCs compared with non-LIHTC RAD conversions. Other differences are project specific, such as location, physical condition, or tenant characteristics, which require more or less attention than other RAD conversions in the PHA's portfolio.

In exhibit 13, PHAs indicate how their emphasis of each asset management function has changed for RAD compared with pre-RAD public housing. For almost all PHAs, the seven functions are emphasized as much or more now than they were for pre-RAD public housing.

Exhibit 13. Change in Emphasis Between RAD and Pre-RAD Public Housing

Asset Management Function	Much More Emphasis in RAD (%)	A Little More Emphasis in RAD (%)	No Change in Emphasis (%)	A Little Less Emphasis in RAD (%)	Much Less Emphasis in RAD (%)
Long-Range or Strategic Planning	17.7	31.9	45.1	3.5	1.8
Capital Planning	17.5	28.9	41.2	7.0	5.3
Budgeting	14.2	27.4	54.9	1.8	1.8
Operational Efficiency	21.1	28.9	47.4	0.9	1.8
Financial Reporting and Analysis	18.4	24.6	51.8	3.5	1.8
Compliance and Reporting	29.2	19.5	42.5	5.3	3.5
Assessment of External Factors	6.2	22.1	67.3	2.7	1.8

RAD = Rental Assistance Demonstration.

Source: Responses from 116 public housing agencies, Census of RAD public housing agencies, August to November 2021

5.4. Asset Management—Financial Position and Practices

Section 3 of the web-based survey asked PHAs about their financial position and practices. A total of 113 PHAs completed this section. The survey asked RAD PHAs to rank six factors in order of most to least emphasized when reviewing quarterly and annual performance of their RAD properties. Note that a lower ranking of emphasis does not mean that the PHA neglects a factor. Exhibit 14 presents the average rank for each factor and the number of PHAs ranking that factor as the most emphasized.

Exhibit 14. Rank of Factor by Emphasis in Financial Reviews for RAD Properties

	All PHAs	All PHAs	PBV Conversions	PBV Conversions	PBRA Conversions	PBRA Conversions
Financial Review Factor	Average Rank	% Ranked 1st	Average Rank	% Ranked 1st	Average Rank	% Ranked 1st
Past performance to current performance	2.7	30.1	2.6	29.5	2.8	29.5
Progress toward longer term financial goals	2.5	27.4	2.6	30.8	2.5	22.7
Financial risks	3.6	15.0	3.6	12.8	3.6	15.9
Financial opportunities	4.0	11.5	4.2	7.7	3.7	18.2
Investor needs (if applicable)	4.8	8.0	4.6	11.5	5.0	2.3
<i>PHAs with LIHTC RAD conversions</i>	3.9	11.3	3.9	14.7	3.9	5.6
<i>PHAs without LIHTCs</i>	5.3	5.8	5.1	9.1	5.7	0.0
Current and future adequacy of replacement reserves	3.4	8.0	3.4	7.7	3.3	11.4

LIHTC = low-income housing tax credit. PBRA = project-based rental assistance. PBV = project-based voucher. PHA = public housing agency. RAD = Rental Assistance Demonstration.

Source: Responses from 113 PHAs, Census of RAD PHAs, August to November 2021

RAD PHAs place an emphasis on comparing past performance with current performance and in analyzing progress toward longer term financial goals. Financial opportunities is the factor applicable to all PHAs that is least emphasized in financial reviews.

Investor needs is only applicable as a factor in financial reviews for RAD conversions with third-party investment. Because such investment is most common through LIHTCs, the factor is broken out by the presence of LIHTC-funded RAD conversions at the PHA. As expected, investor needs have a greater emphasis when LIHTCs are used.

The type, content, and frequency of financial reporting has changed for 76.1 percent of RAD PHAs compared with reporting for pre-RAD public housing; 34.5 percent of PHAs now produce more detailed reports, and 7.1 percent produce reports more frequently. In addition, 23.0 percent of PHAs now produce reports for third parties (typically investors, lenders, or other funders), and 23.0 percent of PHAs incorporate new or different financial metrics in their reporting. The reporting burden has decreased for some RAD PHAs, with 16.8 percent needing to provide less detailed reports and 14.2 percent producing reports less frequently compared with pre-RAD public housing financial reporting.

In exhibit 15, PHAs indicate their level of concern for five different sources of financial risk for their RAD portfolios. With the exception of insufficient demand, most PHAs identify each risk as “high” or “moderate.” Insufficient demand is understandably seen as a lower risk due to the high demand for affordable housing in most communities.

Exhibit 15. Classification of Financial Risks for Rental Assistance Demonstration Portfolio

Financial Risk	High Risk (%)	Moderate Risk (%)	Low Risk (%)	No Risk (%)
Insufficient net operating income	21.6	34.2	39.6	4.5
Insufficient replacement reserves	19.8	35.1	38.7	6.3
Changes in property costs	25.2	57.7	15.3	1.8
Insufficient demand	8.0	24.1	44.6	23.2
Insufficient OCAF	24.3	39.6	34.2	1.8

OCAF = operating cost adjustment factor.

Source: Responses from 113 public housing agencies, Census of Rental Assistance Demonstration public housing agencies, August to November 2021

Exhibit 16 presents the PHAs’ assessment of the financial position of their RAD properties after conversion. The research team found that 87.3 percent of PHAs believe that their RAD properties are now in a better long-term financial position compared with their pre-RAD public housing financial position. Another 9.0 percent believe that the financial position has not changed, and only 3.6 percent of PHAs believe that the RAD conversion worsened the financial position of their properties.

Exhibit 16. Financial Position of Rental Assistance Demonstration Properties After Conversion

Change in Financial Position	All PHAs (%)	PBV Conversions (%)	PBRA Conversions (%)
Much better position	45.9	42.1	52.3
Somewhat better position	41.4	44.7	36.4
No change	9.0	9.2	9.1
Somewhat worse position	1.8	2.6	0.0
Much worse position	1.8	1.3	2.3

PBRA = project-based rental assistance. PBV = project-based voucher. PHA = public housing agency.

Source: Responses from 113 PHAs, Census of Rental Assistance Demonstration PHAs, August to November 2021

RAD owners and operators not affiliated with a PHA share a similar profile for financial practices in terms of asset management but have a more acute sense of risk. Of the five financial risks asked about in the survey, the owners and operators classified two as higher risk. Overall, 46 percent of owners and operators said that “insufficient net operating income” was a high risk, and 42 percent said “changes in property costs” was a high risk compared with 22 and 25 percent, respectively, of RAD PHAs. The response related to property costs may be biased as the unaffiliated owner-operator survey was conducted at a time of increasing inflation, an economic environment that was not evident at the time of the RAD PHA survey.

5.5. Asset Management—Oversight

The second part of section 4 of the web-based survey covered asset management oversight and property management and specifically the PHA's choice of property management for its RAD properties. Section 2 of the survey, corresponding to the Choice Mobility study, also includes questions on property management. Those questions emphasize property management operations in relation to Choice Mobility and tenant turnover, although the questions here consider oversight of property management as an asset management function. A total of 112 PHAs completed this part of section 4, and 4 additional PHAs responded to at least one question on asset management oversight and property management.

The primary asset management decision considered in this subsection is whether to contract out property management. Based on the survey responses, 32.2 percent of PHAs contract out property management at one or more of their RAD properties, 64.3 percent keep property management in-house (including management by a subsidiary or affiliated entity), and 3.5 percent do not directly own or manage their RAD conversions.²³

A total of 83 percent of PHAs are satisfied with the property management arrangements at their RAD properties. A total of 5.4 percent of PHAs have faced unexpected difficulties, such as having to replace their property management staff or contractor. A total of 3.6 percent of PHAs believe that in hindsight, it would have been better to keep property management in-house, whereas only one PHA thought it would have been better to contract out property management. A total of 7.1 percent of PHAs think it is too soon to tell how their property management arrangements are working out.

In exhibit 17, PHAs were asked to identify the top three factors in determining who would provide property management services for their post-conversion RAD properties. These results are inclusive of LIHTC projects, where the investors approve the choice of property management company independent of the PHA. Overall capacity and experience with HUD systems and reporting were the two most popular factors; the third, continuation of the existing (pre-RAD) property management arrangement, is understandable and a testament to the capacity of property management staff (either PHA employees or contractors).

Exhibit 17. Most Important Factors in Selecting a Property Management Provider

Factors	All PHAs (%)	PBV Conversions (%)	PBRA Conversions (%)
Capacity to effectively manage affordable housing	69.8	71.8	65.2
Capacity to deliver or coordinate resident services	11.2	12.8	6.5
Cost	15.5	15.4	13.0
Continuation of existing arrangements	31.9	34.6	28.3
Labor issues with respect to pre-RAD workforce	14.7	16.7	13.0
Experience with HUD systems and reporting requirements	38.8	34.6	45.7

²³ The owners or operators of these properties will be asked similar questions about property management arrangements as part of the owner-operators census.

Factors	All PHAs (%)	PBV Conversions (%)	PBRA Conversions (%)
Experience with nonpublic housing residential property management	10.3	11.5	10.9

PBRA = project-based rental assistance. PBV = project-based voucher. PHA = public housing agency. RAD = Rental Assistance Demonstration.

Source: Responses from 116 PHAs, Census of RAD PHAs, August to November 2021

In addition to these general factors, the survey included compliance experience with PBV, PBRA, or LIHTCs. For the PBV conversions, 34.6 percent of PHAs considered compliance experience as one of the top three factors in their decision. Similarly, 41.3 percent of PHAs with PBRA conversions and 43.2 percent of PHAs with conversions that included LIHTCs considered compliance experience for those programs as one of the top three factors in their decision.

Exhibit 18 presents the PHAs' assessment of the position of their RAD properties in terms of asset management and operations after conversion. The research team found that 87.0 percent of PHAs believe that their RAD properties are now in a better long-term operational position compared with their pre-RAD public housing position, 9.6 percent believe that the operational position has not changed, and only 3.4 percent of PHAs believe that the RAD conversion worsened the operational position of their properties.

Exhibit 18. Asset Management and Operations Position of Rental Assistance Demonstration Properties After Conversion

Change in Position	All PHAs (%)	PBV Conversions (%)	PBRA Conversions (%)
Much better position	51.3	47.4	64.4
Somewhat better position	35.7	35.9	31.1
No change	9.6	11.5	4.4
Somewhat worse position	1.7	2.6	0.0
Much worse position	1.7	2.6	0.0

PBRA = project-based rental assistance. PBV = project-based voucher. PHA = public housing agency.

Source: Responses from 112 PHAs, Census of Rental Assistance Demonstration PHAs, August to November 2021

5.6. Asset Management—Other Functions and Activities

The third part of section 4 of the web-based survey covered asset management functions and activities that were not previously covered. A total of 115 PHAs completed this part of section 4.

5.6.1. Business Planning

The first activity covered in this part of the survey is business planning and specifically whether a PHA has a business or strategic plan for its RAD properties and what that plan contains. Slightly more than half of PHAs (52.2 percent) have a strategic or business plan for their RAD properties. Of those with such a plan, 86.7 percent will update it every 5 years or more often. Only 5.0 percent of PHAs do not intend to update the strategic or business plan for their RAD properties.

RAD owners and operators unaffiliated with a PHA are more likely than RAD PHAs to have a written business or strategic plan for their RAD properties, with 62.5 percent having such a plan.

The owners and operators are less likely to update the plan regularly, with only 60 percent intending to do so every 5 years or more often. Only one owner or operator responded that they do not intend to update the plan for their RAD properties.

More than four out of five PHAs include “ensuring compliance” as an explicit goal in their business or strategic plans, and three out of four PHAs include “capital investment and replacement reserves” in their plans. A large majority of PHAs also explicitly expressed “improving efficiency” and “preserving affordability” in their business or strategic plans. The Board of Directors must approve the business or strategic plans for 73.3 percent of PHAs.

5.6.2. Operational Efficiency and Reporting and Surveillance

The next activities covered in the survey correspond to the operational efficiency and reporting and surveillance functions. Questions include how PHAs track data at RAD properties and whether PHAs conduct risk ratings at RAD properties. Risk ratings cross over into other asset management functions, but the process of preparing the rating fits best into the reporting and surveillance function.

Exhibit 19 presents the primary means of tracking RAD property data that the PHAs identified. Although most PHAs track their property data using accounting or commercial asset or property management software, 12.2 percent use Excel spreadsheets or paper files. Of the PHAs that use Excel or paper files, about half are small- or medium-sized PHAs with one or two RAD conversions, but the other half include large PHAs and RAD conversions that incorporate LIHTCs.

Exhibit 19. Primary Means of Tracking Rental Assistance Demonstration Property Data

Tracking Mechanism	All PHAs (%)	PBV Conversions (%)	PBRA Conversions (%)
Accounting software	41.7	39.7	46.7
Commercial asset or property management software	46.1	47.4	42.2
Excel spreadsheets	9.6	10.3	8.9
Excel template or toolkit	0.9	1.3	0.0
Paper files	1.7	1.3	2.2

PBRA = project-based rental assistance. PBV = project-based voucher. PHA = public housing agency.

Source: Responses from 115 PHAs, Census of Rental Assistance Demonstration PHAs, August to November 2021

A related question asked whether PHAs conduct risk ratings for their RAD properties based on RAD property data; 28.1 percent of PHAs develop and update risk ratings for their RAD properties. Those that do so are evenly split between using a risk rating template or toolkit that they developed or using one a third party developed (for example, HUD, another PHA, or an outside organization).

RAD owners and operators unaffiliated with a PHA almost uniformly use an accounting or commercial asset or property management software to track property data (both RAD and non-RAD). The one owner or operator respondent that uses Excel spreadsheets has a smaller portfolio, although it does include LIHTC properties. Furthermore, 41.7 percent of owners and operators develop and update risk ratings for their RAD properties.

5.6.3. Capital Planning

All RAD conversions require a capital needs assessment (CNA) as part of the RAD application, and 89.6 percent of PHAs intend to update the existing CNA or conduct a new CNA on their RAD properties every 10 years or more often, whereas 35.7 percent of PHAs intend to do so annually. In addition to a formal CNA, asset managers at 89.6 percent of RAD PHAs purposely observe the RAD property and surrounding neighborhood at least monthly.

5.6.4. Communications

In exhibit 20, PHAs indicate their level of communication with stakeholders in their RAD properties through the frequency of meetings. These PHAs appear to have a high level of communication with most stakeholders, particularly property management staff. Communication with residents is less common, with 14.0 percent of PHA asset managers meeting formally or informally with residents only when necessary, and 5.3 percent rarely or never meeting with residents.

Exhibit 20. Frequency of Meetings to Discuss Rental Assistance Demonstration Properties With Various Parties

	Often (at Least Monthly) (%)	Quarterly (%)	At Least Once per Year (%)	Only When Necessary (%)	Rarely or Never (%)
Property management staff	86.1	6.1	2.6	4.3	0.9
PHA leadership	73.7	14.0	5.3	4.4	2.6
PHA Board of Directors	62.3	19.3	9.6	7.9	0.9
Residents	28.9	23.7	28.1	14.0	5.3
Professional staff	60.2	14.2	8.8	13.3	3.5

PHA = public housing agency.

Source: Responses from 115 PHAs, Census of Rental Assistance Demonstration PHAs, August to November 2021

5.6.5. Asset Management Capacity

A total of 59.1 percent of asset managers at PHAs with RAD conversions have some sort of asset management schedule or list of activities and deadlines. These schedules include budget preparation tasks (91.2 percent of respondents), financial reviews (91.2 percent), compliance submission deadlines (76.5 percent), site visits (75.0 percent), and meetings with property management staff (73.5 percent).

Approximately 79.2 percent of unaffiliated RAD owners and operators have an asset management schedule or list of activities and deadlines. Every owner and operator with an asset management schedule includes budget preparation tasks, and all but one or two include tasks related to compliance, financial reviews, and site visits.

For capacity building, 95.7 percent of RAD PHAs belong to at least one real estate management or ownership association or advocacy group. Almost all the PHAs belong to the National Association of Housing and Redevelopment Officials, Council for Large Public Housing Authorities, or Public Housing Authorities Directors Association, whereas about half belong to a state or regional group, and 52.2 percent of RAD PHAs have staff that attend a training program or conference exclusively focused on long-term asset management or real estate business planning at least annually.

5.7. Asset Management and PHAs' Response to COVID-19

The final part of section 4 of the web-based survey covered PHAs' response to COVID-19 in terms of asset management. A total of 115 PHAs completed this part of section 4. The pandemic provided a real situation to evaluate the scope and effectiveness of asset management, specifically in terms of preparation (that is, risk mitigation), communication, flexibility, and resources.

Although no one was completely prepared for the disruptions that COVID-19 caused, 59.1 percent of RAD PHAs evaluated themselves as "somewhat prepared," and 29.6 percent saw themselves as "very prepared." Individual PHAs identified capacity in specific asset management functions that played a major role in that PHA's successful response to COVID-19. Many PHAs cited strong communication, both with staff and management and with residents, as a key factor in their response. Others noted their access to reserves and other funds (budgeting and financial planning), emergency preparedness (assessing external factors), and operational efficiency as important factors in their response.

Findings on the COVID-19 response in terms of this evaluation of the RAD program are in the following section. Appendix F summarizes more detailed responses from PHAs to these questions.

6. Findings

This study of asset management at Rental Assistance Demonstration (RAD) conversions was designed to investigate the nine discrete research questions listed previously. Although each research question stands alone, findings from this research are better presented around two major themes, each addressing multiple research questions. This section begins with a discussion of the first theme: asset management and regulatory structures. Project-based voucher (PBV) and project-based rental assistance (PBRA) regulatory structures are examined in the context of RAD and asset management. The public housing agency (PHA) survey results inform a discussion of differences in asset management approaches and functions for RAD PBV and RAD PBRA conversions. Other regulatory structures, particularly low-income housing tax credits (LIHTCs), and their effect on asset management of RAD conversions are also discussed.

A gap analysis addresses the second theme—adequacy of asset management at RAD conversions—comparing asset management activities at RAD conversions with the industry best practices previously identified. The adequacy of RAD asset management infrastructure is evaluated, along with identification of strengths, weaknesses, and gaps in asset management practices. Additional comparisons are made between asset management activities performed by RAD PHAs and those performed by RAD owners and operators unaffiliated with a PHA.

The data collection and results in the previous two sections inform findings for both themes. The asset management framework used in this study was constructed from the literature review and subject matter expert interviews. Documents and interviews also informed our understanding of the PBV and PBRA regulatory structures. The industry best practices used in the gap analysis were also developed through interviews and a review of the literature.

The censuses of RAD PHAs and unaffiliated owners and operators provided information on how RAD conversions were being managed under PBV, PBRA, and LIHTC regulatory structures, or at least the respondent's perception of asset management activities at the properties. The survey results are used to conduct the gap analysis, identify differences in asset management approach based on the subsidy type, and determine the adequacy of asset management at RAD conversions. Although not an independent review of asset management practices at these RAD properties, the data the censuses generated are sufficient to conduct the gap analysis and draw conclusions on the adequacy of asset management at RAD conversions.

This section ends with a summary of findings related to RAD PHAs' response to the COVID-19 pandemic. Although the pandemic introduced challenges to conducting this research, it also created an opportunity to study how asset management infrastructure at RAD properties responded to a common challenge. The responses to the COVID-19 survey questions are still based on the respondent's perceptions, but the reality of the pandemic grounded those perceptions in the real consequences of managing the pandemic response.

6.1. Asset Management and Regulatory Structures

RAD conversions are required to choose between PBRA and PBV and be governed by the chosen subsidy type, with the exceptions stated in the RAD Notice. The following describes the regulatory structure for each subsidy, then the findings related to how RAD properties operate within their respective structures. Some RAD PHAs have both PBRA and PBV conversions, and

the PHA survey asked specifically about any differences in asset management within their portfolios based on the subsidy type. Finally, many RAD conversions have additional regulatory requirements due to other funding sources, the most common of which is LIHTCs, and these requirements may affect asset management activities at those properties.

6.1.1. Managing PBRA Assets

HUD has developed a robust asset management structure for PBRA properties, including RAD PBRA conversions. The Office of Asset Management and Portfolio Oversight (OAMPO) coordinates this structure. For PBRA properties, HUD relies on the owner or operator as an independent partner, with HUD staff providing oversight, program guidance, monitoring, support, and enforcement. Resources and guidance documents are available to help in the transition from public housing to PBRA, but PBRA asset management is quite different than operations under the public housing Operating Fund rule.

HUD's role in PBRA oversight is decentralized through account executives based in HUD field offices. Although RAD projects are the first new PBRA properties since the late 1980s, staff turnover is sufficient (and concurrent new staff training and onboarding) in OAMPO and at the HUD field offices that the PBRA program has not stagnated.

HUD recognizes the challenges in transitioning from public housing to PBRA and assigns new RAD conversions to resolution experts, who have smaller portfolios and expertise in difficult properties. HUD also places new RAD conversions in a higher risk rating category for at least the first year after conversion.

Although HUD provides support and enhanced monitoring for RAD properties, the PHA or owner and operator is responsible for compliance with PBRA rules and processes. Compliance requirements are different, but not necessarily less restrictive, than those for public housing.

6.1.2. RAD PBRA Asset Management

The tabulated results of the census of RAD PHAs in the previous section usually include a column for PBRA conversions. PHAs with PBRA conversions were asked specific questions about managing PBRA assets. PHAs with PBRA conversions tend not to own or manage non-RAD PBRA projects—only 16.3 percent do so. The ownership structures of PBRA conversions follow the general distribution of ownership for all RAD properties, although for PBRA conversions that a LIHTC entity owns, the PHA is more likely to be a passive partner than the sole general partner or managing member.

The asset management structure and activities that PHAs engaged in with PBRA conversions are similar to those of RAD PHAs in general, with a few minor and one notable exception—namely, that the criteria that PHAs use with PBRA conversions to evaluate property management arrangements place more emphasis on experience with HUD reporting and subsidy-specific compliance compared with all RAD PHAs.

The PHA survey asked about differences in approach between RAD PBRA and non-RAD PBRA for seven asset management functions. Thirteen PHAs that responded were qualified to answer these questions (owning and operating both RAD and non-RAD PBRA projects), and 11 of the 13 stated that their approach to asset management did not differ. The two that stated that their

approach did differ described resource constraints due to lower RAD rents along with additional—and, at times, overly burdensome—reporting to partners and project funders.

Both the general alignment of responses to the census of RAD PHAs from all PHAs and those with PBRA conversions, as well as the 13 PHAs' responses with both RAD and non-RAD PBRA projects, support the hypothesis that PHAs use one approach for asset management of all their properties. This finding matches the approach that PHAs and affordable housing asset management practitioners interviewed for this study have taken and aligns with best practices.

6.1.3. Managing PBV Assets

HUD's PBV program was designed as a mechanism for attaching voucher subsidies to physical units as a means to deconcentrate poverty and expand housing and economic opportunities. Outside of RAD, properties consisting of only PBV units are rare because of the program's income-mixing requirements, and non-RAD PBV units have no long-term preservation requirement—that is, once the Housing Assistance Payment (HAP) contract expires, the PBV converts to a tenant-based voucher.²⁴ The PBV program, both RAD and non-RAD, has been growing rapidly, and the Office of Public Housing Voucher Programs (OPHVP), which produces policies and guidance concerning PBVs, has been working to adjust to this growth. Currently, approximately 250,000 PBV units exist, about one-third of which are RAD conversions. OPHVP is responsible for implementing significant changes to the PBV program included in the Housing Opportunity Through Modernization Act of 2016.

The kernel for asset management of RAD PBV units is in the RAD statutory language, the RAD Use Agreement, the RAD HAP contract, and existing PBV regulations, but these requirements have not been consolidated into an asset management and oversight structure like the one for PBRA properties. Property owners are responsible for asset management at PBV properties, whereas the PHA that administers the vouchers provides oversight of PBV units, including RAD PBV conversions. HUD's Office of Field Operations monitors the PHA and its role as the PBV contract administrator.

HUD recognizes the challenges in transitioning from public housing to PBVs. PHAs pursuing a PBV conversion must have an existing voucher program,²⁵ and current practice is for the HUD field office to conduct a risk analysis of every PBV conversion after a Commitment to Enter into a Housing Assistance Payment (CHAP) is issued. Following closing, HUD checks with new conversions on funding adequacy and provides technical assistance that a risk-based analysis of the PHA and the conversion determines.

RAD and non-RAD PBVs are often combined with LIHTCs in mixed-finance developments. In these cases, the tax credit investors oversee asset management, including of the PBV units, through the tax credit compliance period. This asset management structure is not necessarily tied to HUD's PBV program requirements, and one risk is that new owners or asset managers will struggle to effectively manage the PBV conversion once the LIHTC investors withdraw. RAD PBV projects sometimes use Federal Housing Administration (FHA)-insured financing, which

²⁴ If both the PHA and project owner agree, the HAP contract for a PBV project can be extended.

²⁵ PHAs without a voucher program that pursue a PBV conversion must find another PHA with an existing voucher program that is willing to administer the RAD PBVs.

places the properties under HUD multifamily asset management. OAMPO staff noted that in these cases, their focus is on the FHA-insured loan, not the PBV HAP contract.

6.1.4. RAD PBV Asset Management

The tabulated results of the census of RAD PHAs in the previous section usually included a column for PBV conversions. PHAs with PBV conversions were asked specific questions about managing PBV assets. Most PHAs with PBV conversions (57.5 percent) also own or manage non-RAD PBV projects. The ownership structures of PBV conversions follow the general distribution of ownership for all RAD properties, although for PBV conversions that a LIHTC entity owns, the PHA is more likely to be the sole general partner or managing member than a passive partner.

The asset management structure and activities in which PHAs engaged with PBV conversions are very similar to those of RAD PHAs in general, with a few minor exceptions. For example, PHAs with PBV conversions are slightly less optimistic about the position of their RAD conversions compared with pre-RAD public housing.

The PHA survey asked about differences in approach between RAD PBV and non-RAD PBV for seven asset management functions. A total of 45 PHAs that responded were qualified to answer these questions (owning and operating both RAD and non-RAD PBV projects), and only 4 of the 45 stated that their approach to asset management did not differ. Thirty-five of the PHAs indicated that approaches to business or strategic planning differed, but only one elaborated on the difference, stating that the RAD PBV project had a capital needs assessment (CNA) to help calculate capital needs and reserve requirements. The remaining six PHAs had differences with one or two of the other asset management functions; they described these differences as being due to compliance and reporting for LIHTCs and to lower RAD rents compared with non-RAD PBVs.

Both the general alignment of responses to the census of RAD PHAs from all PHAs and those with PBV conversions, as well as the responses by PHAs with both RAD and non-RAD PBV projects, support the hypothesis that PHAs use one approach for asset management of all their properties. For PBV projects, a difference in approaches to business and strategic planning seems to exist, but the approach for other asset management functions appears to be the same. This finding matches the approach that PHAs and affordable housing asset management practitioners interviewed for this study have taken and aligns with best practices.

The lack of clear HUD guidance on the asset management of RAD PBV units is a concern. Although the perception of RAD PBV PHAs expressed through the PHA survey do not indicate major asset management issues, HUD's (2017b; 2018) RAD Pilot Monitoring Findings White Papers describe common asset management deficiencies at PHA-owned RAD PBV properties. Its main findings are that PHAs are not calculating RAD rents correctly and that PHAs are not funding RAD replacement reserves. Both of these issues can be rectified over time and mitigated through greater emphasis during the RAD conversion process.

6.1.5. RAD Asset Management for PBV and PBRA Conversions

Although RAD asset management is discussed separately for PBRA and PBV conversions in the previous section, the census of RAD PHAs also asked PHAs with both RAD PBRA and RAD

PBV conversions about differences in their approach to asset management based on the subsidy type. Nine PHAs that responded to the PHA survey have both PBRA and PBV conversions. Five of the nine stated that their approaches to asset management did not differ—they managed both PBRA and PBV conversions the same way. The four that stated there were differences noted that each subsidy type had different reporting systems, then described project-specific issues such as capital needs that differed between a new construction PBV conversion and a rehabilitated PBRA conversion.

6.1.6. Differences in RAD PBRA and RAD PBV Asset Management for PHAs

A theme within the research questions is whether the asset management of RAD PBRA and RAD PBV conversions differs. Most exhibits that present the results of the census of RAD PHAs in the previous section include columns for PHAs with PBV conversions and with PBRA conversions (the eight PHAs that responded and have both types of conversions are included in each column). Those results are tested below at a 1-percent level of statistical significance.

The ownership structure may influence differences in asset management by subsidy, but the choice of subsidy type also influences ownership. The result discussed in the previous section (that the PHA is more likely to directly own PBRA conversions than PBV conversions) is statistically significant. The differences between RAD PBRA and RAD PBV ownership structures for LIHTC entities are also significant—RAD PHAs are more likely to be active partners in a PBV LIHTC entity, whereas RAD PHAs are more likely to be a passive partner in a PBRA LIHTC entity.

Within RAD PHAs, no statistically significant differences exist between PBRA and PBV PHAs' emphasis on the various asset management functions or other general asset management factors. The overall increase in PHA emphasis on asset management functions after conversion from public housing does not differ by subsidy type.

A similar result holds for financial asset management functions for the RAD PHAs eligible for the asset management study. No statistically significant differences exist between RAD PBRA PHAs and RAD PBV PHAs in which factors are more emphasized in financial analyses and reporting, changes in financial reporting requirements, or the PHA's perception of its financial position following conversion.²⁶

PBRA or PBV PHAs' approaches differ somewhat in the remaining asset management functions, although many of the questions in the PHA survey did not generate a statistically significant difference. PBRA PHAs are more likely than PBV PHAs to have a written strategic or business plan for their RAD properties, but the frequency of updates and the explicit goals do not differ significantly for those with strategic plans. No statistically significant differences exist by subsidy type in how PHAs track property data or conduct risk ratings, but RAD PBV PHAs are more likely to update or conduct a new CNA in the next 5 years. The only other notable statistically significant difference by subsidy type is that RAD PBV PHAs are more likely to have a schedule or list of asset management activities.

²⁶ The previous chapter provides additional analyses related to RAD PBRA and RAD PBV PHAs and financial management for the subset of PHAs eligible for the long-term preservation study.

6.1.7. Differences in RAD PBRA and RAD PBV Asset Management for Unaffiliated Owners and Operators

The RAD owners and operators not affiliated with a PHA—although a small, nonrepresentative population—did have differences in asset management activities between PBRA and PBV conversions. Eleven RAD PBRA owners and operators and 15 RAD PBV owners and operators responded to the web-based survey.

In terms of financial analysis, RAD PBV owners and operators emphasized past performance to current performance, with an average rank of 1.93 and 60 percent selecting it as the most emphasized factor compared with an average rank of 3.45 for RAD PBRA owners and operators. RAD PBRA owners and operators emphasized financial risks more in financial analyses (average rank of 2.36) than RAD PBV owners and operators (average rank of 3.60). RAD PBRA owners and operators were also more concerned about a low or insufficient operating cost adjustment factor (OCAF), with 45 percent labeling it a “high risk” compared with 13 percent of RAD PBV owners and operators. This result is likely related to the owners and operators’ perception of the financial position of their properties, with every RAD PBV owner or operator considering their properties well positioned, whereas RAD PBRA owners and operators tended toward a neutral position with 3 of the 11 respondents selecting “somewhat poorly positioned.”

Other differences between RAD PBV and RAD PBRA owners and operators unaffiliated with a PHA manifested in strategic and capital planning. RAD PBRA owners and operators were more likely to have a written business or strategic plan, and within the strategic plan, PBRA owners and operators were more likely to explicitly address “maximizing value” and “improving efficiency.” Because PBRA regulations require a CNA, all RAD PBRA owners and operators intend to execute one compared with the 27 percent of RAD PBV owners and operators that do not intend to conduct or update an assessment in the next 10 years.

6.1.8. Other Regulatory Structures

Many RAD properties are subject to regulatory structures that other funding sources impose, such as LIHTCs, HUD Community Planning and Development funds, or state or local programs. To a lesser extent, specific RAD properties may be regulated by local government, rules of resident services programs offered at the property, and requirements related to the corporate structure and ownership of a RAD owner or operator that is unaffiliated with a PHA (for example, the requirements of a major donor to a nonprofit organization that owns a RAD property). An asset management best practice is to manage the entire portfolio to the most restrictive regulatory structure, rather than bespoke asset management for each property. More than 90 percent of RAD PHAs stated that they do not differentiate their asset management or operational approach by property. More than 60 percent of unaffiliated RAD owners and operators also said that they do not differentiate, although it is worth noting that the owners and operators generally have larger portfolios than the PHAs to the point that having subportfolios with dedicated asset management approaches is reasonable.

The most common regulatory structures that funders impose are those associated with LIHTCs. Although it is a national program, state housing finance agencies administer LIHTCs, and regulatory compliance is required for investors to receive tax credits. Therefore, requirements for a specific LIHTC-funded RAD property can vary by state and investor. Regional and national syndicators and investors generally adapt the most stringent state requirements across their

portfolio, whereas local investors focus on requirements specific to their state. Most LIHTC investors or asset managers (as the tax credit is a financial asset) impose internal requirements to protect their investment and ensure compliance at the property. A common internal requirement is that an independent third party approved by the investor manages tax credit properties.

Other funders may impose requirements and conduct oversight, although it is less common. State or local affordable housing funds will have specific regulatory structures, but such funding occurs in less than 20 percent of RAD conversions. HUD's Office of Community Planning and Development governs HOME Investment Partnerships Program and Community Development Block Grant funds, but RAD properties seldom use either program. Lenders rarely impose asset management requirements beyond annual reporting and on-time loan payments. FHA-insured loans do have additional requirements, but these and many other funding program requirements are satisfied by the PBV or PBRA requirements and the HAP contract.

Local governments impose a regulatory structure on RAD properties with which some PHAs may not be familiar. Exceptions to local regulations and taxes that are granted to public housing real estate often expire once the property converts to PBV or PBRA, whereas other exceptions tied to affordable housing may become applicable. Based on the PHA interviews and the RAD conversion process guidance, most PHAs are familiar with local real estate and housing regulations, and taxes are included in RAD pro formas.

Although each funding source, state, or locality has a unique regulatory structure, RAD requirements and the HAP contract often meet major requirements. The RAD program's requirement to preserve long-term affordability subsumes affordability periods and questions of ownership transfer or deed restrictions. Income restrictions and resident requirements may vary, but it is straightforward to adjust them to the most restrictive funding source. The length of the RAD HAP contract and its required renewal (and thus the RAD PBV or PBRA regulatory structure) will outlast almost every other funding restriction or requirement unless those are also renewed.

6.1.9. RAD Asset Management with LIHTCs

Similar to how the finding that most PHAs retain an ownership role in RAD conversions affected the analytical effectiveness of the unaffiliated RAD owners and operator census, the number of RAD conversions included in this study that are also subject to other regulatory structures is limited. Forty-three of the PHAs that responded to the PHA survey, or 37.4 percent, have one or more RAD conversions that use LIHTCs. Although not necessarily a representative sample, it is large enough to analyze. The next most common regulatory structure, FHA-insured financing, is present for 20 respondent PHAs, or 17.4 percent.

As previously noted, the structure of the LIHTC ownership entity and the PHA's role in ownership can vary by subsidy type, but the proportion of PBV and PBRA conversions using LIHTCs is about the same (36.1 percent and 39.5 percent, respectively). PHA size differs and, by implication, experience or capacity of PHAs using LIHTCs in their RAD conversions also differs. Forty-two percent of PHAs with RAD LIHTC properties are large, 44 percent are medium-sized PHAs, and only 13 percent are small PHAs.

Using LIHTCs to fund RAD conversions introduces LIHTC investor oversight. This additional oversight typically manifests in the asset management approach through various reporting and approval requirements. LIHTC investors will not receive tax credits if the property does not comply with LIHTC requirements. The census of RAD PHAs reflects this role, most notably in the increased rank of investor needs as an emphasis in financial reporting and analyses and a similar increased rank of compliance and reporting as an emphasized asset management function. Unaffiliated RAD owners and operators with RAD LIHTC properties also increase their emphasis on the compliance and reporting function compared with those without RAD LIHTC properties.

One other notable difference in the asset management approach of PHAs with RAD LIHTC conversions is less planning. These PHAs are less likely to have written strategic or business plans for their RAD LIHTC properties; 44 percent have such a plan compared with 57 percent of PHAs that did not use LIHTCs for their RAD conversions. This result may be due to an assumption by the PHA that the LIHTC investors have such a plan and are responsible for the strategic planning asset management function. Unaffiliated RAD owners and operators do not exhibit this difference, with the proportion having a written strategic or business plan for their RAD properties about the same for those with and without LIHTC funding.

6.2. Adequacy of Asset Management at RAD Conversions

This study uses gap analysis as the main approach to evaluating how asset management is conducted for converted properties and to evaluate how well it protects HUD's interests. Gap analysis is a business process improvement technique that organizations use to identify areas in which they are not realizing their potential and to plan ways for improvement. A gap analysis compares actual performance or results (that is, the current state) with what is expected or desired (that is, the future state). This method provides a way to identify suboptimal or missing strategies, structures, capabilities, processes, practices, technologies, or skills, and supports recommended steps that will help an organization meet its goals. By comparing the current state with the desired future state, organizations can determine what they need to work on to improve their performance or results.

For this study, the results of the census of RAD PHAs in the previous section describe the current state, and best practices in affordable housing asset management previously presented in this chapter describe the future state. A challenge of this gap analysis is in the variety of approaches to asset management and organizational goals that define which asset management functions are emphasized and whether certain functions are outsourced. Despite the spectrum of effective asset management structures, specific best practices are essentially universal to affordable housing asset management. These best practices are the focus of this gap analysis.

Organizational goals and property ownership structures are fairly well defined for RAD properties, with some exceptions. The Consolidated and Further Continuing Appropriations Act of 2012 authorized the RAD program to enable PHAs to convert public housing into project-based Section 8 housing. Conversion would address projects' short-term capital needs and preserve their long-run viability, whereas other program requirements would protect resident rights and offer tenant-based vouchers to residents under the Choice Mobility option after they have lived in the converted property for a period of time. These are clear goals—address short-

term capital needs, preserve long-run viability as affordable housing, and protect resident rights—that RAD PHAs are obligated to pursue.

Much of this subsection describes asset management practices at RAD properties, but it begins with a description of a significant gap in HUD oversight of RAD conversions. This gap was identified in interviews with HUD staff and RAD PHAs prior to administering the censuses.

6.2.1. HUD Support and Monitoring Gap at the Time of RAD Conversion

The PHAs and RAD conversions in this study experienced a gap in support and oversight for PHAs in the timeframe immediately after the RAD transaction was closed, with implications for both asset management and the long-term preservation of RAD units. Prior to 2020, a RAD property had limited HUD support between RAD closing and completion of any RAD-related rehabilitation or new construction. The Office of Recapitalization ended its support at RAD closing, and the Office of Public and Indian Housing (PIH), field office, or OAMPO support was not always established immediately. Furthermore, the transition to Office of Field Operations or OAMPO oversight had been abrupt, without a standard introductory process or transition period. Beginning in 2017, the Office of Recapitalization monitors only the construction or rehabilitation activities that occur as part of the RAD conversion through the RAD Completion Certification; OAMPO or the PHA that administers the PBV contract is responsible for overseeing management and occupancy of the property, subsidy administration, and reporting following RAD closing—including during any RAD-related construction or rehabilitation.²⁷

The potential for substandard or incomplete construction during the RAD conversion affects both asset management and long-term preservation, potentially leading to unplanned increases in the frequency and severity of capital needs and a deterioration of the physical structure. Although some practitioners expressed this concern, based on the census of RAD PHAs, incomplete construction is anecdotal. Approximately 10 percent of RAD conversions experienced construction delays of more than 3 months or did not complete construction included in the RAD Conversion Commitment (RCC). Even so, construction issues could become more common as less experienced or lower capacity PHAs seek to convert their public housing through RAD to PBV and PBRA. The RAD Completion Certification, which tracks construction activities and ensures RAD owners meet their obligations under the RCC, should help to mitigate construction issues in the future.

Prior to 2020, HUD staff reported issues with the transition to a new subsidy source, either PBV or PBRA. In some cases, HUD systems were not updated, and in others, the PHA or RAD owners and operators did not submit vouchers for subsidy payments. This situation affected first-year cashflow and, if not rectified, could lead to an underfunded replacement reserves account, which impacts both effective asset management and long-term preservation.

Since 2020, HUD has worked to close this gap. The Office of Recapitalization revised the RAD Resource Desk to provide more information to PIH, OAMPO, and field office staff during the RAD application and approval processes. The other offices are officially engaged in the RAD conversion process during the Concept Call (following issuance of a CHAP and submission of financing plan documents), which allows OAMPO, PIH, and field office staff to become familiar

²⁷ HUD's Office of Field Operations oversees the PHAs administering RAD PBV contracts.

with the proposed transaction, introduce changes in oversight to the PHA, and provide subject matter expertise prior to closing. OAMPO, PIH, and the Office of Field Operations have established protocols to track the transfer of subsidy to Section 8 following closing and to provide technical assistance if warranted. PIH has bolstered the training and guidance provided to PHAs administering RAD PBVs,²⁸ and the Office of Recapitalization has established a post-closing team to address issues such as unexpected financing gaps. As section 6.1.1 describes, OAMPO has assigned and continues to assign more specialized resources to RAD conversions.

6.2.2. Asset Management Capacity Gaps

RAD PHAs appear to have basic asset management capacity, with some exceptions. It is unclear how much of this capacity was present before the RAD conversion, but evidence suggests that PHAs built their capacity during and after the conversion. Most notably, for six of seven asset management functions, more than 40 percent of PHAs indicate that they emphasize the function more after the RAD conversion than they did for pre-RAD public housing. The seventh function, assessment of external factors, is given greater emphasis by 28.3 percent of PHAs. In general, RAD PHAs appear to focus on the asset management functions of operational efficiency, budgeting, and compliance, which correspond to a shorter term or reactive asset management profile and reveals a possible gap in long-term or strategic planning (discussed in the following section).

For the best practice of creating a schedule or checklist of asset management activities, RAD PHAs display a gap, with only 59.1 percent creating such a document. Those that do have a schedule or checklist tend to adhere to best practices by including the range of asset management activities—budgeting, site visits, regular meetings with stakeholders, and compliance deadlines. For the best practice of participating in regular training and professional development, RAD PHAs appear to be meeting this best practice; more than half of the RAD PHAs have staff that attend trainings at least annually, 58.3 percent belong to a state or regional real estate management organization, and 90.4 percent belong to the Public Housing Authorities Directors Association, Council for Large Public Housing Authorities, or National Association of Housing and Redevelopment Officials. A small number of RAD PHAs do not participate in training or professional development, and although that is not considered a gap in this analysis, these PHAs likely will not benefit from advances in asset management processes and may be vulnerable to changes in program requirements.

One of the most important asset management decisions is determining whether to keep property management services in-house or contract them out (and, if contracted out, selection of the third-party property manager). An asset manager's approach to this decision provides evidence for their overall asset management capacity. The results of this property management decision by RAD PHAs indicate effective asset management. Eighty-three percent of RAD PHAs are satisfied with the property management arrangements at their RAD properties. Only five PHAs expressed regret at the decision, with four believing that it would have been better to keep property management in-house and one believing it would have been better to contract it out.

Although the RAD PHAs are generally satisfied, the evaluation process may have gaps compared with best practices; approximately 69.8 percent of RAD PHAs listed experience as one

²⁸ https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/radpbv.

of their top three factors in evaluating property management options, and no other factor was listed in the top three for more than 38.8 percent of PHAs. Continuity of existing arrangements and experience with HUD reporting requirements were both more popular factors than cost, which could imply that PHAs focus on whether their pre-RAD arrangements fit the post-conversion property as opposed to the best practice of evaluating a range of options. It is not to say that the results are suboptimal—the satisfaction rate argues otherwise—but that some factors considered to be best practices, particularly cost, are missing or de-emphasized from RAD PHAs' decision process.

6.2.3. Budget Preparation Gaps

RAD PHAs appear to emphasize budgeting and conform to asset management best practices. When reviewing quarterly or annual performance and assessing the financial health of the RAD properties, comparing past performance with present performance is a clear priority for most RAD PHAs. As previously noted, budget preparation is a priority for those PHAs that have a schedule of asset management activities and deadlines. This conformance to best practices makes sense, as budget preparation and analysis for RAD carries over from public housing project-based budgeting and accounting.

6.2.4. Business Planning Gaps

A significant gap exists in business or strategic planning for RAD PHAs. Slightly more than half of RAD PHAs have a business or strategic plan for their RAD properties, and of those that do, 13.3 percent do not intend to update their plan in the next 5 years. In terms of the asset management functions that RAD PHAs emphasize most, the average rank for strategic planning is the second lowest of the seven functions, above only the assessment of external factors.

The business or strategic plan describes the longer term goals for the property, and a well-developed plan includes steps for achieving those goals and metrics to measure progress. The lower emphasis on this asset management function, particularly compared with near-term functions like budgeting, implies that RAD PHAs are managing their properties with a short-term outlook. The consequences of this gap are generally longer term and thus are not yet evident. This extended timeframe also means that the gap can be closed before damaging the long-term viability of the RAD properties.

6.2.5. Financial Analysis Gaps

The strengths and gaps in RAD PHAs' approach to financial analysis and asset management are both apparent in the discussion around the two asset management functions previously discussed. Shorter term financial analysis stemming from property budgets and cashflow generally conform to best practices, but a gap exists in aligning financial analyses with strategic goals and measures.

RAD PHAs emphasize past performance to current performance in their financial analyses. They also indicate that they emphasize progress toward longer term financial goals, but a gap exists among RAD PHAs between those with longer term financial goals documented in a business or strategic plan that is updated regularly and those that do not have longer term goals or for whom those goals are fixed at the time of conversion.

For the best practice of identifying potential financial risks, RAD PHAs appear to be aware of the significant risks of underfunded replacement reserves and insufficient OCAF. A gap may exist in understanding other risks, as only 28.1 percent of RAD PHAs use a toolkit or template to conduct performance assessments or “risk ratings” for their RAD properties. The other 71.9 percent of RAD PHAs may rely on their financial analyses to identify risks, or they may not be actively identifying risks.

For the best practice of analyzing costs, particularly once-per-year expenditures, RAD PHAs may not be conforming to best practices. Almost all RAD PHAs recognize property costs—including insurance, maintenance, taxes, and utilities—as a risk, with 82.9 percent classifying it as a moderate or high risk. The surge in inflation may influence this response, particularly for construction costs and materials, which began when the PHA survey was open. Conversely, the assessment of external factors function, which included taxes and insurance in the PHA survey, was the asset management function that RAD PHAs emphasized the least. When compared directly, the identification of a moderate or high risk and the de-emphasis of assessing the factors that contribute to that risk can indicate a gap. The challenge in identifying a specific gap is the breadth of both property costs and external factors, but the PHA survey results imply that gaps do exist.

The financial and cost analysis gaps appear to be analogous to the gap between best practices and RAD PHAs’ evaluation of property management options. In both cases, RAD PHAs generally seem to pursue approaches that work but that do not strive to maximize value.

6.2.6. Capital Planning Gaps

It is difficult to evaluate how RAD PHAs perform the capital planning asset management function given the generally excellent physical condition of RAD properties after conversion. For conducting or updating a CNA, RAD PHAs intend to follow the best practice of doing so at regular intervals. A significant percentage of PHAs (35.7 percent) intend to do so annually, which would be too often for a full CNA but an appropriate best practice for updating an existing assessment. A small number of RAD PHAs (10.4 percent) do not plan to conduct or update the CNAs for their RAD properties; these PHAs are, for the most part, small PHAs, but the type of subsidy is mixed. This finding is a concern for those with PBRA conversions, as HUD requires a 10-year CNA, and could indicate a gap in the PHA’s understanding of PBRA requirements.

6.2.7. Promoting Operational Efficiency Gaps

The RAD PHAs generally agree that the RAD conversion has resulted in their properties being better positioned operationally for long-term preservation, with 87.0 percent stating that their properties were in somewhat or much better position compared with before RAD. RAD PHAs’ satisfaction with their property management arrangements is also indicative of promoting operational efficiency in asset management, given that operational efficiency has the highest average rank of seven asset management functions emphasized by the PHAs.

A total of 87.8 percent of RAD PHAs use an accounting or commercial asset or property management software package as the primary means of tracking property-level data, conforming to industry standards to use software that includes powerful real estate and financial analysis tools. In addition, 86.1 percent of RAD PHA asset managers meet with property management staff often (at least once per month), which is another best practice of affordable housing asset

management. As the following section discusses, COVID-19 forced RAD PHAs to evaluate and improve operational efficiency in challenging environments. Gaps that the pandemic revealed, primarily related to computer systems and infrastructure, have been and are being addressed so that RAD PHAs are conforming to best practices.

6.2.8. Compliance Gaps

RAD PHAs agree with affordable housing asset management in general that compliance is a very important function, but they rank it slightly behind operational efficiency. This ranking may be the product of a common arrangement in which property management staff are responsible for compliance with PBV or PBRA requirements, and the operational efficiency function encompasses oversight of property management. Ultimately, compliance is the responsibility of the asset manager and property owner, so they have oversight and quality control roles even when property management staff carry out compliance activities. Based on responses to the PHA survey, RAD PHA staff understand this oversight role, with 48.7 percent of RAD PHAs putting more emphasis on compliance than they did before the RAD conversions.

6.2.9. Gaps in the Assessment of External Factors

Assessment of external factors is the asset management function that is least emphasized by RAD PHAs, with an average rank of 6.3 out of 7. At the same time, however, it is not a neglected function, as 28.3 percent of RAD PHAs said that external factors are emphasized more now than for pre-RAD public housing. External factors are not a major concern in public housing, and given RAD's requirement to retain converted housing as affordable in the long term, it is reasonable to focus more on other asset management functions after conversion. External factors can be sources of opportunity, efficiency, and risk (as COVID-19 demonstrated), however, so this finding seems to be another example of RAD PHAs managing their assets but not maximizing value.

As previously discussed, 95.7 percent of RAD PHAs belong to a local, state, or national real estate management or ownership association or advocacy group, which is a best practice of affordable housing asset management and is a resource for learning about and reacting to external factors.

6.2.10. Reporting and Surveillance Gaps

RAD PHAs generally perform similar to industry practices for reporting and surveillance related to other asset management functions. RAD PHAs appear to monitor property management regularly and are satisfied with those arrangements. Even with a small portion of PHAs that do not monitor capital needs, the vast majority of RAD PHAs plan to conduct or update a CNA regularly.

For the best practice of formal site visits, 75.0 percent of RAD PHAs with an asset management schedule or checklist include site visits as an activity. For less formal observation of the property, staff at 67.8 percent of RAD PHAs walk or drive past the property weekly, and staff at 89.6 percent do so at least once per month. RAD PHAs, thus, appear to be following these best practices.

6.2.11. Communication Gaps

RAD PHAs appear to have strong communication practices and demonstrate effective teamwork in the asset management of RAD properties. Based on responses to the census of RAD PHAs, asset management staff meet with project stakeholders on schedules that meet or exceed best practices, with 86.1 percent of asset managers meeting with property management staff at least monthly. Meetings with PHA leadership and Boards of Directors are also frequent, occurring monthly or more often for 73.7 percent and 62.3 percent of RAD PHAs, respectively, and discussions with professional staff occurring monthly at 60.2 percent of RAD PHAs.

A gap exists in RAD PHA communication with residents compared with industry best practices. Such communication occurs much less frequently than with other stakeholders, with 28.1 percent of RAD PHAs meeting with RAD residents annually; no other stakeholder has such infrequent meetings at more than 10 percent of RAD PHAs. It is possible that communication with residents is delegated to property management staff, but in such cases, the PHA's asset manager needs to ensure that communication is effective and not cut off. As the following section discusses, communication with residents was a common theme in RAD PHAs' response to COVID-19, both as a strength and as a weakness of their response.

6.3. RAD Asset Management and COVID-19

Although no one was completely prepared for the disruptions COVID-19 caused, properties and organizations with strong asset management frameworks that implement best practices reported being in a better position to react to and mitigate the challenges of the pandemic. The census of RAD PHAs included four questions about each PHA's response to COVID-19. These responses provided insight into the adequacy of RAD asset management structures (previously discussed) and information on specific successes and challenges PHAs faced (appendix F).

One hundred fifteen PHAs responded to the COVID-19 questions, and 24 unaffiliated owners and operators responded to similar survey questions. For the RAD PHAs, 29.6 percent considered themselves very prepared for the pandemic, and 59.1 percent considered themselves somewhat prepared. Although a self-assessment, it indicates that the asset management structure at RAD conversions is robust. Only two PHAs described a significant difference in their response to COVID-19 at their RAD properties compared with non-RAD properties. In both cases, the availability of emergency funding from HUD, which was automatically distributed to public housing developments but not to RAD conversions, was a driver of these differences. Four other PHAs described small differences, such as variations in the level of in-person services at RAD and non-RAD properties. Four unaffiliated owners and operators indicated a difference in response between their RAD and non-RAD properties. Three of the owners and operators described differences in access to funds, including that non-RAD properties had to work with residents to secure rental assistance.

When asked for one thing that, from an asset management perspective, helped the PHA the most in responding to COVID-19, 30.5 percent of PHAs cited something related to operational efficiency, which included the ability to quickly shift to remote work and to process rents and recertifications online or over the phone. The communication and financial analysis functions were the second and third most cited, respectively. PHAs specifically cited existing structures for effective communication with residents and access to additional or emergency funds.

Unaffiliated owners and operators also cited operational efficiency, communications, and access to funding as most helpful in responding to COVID-19. Although unaffiliated with a PHA, three owners and operators cited communication with and support from HUD or a PHA, including one that worked with the PHA to continue leasing up PBV units throughout the spring of 2020.

PHAs were also asked about one thing that they did not have that would improve their response to COVID-19. Almost half of PHAs did not answer this question or implied that they could not identify anything specific, which could be another indication of the level of preparation for the pandemic, although it could also be a product of being in a stable position 16 months into the pandemic, or of pandemic fatigue. Of those PHAs that responded, 17.8 percent referred to a component of operational efficiency. These PHAs generally lacked the operational capacity to work remotely, including accepting rent payments or recertifying incomes.

The unaffiliated owners and operators were less likely to answer this question, with only five responding. Three of the responses related to not receiving additional funding or financial support sooner, one referenced the need for a better way for property management to enter units safely, and one said, “a cure for COVID-19.”

These results are evidence that RAD asset management structures are generally adequate or better than adequate, both at RAD PHAs and at unaffiliated owner and operator properties. Many respondents implied that their PHA is pursuing improvements to address shortcomings identified in their response to COVID-19, such as implementing remote systems for resident interactions. The question is whether PHAs will stop at improving asset management structures based only on their experience with COVID-19, or if they will undertake additional improvements to strengthen their asset management structures across all the asset management functions.

7. Conclusions

For the current state of Rental Assistance Demonstration (RAD), it appears that the asset management structures for RAD properties are generally adequate for the long-term viability of the units as affordable housing. Gaps exist in public housing agency (PHA) asset management approaches, but they can be addressed before causing major issues with RAD properties. At the same time, the research team has recommendations based on this research to increase the adoption of affordable housing asset management best practices. Implementing these recommendations will be important as the number of RAD conversions grows and PHAs with less capacity or experience pursue RAD conversions.

For RAD PHAs, gaps exist between best practices and PHA practices for some asset management functions; most notably, the proportion of RAD PHAs that have a business or strategic plan for their RAD properties is low. This limitation, along with some other gaps and practices, implies that PHAs are not approaching asset management from a longer term or strategic viewpoint. Addressing the business or strategic plan gap will likely carry over into these other gaps; as PHAs learn to use and update this plan, they will have to consider longer term asset management. A challenge for HUD is how to address this gap, as a strategic plan requirement may be seen as analogous to a PHA 5-year plan for public housing. An informal approach may be appropriate, in which HUD leverages public or affordable housing associations to offer more strategic planning training focused on RAD conversions.

The following recommendations can lead to improved asset management at RAD conversions.

- Continue to evaluate and improve the process of transitioning a PHA or property from public housing to a project-based voucher (PBV) or project-based rental assistance (PBRA) subsidy. Both the Office of Asset Management and Portfolio Oversight (OAMPO) for PBRA conversions and Office of Public and Indian Housing (PIH) for PBV conversions are now involved in the RAD conversion process prior to issuance of the RAD Conversion Commitment. OAMPO and PIH also facilitate technical assistance for RAD PHAs and owners and operators to access Section 8 subsidy and to meet RAD program requirements such as funding replacement reserves. The increased involvement in the RAD conversion process and facilitation of technical assistance are relatively recent improvements that can be reviewed in the context of the volume and characteristics of RAD conversions and staffing or technical assistance funding constraints.
- Continue to review and improve PIH's and the Office of Field Operations' capacity to support and monitor the PHAs administering RAD PBV contracts. For all PBVs, the PHA that administers the vouchers is the contract administrator and is expected to conduct oversight of the PBV units. Unlike most properties with PBV units, RAD conversions typically have PBVs for all units, so PBVs are the regulatory structure for the entire property. PIH has been proactive in offering training and technical assistance to PHAs administering RAD PBVs, and it should continue. HUD staff interviewed for this study also mentioned the overlap between RAD PBV data and monitoring and efforts being made to improve HUD's understanding of its aggregate PBV portfolio.

- Partner with National Association of Housing and Redevelopment Officials, Public Housing Authorities Directors Association, and Council for Large Public Housing Authorities or encourage them to offer more RAD-specific training and resources, which should focus on asset management at RAD conversions and other post-conversion topics. The high proportion of RAD PHAs active in the ownership and operations of RAD properties after conversion was an unexpected finding of this study, and these three organizations can reach RAD PHAs effectively and leverage their resources to prepare and conduct high-quality trainings.
- Prepare for low-income housing tax credit (LIHTC) exit from the first waves of RAD properties. According to subject matter experts interviewed for this study, although the LIHTC affordability period is 15 years, most investors curtail or end their involvement after 10 years. Responses to the census of RAD PHAs implied that some PHAs are delegating much of asset management to the LIHTC investors, and those PHAs may not be prepared to take on a lead role in asset management when the investors exit. All RAD properties with LIHTCs need to prepare for LIHTC exit and identify funding sources for future recapitalization. LIHTCs have become very competitive, so simply rolling over tax credits is not guaranteed.

This research effort was unable to address all aspects of asset management at RAD properties, primarily due to the long-term nature of asset management. This study did not evaluate the Capital Expenditures and Management function, because almost all RAD conversions are in excellent physical condition following any rehabilitation or construction associated with RAD. The research team would not expect a sufficient amount of RAD capital expenditures for an evaluation any time before 2040. Similarly, it is too early to evaluate the Recapitalization and Disposition Support function. This function could be evaluated in part with a study in the early 2030s covering LIHTC exit from RAD properties.

Finally, this study was also limited in its evaluation of other regulatory structures outside of PBRA, PBV, and LIHTC. Given the expanding universe of RAD properties and limited funding, HUD may consider including RAD as a component in larger evaluations and studies, such as adding a research question on RAD to an evaluation of Federal Housing Administration mortgage insurance, rather than focusing solely on how RAD properties interact with these other regulatory structures.

Appendix A: Glossary of Terms

Term	Definition
ACC	Annual Contributions Contract. A contract between HUD and a public housing agency (PHA) under which HUD agrees to provide funding for a program (for example, public housing or Housing Choice Voucher, and the PHA agrees to comply with HUD requirements for the programs.
Asset Management	A process involving a series of interrelated functions or activities designed to enhance the financial performance of income-producing properties.
CDBG	Community Development Block Grant. Created under the Housing and Community Development Act of 1974, this program provides grant funds to local and state governments to develop viable urban communities by providing decent housing with a suitable living environment and expanding economic opportunities to assist low- and moderate-income residents. CDBG replaced several categorical grant programs, such as the Model Cities program, the Urban Renewal program, and the Housing Rehabilitation Loan and Grant program.
CHAP	Commitment to Enter into a Housing Assistance Payment. A contract executed by HUD and the PHA or owner for projects that have been selected during the Rental Assistance Demonstration (RAD) competition under the first component of the Demonstration. The CHAP describes the terms under which HUD will enter into a Housing Assistance Payment (HAP) contract. This could also be understood as HUD's authorization to the PHA to continue with their plan to convert one or more projects or asset management projects from public housing to project-based Section 8 assisted housing.
CLPHA	Council of Large Public Housing Authorities. A nonprofit organization that works to preserve and improve public and affordable housing through advocacy, research, policy analysis, and public education.
CNA	Capital Needs Assessment. A report on a property that estimates repair and replacement needs during an extended period of time, often analyzing the way in which resources need to be accumulated to pay for these needs (reserve analysis). A CNA is also known as a Physical Needs Assessment (PNA).
CPD	Office of Community Planning and Development. A HUD office that seeks to develop viable communities by promoting integrated approaches that provide decent housing, a suitable living environment, and expand economic opportunities for low- and moderate-income persons. The primary means toward this end is the development of partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations.
FHA	Federal Housing Administration. A HUD agency that insures single-family, healthcare, and multifamily mortgage loans originated by approved lenders. Multifamily loans can be used for construction, rehabilitation, acquisition, and refinancing of nonluxury apartments.
FO	Field Office. The lowest administrative level in HUD and other agencies and is typically the locus of direct contact for the agency's program participants.
HAP	Housing Assistance Payment .: A contract used in the Section 8 program that constitutes the legal agreement between a Section 8 project's ownership entity and either HUD or the PHA that manages the Section 8 vouchers to provide housing assistance payments on behalf of eligible tenant households. The HAP contract specifies the number and bedroom count of covered units and the terms and procedures by which HUD subsidy payments are made to the property.
HCV	Housing Choice Voucher. A program of the Office of Public and Indian Housing through which PHAs receive federal funds from HUD to administer HCVs locally. A family that is issued an HCV is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. This unit may include the family's present residence. Rental units must meet minimum standards of health and safety, as determined by the PHA. Payment standards are set by the PHAs, and tenants generally pay 30 percent of their adjusted income toward rent and utilities.

Term	Definition
HFA	Housing Finance Agency. A state-chartered agency established to help meet the affordable housing needs of the residents of that state. Although they vary widely in characteristics, such as their relationship to state government, most HFAs are independent entities that operate under the direction of a board of directors appointed by their state’s governor. They administer a wide range of affordable housing and community development programs.
HOME	HOME Investment Partnerships Program. Provides formula grants to states and localities that communities use—often in partnership with local nonprofit groups—to fund a wide range of activities that build, buy, or rehabilitate affordable housing for rent or homeownership, or to provide direct rental assistance to low-income people.
HUD	U.S. Department of Housing and Urban Development. The primary federal agency responsible for administering programs to support affordable housing, fair housing, homeownership, and community development nationally and on Native American lands, as well as performing research on housing and development issues.
LIHTC	Low-Income Housing Tax Credit. A program established in Section 42 of the Internal Revenue Service Code that allows projects to receive a credit against federal tax owed. Project owners bring in investors as limited partners in return for the investor(s) providing funds to the owners to help build or renovate housing that will be rented to lower-income households for a minimum period of years. Two types of credits exist, both of which are available during a 10-year period—a 9-percent credit on construction and rehabilitation costs and a 4-percent credit on acquisition costs and all development costs partially using below-market financing.
LLC	Limited Liability Company. A private company formed using a business structure that can combine the pass-through taxation of a partnership or sole proprietorship with the limited liability of a corporation. An LLC is not a corporation but a legal form of a company that provides limited liability to its owners in many jurisdictions.
MOR	Management and Occupancy Review. Monitors project operations and is required by HUD to ensure that its multifamily housing programs are administered as intended. The MOR is one of the integral mechanisms of project monitoring used to ensure that owners and agents comply with the requirements under the regulatory agreement, mortgage, management certification, HAP contract, or other relevant business agreements.
NAHRO	National Association of Housing and Redevelopment Officials. An organization that develops new techniques related to the finance, design, construction, and management of housing. NAHRO also plays a key role by consulting with federal agencies and Congress on U.S. housing policy.
NOI	Net Operating Income. Equals all revenue from the property minus all reasonably necessary operating expenses.
OAMPO	Office of Asset Management and Portfolio Oversight. A HUD office within Multifamily Housing Programs that promotes the highest standards of asset management practices and is responsible for the portfolio of multifamily assets after the development phase. OAMPO accomplishes its goal of supporting the targeted Multifamily Housing mission within the broader mission of HUD through the development of supporting policies and interpretation of policy, control of participation in the multifamily asset programs, oversight of lender and field servicing activities including multifamily management and field operations, and management of relationships with internal and external partners.
OCAF	Operating Cost Adjustment Factor. The OCAF is established by HUD and applied to the existing contract rent, less the portion of the rent paid for debt service. The OCAF may not be negative. This is also known as the annual rate of increase in Section 8 housing contract rents as determined and published by HUD.
Office of Multifamily Housing Programs	A HUD office responsible for the overall management, development, direction, and administration of HUD’s Multifamily Housing Programs.

Term	Definition
OFO	Office of Field Operations. A HUD office within the Office of Public and Indian Housing that is the focal point for field oversight and regional management and oversees a number of offices and networks.
OPHVP	Office of Public Housing Voucher Programs. A HUD office within the Office of Public and Indian Housing that administers the HCV program.
PBRA	Project-Based Rental Assistance. A Section 8 program administered by HUD's Office of Multifamily Housing Programs. Under the terms of a PBRA contract between HUD and a project owner, HUD provides a housing assistance subsidy that makes up the difference between what an eligible tenant household can afford and the approved contract rent for an adequate housing unit in a multifamily project. Eligible tenants must pay the highest of (1) 30 percent of their adjusted income, (2) 10 percent of their gross income, (3) the portion of welfare assistance designated for housing, or (4) the minimum rent as established by HUD. PBRA contracts are attached to specific housing units and are not portable for the tenant. PHAs are not party to a PBRA contract unless the agency is a project owner.
PBV	Project-Based Voucher. Section 8 vouchers that are attached to specific housing units and administered as part of a PHA's HCV program. Under the PBV program, a PHA enters into an assistance contract with the project owner for a specified number of units and a specified length of time. The PHA refers families to the project owner to fill project vacancies. Because PBV assistance is tied to the unit, when a family moves from the PBV unit, the assistance remains with the unit.
PD&R	Office of Policy Development and Research. A HUD office that supports HUD's efforts to help create cohesive, economically healthy communities. PD&R is responsible for maintaining current information on housing needs, market conditions, and existing programs, as well as conducting research on priority housing and community development issues. PD&R provides reliable and objective data and analysis to help inform policy decisions and is committed to involving a greater diversity of perspectives, methods, and researchers in HUD research.
PHA	Public Housing Agency. A public housing agency (which can be any state, county, municipality, or other governmental entity or public body) that administers programs under the U.S. Housing Act, which could include public housing and HCVs. Many PHAs also act as local redevelopment agencies and are then referred to as redevelopment and housing agencies.
PHADA	Public Housing Authorities Directors Association. An association with approximately 1,900 member housing agencies, representing more than 1.9 million low-income housing units throughout the United States.
PIC	Inventory Management System (IMS)/Office of Public and Indian Housing (PIH) Information Center. An information system that contains data about all PIH inventories of housing agencies, developments, buildings, units, tenants, housing agency officials, HUD offices and field staff, and IMS/PIC users.
PIH	Office of Public and Indian Housing. A HUD office responsible for the development and maintenance of public housing and Native American housing programs.
PRAC	Project Rental Assistance Contract. Used in the Section 202 Supportive Housing for the Elderly program, which provides capital and operating funds to nonprofit organizations that develop and operate housing for seniors with very low incomes, and in the Section 811 Supportive Housing for Persons with Disabilities program, which provides funding for the development and operation of housing for low-income people with significant and long-term disabilities. A component of each program is rental assistance in the form of PRACs, which subsidize the operating expenses of these developments. Residents pay 30 percent of their adjusted income toward rent, and the PRAC makes up the difference between rental income and operating expenses.

Term	Definition
Public Housing	A type of housing assistance administered by PIH that was established to provide decent and safe rental housing for eligible low-income families, seniors, and persons with disabilities. Public housing comes in all sizes and types, from scattered single-family houses to highrise apartments for elderly families. HUD furnishes technical and professional assistance in planning, developing, and managing these developments.
RAD	Rental Assistance Demonstration. Established under the Consolidated and Further Continuing Appropriations Act of 2012 to stem the potential loss of public housing and other subsidized housing units due to the growing backlog of unfunded capital needs. The program has two components: the first component focuses on the conversion of existing public housing to project-based Section 8 assistance, and the second component focuses on existing Section 8 projects that are being phased out.
RAD Closing	The step in the RAD transaction during which any converting units are released from legacy contracts (for example, the public housing ACC), the new PBRA or PBV contract and RAD Use Agreement are executed, any debt or equity financing agreement is entered into, and the terms and conditions of the RAD Conversion Commitment are recorded. The closing is the event at which conversion of subsidy takes place; “conversion” has not occurred until the completion of closing.
RAD PHA	A PHA that has converted at least one of its public housing properties to project-based Section 8 assistance through the RAD program.
RAD Resource Desk	A website compiling data and information on RAD conversions from the Office of Recapitalization. The public portion of the RAD Resource Desk is intended for use by anyone who has an interest in the RAD program, whereas the private section of the website is intended for the exclusive use of HUD employees and staff of organizations participating in RAD.
RCC	RAD Conversion Commitment. A commitment provided by HUD to an active RAD project to officially convert its public housing to Section 8 under the RAD program. The RCC is provided when HUD completes its underwriting of the project and approves the conversion’s financing plan.
Recap	Office of Recapitalization. A HUD office that supports the preservation and recapitalization of federally assisted housing and rental assistance for current and future generations; structures, reviews, and implements transactions to ensure long-term physical and financial viability; and implements other affordable housing initiatives that leverage transactional expertise. The Office implements the RAD program.
Section 8 Housing Assistance	The Section 8 HCV and PBRA Program is the federal government’s major program for assisting very low-income families, seniors, and people with disabilities to afford decent, safe, and sanitary housing in the private market. In both types of Section 8 programs, rental units must meet minimum standards of health and safety. A housing subsidy is paid directly to the landlord on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program. See HCV and PBRA.
TOA	Transfer of Assistance. An option under RAD through which a PHA can transfer the Section 8 contract to another project if HUD approves.

Appendix B: Study Population

Exhibit B-1. Summary of PHA Population for the Asset Management Study

Number of PHAs	Number of Respondents	PHAs by Census Region	PHAs by Size	PHAs by Subsidy Type	Total RAD Conversions	Total RAD Units
248	106 Completed Surveys 50 Partially Completed 92 Nonresponses	45 Northeast 43 Midwest 127 South 33 West	40 Large 102 Medium 106 Small	90 PBRA Only 134 PBV Only 24 Both	687	71,430

PBRA = project-based rental assistance. PBV = project-based voucher. PHA = public housing agency. RAD = Rental Assistance Demonstration.

Notes: PHA size is determined by the number of public housing units prior to participation in the RAD program. Small PHAs had fewer than 250 units, medium-sized PHAs had between 250 and 1,249 units, and large PHAs had 1,250 or more public housing units before RAD.

Exhibit B-2. PHAs in the Asset Management Study Population

PHA Code	PHA Name	Survey Response	Census Region	PHA Size	Subsidy Type	Number of Conversions in the Asset Management Study	Number of RAD Units in the Asset Management Study
AL001	Housing Authority of the Birmingham District	Completed	South	Large	Both	1	120
AL050	HA Auburn	Completed	South	Medium	PBV Only	1	304
AL054	Florence H/A	Nonresponse	South	Medium	PBRA Only	1	214
AL061	HA Opelika	Partially Completed	South	Medium	PBRA Only	3	636
AL069	HA Leeds	Nonresponse	South	Small	PBV Only	1	158
AL070	City of Union Springs Housing Authority	Nonresponse	South	Small	PBV Only	1	148
AL072	HA Columbiana	Nonresponse	South	Small	PBV Only	1	47
AL099	HA Scottsboro	Completed	South	Medium	PBRA Only	2	316
AL105	Housing Authority of the City of Talladega, AL	Completed	South	Medium	PBV Only	1	499
AL124	HA Midland City	Nonresponse	South	Small	PBV Only	1	46
AL125	HA Bessemer	Nonresponse	South	Medium	Both	2	254
AL155	Housing Authority of the City of Greenville	Nonresponse	South	Small	PBRA Only	1	200
AL159	Housing Authority of the City of Lafayette	Completed	South	Small	PBV Only	1	102
AL192	South Central Alabama Regional HA	Nonresponse	South	Medium	PBV Only	3	282
AL193	Housing Authority of the Town of Fort Deposit	Nonresponse	South	Small	PBV Only	1	48

Evaluation of the Rental Assistance Demonstration (RAD): Asset Management of RAD-Converted Properties

PHA Code	PHA Name	Survey Response	Census Region	PHA Size	Subsidy Type	Number of Conversions in the Asset Management Study	Number of RAD Units in the Asset Management Study
AR003	The Housing Authority of the City of Fort Smith	Completed	South	Medium	PBV Only	1	288
AR004	Housing Authority of the City of Little Rock	Nonresponse	South	Medium	Both	3	54
AR063	Housing Authority of the City of Pocahontas	Nonresponse	South	Small	PBRA Only	1	145
AR097	Housing Authority of the City of Fayetteville	Partially Completed	South	Small	PBRA Only	1	52
AR103	Housing Authority of the City of Melbourne	Completed	South	Small	PBV Only	1	55
AR121	Paragould Housing Authority	Completed	South	Small	PBV Only	1	187
AR197	White River Regional Housing Authority	Completed	South	Small	PBV Only	1	98
AZ009	Housing Authority of Maricopa County	Nonresponse	West	Medium	Both	3	439
AZ035	Yuma City Housing Authority	Nonresponse	West	Small	PBV Only	1	235
CA001	Housing Authority of the City & County of San Francisco	Partially Completed	West	Large	PBV Only	36	2291
CA006	Housing Authority of the City of Fresno, California	Nonresponse	West	Medium	Both	2	230
CA008	Housing Authority of the County of Kern	Completed	West	Medium	PBV Only	1	69
CA010	City of Richmond Housing Authority	Nonresponse	West	Medium	PBV Only	1	153
CA011	Housing Authority of the County of Contra Costa	Nonresponse	West	Medium	PBV Only	3	40
CA014	Housing Authority of the County of San Mateo	Completed	West	Small	PBV Only	1	30
CA019	Housing Authority of the County of San Bernardino	Partially Completed	West	Medium	PBV Only	7	688
CA021	Housing Authority of the County of Santa Barbara	Completed	West	Medium	Both	5	208
CA027	Housing Authority of the County of Riverside	Completed	West	Medium	PBV Only	3	464
CA028	Housing Authority of Fresno County, California	Nonresponse	West	Medium	Both	4	255
CA033	County of Monterey Housing Authority	Nonresponse	West	Medium	PBRA Only	5	452
CA035	Housing Authority of the City of San Buenaventura	Nonresponse	West	Medium	PBV Only	4	408
CA067	Alameda County Housing Authority	Completed	West	Small	PBV Only	2	70
CA076	Housing Authority of the City of Santa Barbara	Completed	West	Medium	PBV Only	6	300
CO016	Boulder Housing Partners	Partially Completed	West	Medium	PBV Only	1	135

PHA Code	PHA Name	Survey Response	Census Region	PHA Size	Subsidy Type	Number of Conversions in the Asset Management Study	Number of RAD Units in the Asset Management Study
CO038	Conejos County Housing Authority	Completed	West	Small	PBRA Only	1	44
CO041	Fort Collins Housing Authority	Nonresponse	West	Small	PBV Only	1	13
CO061	Boulder County Housing Authority	Completed	West	Small	PBV Only	1	13
CT003	Hartford Housing Authority	Nonresponse	Northeast	Medium	PBV Only	2	90
CT004	Housing Authority of the City of New Haven	Completed	Northeast	Large	PBV Only	9	603
CT007	Housing Authority of the City of Stamford	Nonresponse	Northeast	Medium	Both	3	160
FL003	Housing Authority of the City of Tampa, Florida	Partially Completed	South	Small	PBV Only	9	1600
FL008	Sarasota Housing Authority	Nonresponse	South	Small	Both	1	100
FL009	West Palm Beach Housing Authority	Partially Completed	South	Medium	PBRA Only	2	282
FL012	Housing Authority of Avon Park	Completed	South	Small	PBRA Only	2	66
FL058	Tarpon Springs Housing Authority	Completed	South	Small	PBRA Only	1	95
FL062	Pinellas County Housing Authority	Completed	South	Medium	PBV Only	1	184
FL079	Broward County Housing Authority	Partially Completed	South	Medium	PBRA Only	5	373
FL081	Housing Authority of the City of Deerfield Beach	Nonresponse	South	Small	PBRA Only	1	96
GA002	Housing Authority of Savannah	Completed	South	Large	Both	4	513
GA004	Housing Authority of the City of Columbus	Partially Completed	South	Large	PBV Only	6	783
GA006	The Housing Authority of the City of Atlanta, Georgia	Completed	South	Large	PBV Only	1	149
GA007	Housing Authority of the City of Macon	Partially Completed	South	Large	Both	6	1036
GA010	Housing Authority of the City of Marietta	Nonresponse	South	Medium	PBRA Only	2	164
GA023	Housing Authority of the City of Albany	Nonresponse	South	Medium	PBRA Only	2	451
GA025	Housing Authority of the City of Cedartown	Nonresponse	South	Medium	PBRA Only	2	234
GA061	Housing Authority of the City of Griffin	Nonresponse	South	Small	PBRA Only	1	42
GA072	Housing Authority of the City of Eatonton	Nonresponse	South	Small	PBRA Only	1	114
GA074	Housing Authority of the City of Elberton	Completed	South	Small	PBRA Only	1	185

Evaluation of the Rental Assistance Demonstration (RAD): Asset Management of RAD-Converted Properties

PHA Code	PHA Name	Survey Response	Census Region	PHA Size	Subsidy Type	Number of Conversions in the Asset Management Study	Number of RAD Units in the Asset Management Study
GA077	Housing Authority of the City of Cochran	Partially Completed	South	Small	PBRA Only	1	115
GA093	Housing Authority of the City of Lawrenceville	Partially Completed	South	Small	PBRA Only	1	212
GA094	Housing Authority of the City of Lavonia	Completed	South	Small	PBRA Only	1	180
GA097	Housing Authority of the City of Tallapoosa	Completed	South	Small	PBRA Only	1	211
GA099	Housing Authority of the City of Roswell	Nonresponse	South	Small	PBRA Only	2	103
GA101	Housing Authority of the City of Tifton	Partially Completed	South	Medium	PBRA Only	1	44
GA106	Housing Authority of the County of Douglas	Nonresponse	South	Small	PBRA Only	1	110
GA116	Housing Authority of the City of Carrollton	Completed	South	Small	PBV Only	1	231
GA129	Housing Authority of the County of Lee	Nonresponse	South	Small	PBRA Only	1	98
GA153	Summerville HA	Completed	South	Small	PBRA Only	1	216
GA183	Housing Authority of the City of Winder	Completed	South	Medium	PBRA Only	2	322
GA201	Housing Authority of the City of Jasper	Completed	South	Small	PBRA Only	2	152
GA221	Housing Authority of the City of Hinesville	Nonresponse	South	Small	PBRA Only	1	77
GA237	Housing Authority of the County of DeKalb, GA	Nonresponse	South	Medium	PBV Only	7	266
GA245	Housing Authority of the City of Covington	Partially Completed	South	Medium	PBRA Only	2	280
GA264	Housing Authority of Fulton County	Completed	South	Small	PBV Only	1	100
GA284	Northeast Georgia Housing Authority	Nonresponse	South	Medium	PBRA Only	8	666
GA285	Northwest GA Housing Authority	Partially Completed	South	Medium	PBV Only	1	96
IA013	Low Rent Housing Agency of Waverly	Completed	Midwest	Small	PBRA Only	1	47
ID020	Idaho Housing and Finance Association	Completed	West	Small	PBRA Only	1	47
IL002	Chicago Housing Authority	Completed	Midwest	Large	PBV Only	9	2456
IL006	Housing Authority of Champaign County	Nonresponse	Midwest	Medium	PBV Only	5	253
IL022	Rockford Housing Authority	Nonresponse	Midwest	Large	PBRA Only	1	43
IL025	Housing Authority of the County of Cook	Nonresponse	Midwest	Large	Both	2	443

PHA Code	PHA Name	Survey Response	Census Region	PHA Size	Subsidy Type	Number of Conversions in the Asset Management Study	Number of RAD Units in the Asset Management Study
IL028	Menard County Housing Authority	Nonresponse	Midwest	Small	PBRA Only	1	33
IL029	Housing Authority of the City of Freeport	Nonresponse	Midwest	Medium	PBV Only	1	167
IL037	Montgomery County Housing Authority	Completed	Midwest	Small	PBRA Only	1	37
IL038	Housing Authority of Christian County Illinois	Nonresponse	Midwest	Small	PBRA Only	2	211
IL072	Housing Authority of Greene County	Partially Completed	Midwest	Small	PBRA Only	1	32
IL092	Housing Authority of Elgin	Completed	Midwest	Medium	Both	2	223
IN012	Housing Authority of the City of New Albany	Completed	Midwest	Medium	PBV Only	2	64
IN016	Evansville Housing Authority	Completed	Midwest	Medium	PBV Only	2	559
IN017	Indianapolis Housing Agency	Nonresponse	Midwest	Large	Both	6	945
KS031	City of Clay Center	Partially Completed	Midwest	Small	PBV Only	2	101
KY004	Housing Authority of Lexington	Completed	South	Large	PBV Only	1	206
KY053	Housing Authority of Greensburg	Completed	South	Small	PBRA Only	1	26
LA003	Housing Authority of East Baton Rouge	Nonresponse	South	Medium	PBV Only	1	40
LA004	Housing Authority of Lake Charles	Partially Completed	South	Medium	PBV Only	3	71
LA111	Housing Authority of the City of Leesville	Partially Completed	South	Small	PBV Only	1	193
MA003	Cambridge Housing Authority	Completed	Northeast	Large	PBV Only	11	1196
MA005	Holyoke Housing Authority	Nonresponse	Northeast	Medium	PBV Only	1	88
MD002	Housing Authority of Baltimore City	Completed	South	Large	Both	14	2670
MD004	Housing Opportunities Commission of Montgomery County	Partially Completed	South	Large	Both	6	657
MD010	Housing Authority of Cambridge	Partially Completed	South	Small	PBRA Only	1	190
MD014	Wicomico County Housing Authority	Nonresponse	South	Medium	PBRA Only	1	50
MD021	Housing Authority of St. Mary's County, MD	Completed	South	Small	PBRA Only	1	32
MD022	Housing Authority of Calvert County	Nonresponse	South	Small	PBV Only	2	72
MD023	Howard County Housing Commission	Nonresponse	South	Small	PBV Only	1	50

Evaluation of the Rental Assistance Demonstration (RAD): Asset Management of RAD-Converted Properties

PHA Code	PHA Name	Survey Response	Census Region	PHA Size	Subsidy Type	Number of Conversions in the Asset Management Study	Number of RAD Units in the Asset Management Study
MI021	South Lyon Housing Commission	Completed	Midwest	Small	PBRA Only	1	15
MI024	Bay City Housing Commission	Partially Completed	Midwest	Medium	PBRA Only	3	369
MI026	Ypsilanti Housing Commission	Nonresponse	Midwest	Small	PBRA Only	2	189
MI045	Plymouth Housing Commission	Completed	Midwest	Small	PBV Only	1	104
MI064	Ann Arbor Housing Commission	Completed	Midwest	Medium	PBV Only	4	292
MI073	Grand Rapids Housing Commission	Completed	Midwest	Medium	PBV Only	3	192
MI088	Paw Paw Housing Commission	Nonresponse	Midwest	Small	PBRA Only	1	81
MI089	Taylor Housing Commission	Completed	Midwest	Small	PBV Only	1	102
MI100	Lapeer Housing Commission	Nonresponse	Midwest	Small	PBV Only	1	60
MN074	HRA of the City of Mound, Minnesota	Nonresponse	Midwest	Small	PBRA Only	1	45
MN172	Stearns County PA	Completed	Midwest	Small	PBV Only	1	20
MN184	Scott County Community Development Agency	Completed	Midwest	Small	PBV Only	1	53
MO007	Housing Authority of the City of Columbia	Partially Completed	Midwest	Medium	PBV Only	3	507
MS002	The Housing Authority of the City of Laurel	Nonresponse	South	Medium	PBV Only	1	100
MS003	The Housing Authority of the City of McComb	Completed	South	Medium	PBRA Only	1	16
MS004	The Housing Authority of the City of Meridian	Completed	South	Medium	PBV Only	2	180
MS005	The Housing Authority of the City of Biloxi	Nonresponse	South	Medium	PBV Only	10	908
MS006	Tennessee Valley Regional Housing Authority	Nonresponse	South	Medium	PBRA Only	10	1209
MS040	Mississippi Regional Housing Authority No. VIII	Partially Completed	South	Medium	PBV Only	10	931
MS059	The Housing Authority of the City of West Point	Nonresponse	South	Small	PBRA Only	1	166
MS063	The Housing Authority of the City of Yazoo City	Completed	South	Medium	PBV Only	1	86
MS080	The Housing Authority of the City of Walnut	Nonresponse	South	Small	PBRA Only	1	34
MS301	Bay Waveland Housing Authority	Nonresponse	South	Small	PBV Only	2	107
NC001	Housing Authority of the City of Wilmington	Nonresponse	South	Medium	PBV Only	1	58

PHA Code	PHA Name	Survey Response	Census Region	PHA Size	Subsidy Type	Number of Conversions in the Asset Management Study	Number of RAD Units in the Asset Management Study
NC003	Housing Authority of the City of Charlotte	Completed	South	Large	PBV Only	47	2842
NC005	Housing Authority of the City of New Bern	Nonresponse	South	Medium	PBRA Only	2	313
NC007	Housing Authority of the City of Asheville	Partially Completed	South	Large	PBV Only	5	1525
NC009	Fayetteville Metropolitan Housing Authority	Completed	South	Medium	PBRA Only	1	32
NC011	Housing Authority of the City of Greensboro	Completed	South	Large	PBV Only	9	1144
NC013	The Housing Authority of the City of Durham	Nonresponse	South	Large	Both	5	151
NC016	Housing Authority of the City of Salisbury	Partially Completed	South	Medium	PBRA Only	4	545
NC018	Housing Authority of the Town of Laurinburg	Completed	South	Medium	PBV Only	2	479
NC020	Housing Authority of the City of Wilson	Completed	South	Medium	PBV Only	1	24
NC031	Hertford Housing Authority	Completed	South	Small	PBRA Only	1	85
NC039	Lexington Housing Authority	Nonresponse	South	Medium	PBV Only	2	268
NC048	Maxton Housing Authority	Completed	South	Small	PBRA Only	1	90
NC052	Southern Pines Housing Authority	Completed	South	Small	PBRA Only	1	100
NJ010	Housing Authority of the City of Camden	Partially Completed	Northeast	Large	PBV Only	1	12
NJ013	Housing Authority of the City of Passaic	Partially Completed	Northeast	Medium	PBV Only	1	130
NJ017	Summit Housing Authority	Nonresponse	Northeast	Small	PBV Only	1	195
NJ022	New Brunswick Housing Authority	Nonresponse	Northeast	Medium	PBV Only	2	72
NJ027	Princeton Housing Authority	Nonresponse	Northeast	Small	PBRA Only	1	11
NJ051	Glassboro Housing Authority	Completed	Northeast	Small	PBV Only	1	104
NJ054	Housing Authority of the Township of Lakewood	Completed	Northeast	Medium	Both	2	268
NJ055	Englewood Housing Authority	Nonresponse	Northeast	Small	PBV Only	1	152
NJ056	Berkeley Housing Authority	Partially Completed	Northeast	Small	PBV Only	1	70
NJ059	Pleasantville Housing Authority	Completed	Northeast	Small	PBV Only	2	77
NJ065	Brick Housing Authority	Completed	Northeast	Medium	PBV Only	1	266

Evaluation of the Rental Assistance Demonstration (RAD): Asset Management of RAD-Converted Properties

PHA Code	PHA Name	Survey Response	Census Region	PHA Size	Subsidy Type	Number of Conversions in the Asset Management Study	Number of RAD Units in the Asset Management Study
NJ067	Bergen County Housing Authority	Completed	Northeast	Medium	PBV Only	5	498
NJ070	Cliffside Park Housing Authority	Nonresponse	Northeast	Medium	PBV Only	1	354
NJ071	Fort Lee Housing Authority	Completed	Northeast	Small	PBV Only	1	40
NJ077	Weehawken Housing Authority	Nonresponse	Northeast	Small	PBV Only	1	99
NJ081	Housing Authority of the Township of Middletown	Completed	Northeast	Small	PBV Only	1	99
NJ083	Secaucus Housing Authority	Completed	Northeast	Medium	PBV Only	1	275
NJ105	Madison Housing Authority	Completed	Northeast	Small	PBV Only	1	134
NJ202	Buena Housing Authority	Nonresponse	Northeast	Small	PBV Only	1	60
NM009	Santa Fe Civic Housing Authority	Completed	West	Medium	PBRA Only	3	306
NV018	Southern Nevada Regional Housing Authority	Nonresponse	West	Large	PBV Only	3	323
NY005	New York City Housing Authority	Nonresponse	Northeast	Large	PBV Only	1	1393
NY025	Watervliet Housing Authority	Completed	Northeast	Medium	PBRA Only	2	307
NY034	Rome Housing Authority	Completed	Northeast	Medium	PBV Only	1	52
NY041	Rochester Housing Authority	Partially Completed	Northeast	Large	PBV Only	3	160
NY042	White Plains Housing Authority	Partially Completed	Northeast	Medium	Both	1	95
NY059	Ilion Housing Authority	Partially Completed	Northeast	Small	PBV Only	1	158
NY067	Hornell Housing Authority	Partially Completed	Northeast	Small	PBV Only	1	147
NY077	Town of Islip Housing Authority	Completed	Northeast	Medium	PBV Only	1	342
NY084	Town of Ramapo Housing Authority	Completed	Northeast	Small	PBV Only	1	200
NY086	North Hempstead Housing Authority	Nonresponse	Northeast	Small	PBV Only	1	178
NY089	Newark Housing Authority	Completed	Northeast	Small	PBV Only	2	160
NY098	St. Johnsville Housing Authority	Completed	Northeast	Small	PBV Only	1	42
NY158	Village of Kiryas Joel HA	Nonresponse	Northeast	Small	PBV Only	1	60
OH001	Columbus Metropolitan Housing Authority	Nonresponse	Midwest	Large	PBV Only	4	473

Evaluation of the Rental Assistance Demonstration (RAD): Asset Management of RAD-Converted Properties

PHA Code	PHA Name	Survey Response	Census Region	PHA Size	Subsidy Type	Number of Conversions in the Asset Management Study	Number of RAD Units in the Asset Management Study
OH003	Cuyahoga Metropolitan Housing Authority	Completed	Midwest	Large	PBRA Only	5	684
OH004	Cincinnati Metropolitan Housing Authority	Partially Completed	Midwest	Large	PBRA Only	1	40
OH006	Lucas Metropolitan Housing Authority	Nonresponse	Midwest	Large	Both	1	134
OH009	Zanesville Metropolitan Housing Authority	Nonresponse	Midwest	Medium	PBRA Only	1	324
OH010	Portsmouth Metropolitan Housing Authority	Partially Completed	Midwest	Medium	PBRA Only	1	243
OH027	Medina Metropolitan Housing Authority	Partially Completed	Midwest	Small	PBRA Only	1	84
OH038	Clermont Metropolitan Housing Authority	Completed	Midwest	Small	PBV Only	1	26
OH070	Fairfield Metropolitan Housing Authority	Completed	Midwest	Small	PBV Only	1	96
OR002	Housing Authority of Portland	Completed	West	Large	PBV Only	13	791
OR011	Housing Authority of the City of Salem, Oregon	Partially Completed	West	Medium	PBRA Only	1	62
PA001	Housing Authority of the City of Pittsburgh	Completed	Northeast	Large	Both	4	294
PA002	Philadelphia Housing Authority	Completed	Northeast	Large	PBV Only	8	837
PA004	Allentown Housing Authority	Partially Completed	Northeast	Medium	Both	3	210
PA020	Mercer County Housing Authority	Completed	Northeast	Medium	PBRA Only	3	610
PA074	Susquehanna Co Housing/Redevelopment Auth	Completed	Northeast	Small	PBRA Only	1	43
RI002	Housing Authority of the City of Pawtucket	Partially Completed	Northeast	Medium	PBRA Only	2	196
SC003	The Housing Authority of the City of Spartanburg	Nonresponse	South	Medium	Both	2	410
SC004	Housing Authority for the City of Greenville, SC	Partially Completed	South	Medium	PBV Only	4	101
SC018	Housing Authority of Lake City	Nonresponse	South	Medium	PBRA Only	3	299
SC036	Housing Authority of Fort Mill	Completed	South	Small	PBRA Only	1	141
SC057	Housing Authority of N Charleston	Partially Completed	South	Medium	PBV Only	7	289
SD014	City of Mitchell Housing and Redevelopment Commission	Nonresponse	Midwest	Small	PBRA Only	1	112
TN002	Johnson City Housing Authority	Partially Completed	South	Medium	PBRA Only	1	81
TN003	Knoxville's Community Development Corp.	Nonresponse	South	Large	PBRA Only	5	403

Evaluation of the Rental Assistance Demonstration (RAD): Asset Management of RAD-Converted Properties

PHA Code	PHA Name	Survey Response	Census Region	PHA Size	Subsidy Type	Number of Conversions in the Asset Management Study	Number of RAD Units in the Asset Management Study
TN005	Metropolitan Development & Housing Agency	Completed	South	Large	PBRA Only	8	2311
TN006	Kingsport Housing and Redevelopment Authority	Partially Completed	South	Medium	PBV Only	1	38
TN035	Franklin Housing Authority	Completed	South	Medium	PBV Only	2	62
TN046	Columbia Housing and Redevelopment Corporation	Completed	South	Medium	PBRA Only	1	140
TN084	Gallaway Housing Authority	Nonresponse	South	Small	PBRA Only	1	60
TX001	Housing Authority of the City of Austin	Nonresponse	South	Large	PBRA Only	8	582
TX003	Housing Authority of the City of El Paso	Completed	South	Large	PBRA Only	23	2599
TX004	Housing Authority of the City of Fort Worth	Completed	South	Large	PBRA Only	6	201
TX008	Corpus Christi Housing Authority	Nonresponse	South	Large	PBV Only	7	620
TX014	Housing Authority of Texarkana	Completed	South	Medium	PBV Only	3	98
TX016	Del Rio Housing Authority	Completed	South	Medium	PBV Only	1	170
TX027	Housing Authority of the City of McKinney, Texas	Nonresponse	South	Small	PBRA Only	1	64
TX034	Housing Authority of Port Arthur	Completed	South	Medium	PBV Only	1	86
TX219	Housing Authority of Groesbeck	Nonresponse	South	Small	PBV Only	1	80
TX330	Housing Authority of the City of Brenham	Completed	South	Medium	PBV Only	1	66
TX421	Uvalde Housing Authority	Partially Completed	South	Small	PBV Only	1	48
TX480	Housing Authority of Travis County	Nonresponse	South	Small	PBRA Only	1	105
TX486	Housing Authority of the City of Nacogdoches	Completed	South	Small	PBV Only	1	76
UT003	Housing Authority of the County of Salt Lake	Partially Completed	West	Medium	PBV Only	1	10
VA001	Portsmouth Redevelopment & Housing Authority	Completed	South	Medium	PBV Only	1	146
VA003	Newport News Redevelopment & Housing Authority	Completed	South	Large	PBRA Only	3	315
VA005	Hopewell Redevelopment & Housing Authority	Partially Completed	South	Medium	PBV Only	2	130
VA006	Norfolk Redevelopment & Housing Authority	Partially Completed	South	Large	PBV Only	3	141
VA007	Richmond Redevelopment & Housing Authority	Completed	South	Large	Both	1	77

Evaluation of the Rental Assistance Demonstration (RAD): Asset Management of RAD-Converted Properties

PHA Code	PHA Name	Survey Response	Census Region	PHA Size	Subsidy Type	Number of Conversions in the Asset Management Study	Number of RAD Units in the Asset Management Study
VA018	Franklin Redevelopment and Housing Authority	Partially Completed	South	Small	PBRA Only	2	150
VA019	Fairfax County Redevelopment & Housing Authority	Completed	South	Medium	PBV Only	16	581
VA023	Staunton Redevelopment & Housing Authority	Partially Completed	South	Small	PBRA Only	1	150
VT001	Burlington Housing Authority	Nonresponse	Northeast	Medium	PBV Only	2	343
VT004	Springfield Housing Authority	Completed	Northeast	Small	PBV Only	1	132
WA003	Housing Authority of the City of Bremerton	Completed	West	Small	PBV Only	1	21
WA005	Housing Authority of the City of Tacoma	Partially Completed	West	Medium	PBV Only	2	482
WA006	HA City of Everett	Nonresponse	West	Medium	PBV Only	2	333
WA008	Housing Authority of the City of Vancouver	Completed	West	Medium	PBV Only	4	212
WA042	HA City of Yakima	Nonresponse	West	Small	PBV Only	1	150
WA055	Spokane Housing Authority	Nonresponse	West	Small	PBV Only	1	50
WA057	HA City of Walla Walla	Completed	West	Small	PBV Only	1	84
WI002	Housing Authority of the City of Milwaukee	Nonresponse	Midwest	Large	PBV Only	3	143
WI031	Wausau Community Development Authority	Completed	Midwest	Medium	PBV Only	1	149
WI083	West Bend Housing Authority	Nonresponse	Midwest	Small	PBRA Only	1	71
WI085	Antigo Housing Authority	Nonresponse	Midwest	Small	PBRA Only	1	84
WI117	Westby Housing Authority	Completed	Midwest	Small	PBRA Only	1	35

PBRA = project-based rental assistance. PBV = project-based voucher. PHA = public housing agency. RAD = Rental Assistance Demonstration.

Appendix C: PHA Survey Instrument

Job #T1084

RAD PHA Survey Questionnaire

[PN: START SECTION TIMER]

[PASSCODE SCREEN]



Thank you for participating in the Rental Assistance Demonstration (RAD) Choice Mobility and Long-Term Affordability Evaluation.

To access the survey, please enter your password in the box below. Your password appears in the letter or e-mail we sent you.

[INSERT TEXTBOX FOR PASSCODE AND 'START' BUTTON]

Here are some helpful hints:

- Your answers will be used for research purposes only. You are not required to answer any question you do not wish to answer.
- Please do not use your browser's back button to go back to previous questions. Instead, use the navigation buttons on each web page to move through the survey.
- If you have any technical questions about the survey, please e-mail RADsurvey@econometricainc.com. If you have questions about the study, please contact Teresa Souza, Social Science Analyst, Office of Policy Development and Research, HUD at XXX-XXX-XXXX or [email], or Susan Popkin, the Urban Institute co-Principal Investigator at XXX-XXX-XXXX or [email].

[INTRODUCTION – PART 1]

Welcome to the PHA survey for the RAD Choice Mobility and Long-Term Affordability Evaluation.

Three research companies—Econometrica, the Urban Institute, and SSRS—are under contract to HUD to conduct this survey about the RAD program. This survey asks about your experiences with the RAD program. Your responses will remain strictly confidential. Neither you nor your agency will be identified in reporting findings to HUD or anyone else.

This survey will allow researchers to understand (1) the implementation and results of the choice mobility option for residents of properties converted to project-based voucher (PBV) or Section 8 project-based rental assistance (PBRA) developments under the RAD program (public housing component) and (2) the long-term financial viability and asset management for RAD developments. The survey should take about 45 minutes to complete.

The survey consists of [one section which takes/two sections, each of which take/three sections, each of which take/four sections, each of which take] 10-20 minutes to complete; the Executive Director or person who is most familiar with the PHA's RAD portfolio should be able to complete the survey, with assistance from financial, asset management, and voucher program staff as needed. Survey sections can be shared by e-mail as described in the survey instructions.

Findings from this study will enable HUD to:

- Understand how PHAs implement the choice mobility option;
- Identify effects of the choice mobility option on RAD properties and the voucher program; and
- Identify models of asset management of RAD properties.

Click "Next>>" to continue.

[INTRODUCTION – PART 2]

[PN: SHOW INTRODUCTION – PART 2 TO SAMPLED EXECUTIVE DIRECTOR ONLY]

Econometrica, the Urban Institute, SSRS, and HUD will schedule a webinar to share results from the survey and allow PHAs to learn from each other about different approaches to administering the choice mobility option and conducting asset management functions at RAD properties.

All of your responses to the questions will be combined with responses from other PHAs participating in the RAD program. These responses will only be used for research purposes and will NOT be used for compliance. HUD will receive a copy of the survey responses with all personally identifying information, as well as PHA and RAD development identifiers, removed.

If you have any technical questions about the survey, please e-mail RADsurvey@econometricainc.com. If you have questions about the study, please contact Teresa Souza, Social Science Analyst, Office of Policy Development and Research, HUD at XXX-XXX-XXXX or [email], or Susan Popkin, the Urban Institute co-Principal Investigator at XXX-XXX-XXXX or [email].

This survey was approved by the U.S. Office of Management and Budget. The OMB control number is 2528-0330 and expires on 07/31/2024.

Privacy Act Statement

Authority: Section 502 (g) of the Housing and Urban Development Act of 1970 (Public Law 91-609) (12 U.S.C. §§ 1701z-1; 1701z-2(d) and (g)).

Purpose: Evaluation of the Rental Assistance Demonstration (RAD) program.

Routine Use(s): The information will be used for the purpose set forth above and may be provided to Congress or other federal, state, and local agencies, when determined necessary.

Disclosure: Disclosure of personal information is voluntary. Failure to disclose the personal information requested will not affect individuals.

System of Records Notice (SORN): PD&R/RRE.01 published in the Federal Register on January 22, 2015 (FR-5843-N-01), <https://www.govinfo.gov/content/pkg/FR-2015-01-22/html/2015-01029.htm>.

Click “Next>>” to continue.

[SURVEY INSTRUCTIONS]

[PN: SHOW SURVEY INSTRUCTIONS TO SAMPLED EXECUTIVE DIRECTOR ONLY]

(SEC1, SEC2 SHOW TO ALL; SEC3 SHOW IF LTP_PHA=1; SEC4 SHOW IF AM_PHA=1)

[PN: FORCE RESPONSES]

[PN: PROGRAM AS GRID]

[PN: IN 'Section Status' COLUMN SHOW 'INCOMPLETE' WITH RED INDICATOR IF SECTION NOT STARTED OR NOT FINISHED; SHOW 'COMPLETE' WITH GREEN INDICATOR IS SECTION IS COMPLETE]

SEC1-SEC4. This survey consists of four sections that ask a series of questions about your PHA's RAD program and portfolio. An overview of the questions in each section can be found in the table below.

You can preview a full version of the survey [here](#). [PN: LINK TO 'PLAIN TEXT' VERSION OF SURVEY].

While we ***strongly*** encourage **you** to complete as many sections as possible, we understand that in some cases only specialized PHA staff may be able to answer specific sections. Please select which sections you will answer and which sections you would like us to pass along to someone else.

[SHOW IF TOP9=1: Due to the size of your PHA's RAD portfolio, your agency will receive a separate e-mail from the Urban Institute regarding project-specific information and a financial statements request.]

RAD CHOICE MOBILITY AND LONG-TERM AFFORDABILITY SURVEY

Section	Topics Covered	Who will complete this section?	Section Status
(SHOW IF NAME_PROP_1 POPULATED; IF PHA HAS AT LEAST ONE PROPERTY IN SAMPLE) SEC1. Section 1. RAD Property Information	Ownership and management status and contact information, along with an update on construction and rehab status for select properties.	1 Complete myself 2 E-mail to someone else	SHOW INCOMPLETE/ COMPLETE ICON
SEC2. Section 2. Implementation of Choice Mobility	Information on how Choice Mobility has been implemented in your RAD portfolio, including data on voucher availability, limits, requests, and lease up. This also includes broad questions on wait list management, choice mobility outreach and communication, and property management.	1 Complete myself 2 E-mail to someone else	SHOW INCOMPLETE/ COMPLETE ICON
(SHOW IF AM_PHA=1) SEC3. Section 3. Financial Information	This section covers the strategic financial management of your PHA's RAD portfolio and asks for contact information for project financial statements.	1 Complete myself 2 E-mail to someone else	SHOW INCOMPLETE/ COMPLETE ICON
(SHOW IF AM_PHA=1) SEC4. Section 4. Asset Management	This section covers your PHA's asset management activities for its RAD portfolio. Asset management consists of a series of interrelated functions or activities designed to enhance the physical stability and financial performance of income-producing properties for the long term.	1 Complete myself 2 E-mail to someone else	SHOW INCOMPLETE/ COMPLETE ICON

[PN: SHOW SEC_1_PASS, SEC_2_PASS, SEC_3_PASS, SEC_4_PASS ON SINGLE SCREEN, IF APPLICABLE]

(ASK IF SEC_1=2 AND NAME_PROP_1 POPULATED; PASSED ALONG SECTION 1)

[PN: FORCE RESPONSE TO SEC1_NAME AND SEC1_E-MAIL; DO NOT FORCE SEC1_PHONE]

SEC1_PASS. Could you provide contact information for the person we should contact about **Section 1: RAD Property Information?**

SEC1_NAME.	FULL NAME:	_____
SEC1_E-MAIL.	E-MAIL ADDRESS:	_____
SEC1_PHONE.	PHONE NUMBER:	_____

(ASK IF SEC_2=2; PASSED ALONG SECTION 2)

[PN: FORCE RESPONSE]

[PN: FORCE RESPONSE TO SEC2_NAME AND SEC2_E-MAIL; DO NOT FORCE SEC2_PHONE]

SEC2_PASS. Could you provide contact information for the person we should contact about **Section 2: Implementation of Choice Mobility?**

SEC2_NAME.	FULL NAME:	_____
SEC2_E-MAIL.	E-MAIL ADDRESS:	_____
SEC2_PHONE.	PHONE NUMBER:	_____

(ASK IF SEC_3=2 AND AM_PHA=1; PASSED ALONG SECTION 3)

[PN: FORCE RESPONSE]

[PN: FORCE RESPONSE TO SEC3_NAME AND SEC3_E-MAIL; DO NOT FORCE SEC3_PHONE]

SEC3_PASS. Could you provide contact information for the person we should contact about **Section 3: Financial Information?**

SEC3_NAME.	FULL NAME:	_____
SEC3_E-MAIL.	E-MAIL ADDRESS:	_____
SEC3_PHONE.	PHONE NUMBER:	_____

(ASK IF SEC_4=2 AND AM_PHA=1; PASSED ALONG SECTION 4)

[PN: FORCE RESPONSE]

[PN: FORCE RESPONSE TO SEC4_NAME AND SEC4_E-MAIL; DO NOT FORCE SEC4_PHONE]

SEC4_PASS. Could you provide contact information for the person we should contact about **Section 4: Asset Management?**

SEC4_NAME.	FULL NAME:	_____
SEC4_E-MAIL.	E-MAIL ADDRESS:	_____
SEC4_PHONE.	PHONE NUMBER:	_____

[PN: E-MAIL DIRECT LINK TO CORRESPONDING SURVEY SECTION TO E-MAIL ADDRESSES PROVIDED. IF SAME E-MAIL GIVEN FOR MULTIPLE SECTIONS, SEND AS A SINGLE SURVEY LINK]

[PN: IF SEC_1=1 OR SEC_2=1 OR SEC_3=1 OR SEC_4=1 CONTINUE TO CORRESPOND SECTIONS;

IF SEC_1=2 AND SEC_2=2 AND SEC_3=2, NULL AND SEC_4=2, NULL END SURVEY, SHOW TEXT: *"Thank you for sharing this survey with your colleagues. Even though you have indicated you will not complete any of the sections yourself, you may still receive periodic reminders that they have not completed their assigned section(s). If that is the case, we ask that you please reach out to them and encourage them to complete their section(s)."*

[END SECTION TIMER]

[SECTION 1: RAD PROPERTY INFORMATION] – SKIP IF NAME_PROP_1 IS NOT POPULATED (PHA HAS AT NO PROPERTIES IN SAMPLE)

[START SECTION TIMER]

(SHOW ALL)

SEC1_INTRO. **SECTION #1: RAD PROPERTY INFORMATION**

This section collects property-level information on your PHA's closed RAD conversions that are included in this study. For PHAs with large RAD portfolios, some questions will be asked for only a sample of three properties.

At the bottom of each page, there is a link to the glossary that will bring up survey instructions and the survey glossary. Some key terms will also be defined within the survey. For additional help with the survey, please call XXX-XXX-XXXX and press "4" for survey, or e-mail us at RADSurvey@econometricainc.com.

COVID-19

This RAD study was developed prior to the pandemic. Please approach the question in each section in a precoronavirus context—how did you do things in 2019? Scattered through the survey are questions that cover the current circumstances and potential changes to your PHA's operations. These questions are clearly marked. We appreciate you taking the time to complete the survey, especially considering the circumstances.

[PN: ASK Q1A THROUGH Q1E IN LOOP FOR EACH SELECTED PROPERTY;

Q1A-Q1B ASKED TO UP TO 15 PROPERTIES POPULATED IN NAME_PROP_X;

Q1C-Q1E ASKED TO UP TO 3 PROPERTIES POPULATED IN NAME_PROP_X;

DISPLAY CORRESPONDING NAME_PROP_X AND ID_PROP_X AT THE TOP OF EACH SCREEN]

(SHOW BEFORE Q1A IN EACH LOOP)

This next set of questions is about [NAME_PROP_X] – [ID_PROP_X]. Click Next to continue.

(ASK ALL; UP TO 15 PROPERTIES)

Q1A. Still thinking about property [NAME_PROP_X] – [ID_PROP_X]

Describe the project's ownership after RAD conversion.

- 001 The PHA continues to own the project
- 002 An affiliate entity in which the PHA is the sole owner or member
- 003 Another public or nonprofit entity not affiliated with the PHA
- 004 LIHTC entity with the PHA (or PHA-affiliated entity) as the sole general partner / managing member
- 005 LIHTC entity with the PHA (or PHA-affiliated entity) as one of many general partners / managing members
- 006 LIHTC entity with the PHA (or PHA-affiliated entity) as a passive partner
- 007 LIHTC entity where the PHA is not a partner and retains control through a long-term ground lease
- 008 Control Agreement with other ownership and control arrangements approved by HUD
- 009 Other: please specify (SPECIFY)
- 999 Web blank

(ASK IF Q1A=3,6,7,8; UP TO 15 PROPERTIES)

Q1B. Still thinking about property [NAME_PROP_X] – [ID_PROP_X]

Please provide contact information for the 3rd party owner/general partner/managing member.

SEC1_1B_COMP.	COMPANY NAME:	_____
SEC1_1B_NAME.	CONTACT NAME:	_____
SEC1_1B_E-MAIL.	CONTACT E-MAIL ADDRESS:	_____

NO Q1C

(ASK IF AM_FLAG_PROP_X=1; UP TO 3 PROPERTIES)

Q1D. Still thinking about property [NAME_PROP_X] – [ID_PROP_X]

What is the status of rehabilitation or new construction conducted as part of the RAD conversion?

- 001 Not applicable, no rehab/construction required per the RAD Conversion Commitment (RCC)
- 002 Construction required under the RCC was completed without major (3+ month) delays
- 003 Construction required under the RCC was completed with major (3+ month) delays
- 004 Construction required under the RCC is incomplete or still in process
- 999 Web blank

(ASK IF Q1D=4; UP TO 3 PROPERTIES)

[PN: ALLOW MULTIPLE RESPONSES; CODE 1 EXCLUSIVE]

Q1E. Still thinking about property [NAME_PROP_X] – [ID_PROP_X]

What construction required under the RCC is incomplete? (SELECT ALL THAT APPLY)

- 001 Not applicable, construction/rehabilitation still in process
- 002 Some immediate needs identified in the CNA
- 003 Some energy efficient or "green" improvements
- 004 Some work planned for residential units
- 005 Some work planned for common areas
- 006 Some work planned for building systems
- 007 Some "cosmetic" or decorative work (for example, landscaping, mural, decorative lighting)
- 008 Other: please specify (SPECIFY)
- 999 Web blank

(SHOW AFTER ALL PROPERTIES IN LOOP COMPLETE)

Thank you for completing **Section 1: RAD Property Information**. Please note that after you select “**Next>>**” and move forward you will no longer be able to edit your responses in this section.

[END SECTION TIMER]

[SECTION 2: IMPLEMENTATION OF CHOICE MOBILITY]

[START SECTION TIMER]

(SHOW ALL)

SEC2_INTRO. **SECTION #2: IMPLEMENTATION OF CHOICE MOBILITY**

Questions in this section focus on your PHA's administration of vouchers for the choice mobility option, including voucher availability and limits, requests for vouchers for choice mobility, waiting list management, and voucher lease-up. We also ask about the methods of communication you use to inform residents of the choice mobility option and any services or search assistance available to residents of RAD developments.

Under RAD, residents have a right called choice mobility. Unless an exception was granted at the time of the conversion, properties that convert assistance must provide residents the choice of moving with continued tenant-based rental assistance using a Housing Choice Voucher (HCV) within an established time after conversion. For PBV properties, this timeframe is 1 year after the resident moves into the unit, and for PBRA properties the timeline is 2 years.

Choice mobility does not mean that a voucher will be received immediately on request; rather, the household gets first priority for a voucher when one becomes available. For more information about Choice Mobility, see [RAD Fact Sheet #9: Choice Mobility](#) or [Notice H-2019-09/PIH-2019-23 \(HA\)](#).

At the bottom of each page, there is a link to the glossary that will bring up survey instructions and the survey glossary. Some key terms will also be defined within the survey. Some key terms will also be defined within the survey. For additional help with the survey, please call (XXX-XXX-XXXX and press "4" for survey, or e-mail us at RADSurvey@econometricainc.com.

COVID-19

This RAD study was developed prior to the pandemic. Please approach the question in each section in a precoronavirus context—how did you do things in 2019? Scattered through the survey are questions that cover the current circumstances and potential changes to your PHA's operations. These questions are clearly marked. We appreciate you taking the time to complete the survey, especially considering the circumstances.

(ASK ALL)

[PN: ALLOW MULTIPLE RESPONSES; CODE 4 EXCLUSIVE]

- Q2. This survey asks about residents living in RAD properties and non-RAD PBV units in 2019. Please indicate below if you had any residents in the following units during that year (SELECT ALL THAT APPLY):

- 001 PHA did have RAD PBV residents in 2019
- 002 PHA did have RAD PBRA residents in 2019
- 003 PHA did have non-RAD PBV residents in 2019
- 004 PHA had no RAD residents or non-RAD PBV residents in 2019
- 999 Web blank

Voucher for choice mobility availability and limits

(ASK ALL)

(PN: INCLUDE SMALL TEXT BOX WITH VALID RANGE 1-30000)

- Q3. RAD PHAs use turnover vouchers to facilitate residents' right to choice mobility. A turnover voucher becomes available when a voucher holder leaves the HCV program, making a voucher available for another household.

How many turnover vouchers did your PHA have in 2019?

OF VOUCHERS: _____

- 0 00000 PHA had no turnover vouchers in 2019
- 99999 Web blank

(ASK IF Q3=1-30000; IF HAD TURNOVER VOUCHERS)

- Q4. PHAs can set certain limits on the number of vouchers available for choice mobility, which is different for PBV and PBRA properties. For more information, see [RAD PBV Quick Reference Guide](#) or [RAD PBRA Quick Reference Guide](#).

For PHAs with RAD PBV properties, where the total number of PBV units under HAP contract exceeds 20 percent of the PHA's total authorized vouchers, the PHA may limit the number of choice-mobility vouchers it issues to residents of RAD PBV properties to 75 percent of its annual turnover vouchers.

Did your PHA limit the number of turnover vouchers available in 2019 to 75 percent of its annual turnover vouchers?

- 001 Yes
- 002 No, chose not to limit the number of vouchers
- 003 No, not eligible to limit the number of vouchers
- 999 Web blank

(ASK IF Q2=2; IF PHA DID HAVE RAD PBRA RESIDENTS IN 2019)

- Q5. For PHAs with RAD PBRA properties, PHAs may limit the number of vouchers used for choice-mobility to one-third of its annual turnover vouchers and may limit the number of choice-mobility moves from any given property in a year to 15 percent of the units in the project.

Did your PHA limit the number of turnover vouchers available in 2019 to one-third of its annual turnover vouchers?

- 001 Yes
- 002 No
- 999 Web blank

(ASK IF Q2=2; IF PHA DID HAVE RAD PBRA RESIDENTS IN 2019)

- Q6. Did your PHA limit the number of choice mobility movers from any given property to 15 percent in 2019?

- 001 Yes
- 002 No
- 999 Web blank

Vouchers for choice mobility requests

(SHOW TO ALL)

In this section, we ask about choice mobility requests.

Residents are eligible for a choice mobility voucher 1 year after they move into a PBV unit and 2 years after they move into a PBRA unit.

Families living in non-RAD PBV units who have spent at least 1 year in the unit also have a right to move with tenant-based rental assistance, called the Family Right to Move.

**[PN: ASK Q7A THROUGH Q7C IN LOOP FOR EACH SELECTED PROPERTY WHERE CM_FLAG_PROP_X=1;
Q7A-Q7C ASKED TO UP TO 3 PROPERTIES POPULATED IN NAME_PROP_X;
DISPLAY CORRESPONDING NAME_PROP_X AND ID_PROP_X AT THE TOP OF EACH SCREEN;
SKIPPED IF NAME_PROP_1 IS NOT POPULATED (PHA HAS AT NO PROPERTIES IN SAMPLE
SKIPPED IF NO PROPERTIES ARE CM_FLAG_PROP_X=1]**

(SHOW BEFORE Q7A IN EACH LOOP)

We would like to know more about some of the RAD conversions that the PHA owns or operates. [First/Now], please think about ?[NAME_PROP_X] – [ID_PROP_X].

[PN: SHOW Q7A AND Q7B ON THE SAME PAGE]

(ASK IF CM_FLAG_PROP_X=1; UP TO 3 PROPERTIES)

(PN: INCLUDE SMALL TEXT BOX WITH VALID RANGE 0-1500)

Q7A. Still thinking about property [NAME_PROP_X] – [ID_PROP_X]

How many households were eligible for a **choice mobility** voucher in 2019 at the property?

OF HOUSEHOLDS: _____

9998 Data not available

9999 Web blank (ASK IF CM_FLAG_PROP_X=1; UP TO 3 PROPERTIES)

(PN: INCLUDE SMALL TEXT BOX WITH VALID RANGE 0-1500)

Q7B. Still thinking about property [NAME_PROP_X] – [ID_PROP_X]

How many households requested a **choice mobility** voucher in 2019 at the property?

OF HOUSEHOLDS: _____

9998 Data not available

9999 Web blank

(ASK IF CM_FLAG_PROP_X=1 AND SUBTYPE_PROP_X='PBRA'; UP TO 3 PROPERTIES)

Q7C. Still thinking about property [NAME_PROP_X] – [ID_PROP_X]

For PHAs with RAD PBRA properties, PHAs may limit the number of choice-mobility moves from any given property in a year to 15 percent. Was the number of choice mobility moves limited to 15 percent of all units in the project in 2019?

001 Yes

002 No

003 Don't know

999 Web blank

(ASK IF Q2=1,2,3)

(PN: SHOW Q8A-Q8C ON A SINGLE SCREEN)

(PN: INCLUDE SMALL TEXT BOX FOR EACH WITH VALID RANGE 0-10000)

Q8A-Q8C. Now we have some more general questions about the PHA's RAD program. How many **households** in a project-based unit were **eligible** to request a voucher for choice mobility or Family Right to Move at any point in 2019?

(SHOW Q8A IF Q2=1) RAD PBV households: _____
99998 Data not available
99999 Web blank

(SHOW Q8B IF Q2=2) RAD PBRA households: _____
99998 Data not available
99999 Web blank

(SHOW Q8C IF Q2=3) Non-RAD PBV households: _____
99998 Data not available
99999 Web blank

(ASK IF Q2=1,2,3)

(PN: SHOW Q9A-Q9C ON A SINGLE SCREEN)

(PN: INCLUDE SMALL TEXT BOX FOR EACH WITH VALID RANGE 0-5000)

Q9A-Q9C. How many **households** who were eligible for choice mobility or Family Right to Move in 2019 **requested** a voucher in the same year?

(SHOW Q9A IF Q2=1) RAD PBV households: _____
9998 Data not available
9999 Web blank

(SHOW Q9B IF Q2=2) RAD PBRA households: _____
9998 Data not available
9999 Web blank

(SHOW Q9C IF Q2=3) Non-RAD PBV households: _____
9998 Data not available
9999 Web blank

(Q10, Q11, Q12 MOVED AFTER Q14)

(ASK IF Q2=1,2; IF PHA DID HAVE RAD PBV OR PBRA RESIDENTS IN 2019)

(PN: SHOW Q13A AND Q13B ON THE SAME SCREEN)

(PN: INCLUDE SMALL TEXT BOX FOR EACH WITH VALID RANGE 0-5000)

Q13A-B. For requests made in 2019, how many RAD **households** were **issued** a voucher for choice mobility in 2019?

(SHOW Q13A IF Q2=1) PBV households: _____
9998 More than one but not sure of the exact number
9999 Web blank

(SHOW Q13B IF Q2=2) PBRA households: _____
9998 More than one but not sure of the exact number
9999 Web blank

(ASK ALL)

Q14. Did your PHA have enough vouchers to grant all the requests for choice mobility vouchers in 2019?

001 Yes
002 No
999 Web blank

(Q10, Q11, Q12 MOVED AFTER Q14)

(ASK IF Q2=2; IF PHA DID HAVE RAD PBRA RESIDENTS IN 2019)

Q10. For RAD PBRA residents who want to request a voucher, what point of contact could the residents approach to request a choice mobility voucher?

001 Staff at your PHA
002 Property owner/manager
003 Both PHA staff and property owners/managers
004 Other: please specify (SPECIFY)
999 Web blank

(ASK IF Q2=1; IF PHA DID HAVE RAD PBV RESIDENTS IN 2019)

Q11. For RAD PBV residents who want to request a voucher, what point of contact could the residents approach to request a choice mobility voucher?

001 HCV staff at your PHA
002 Property owner/manager
003 Both PHA staff and property owners/managers
004 Other: please specify (SPECIFY)
999 Web blank

(ASK IF Q2=3; PHA DID HAVE NON-RAD PBV RESIDENTS IN 2019)

Q12. What point of contact could non-RAD PBV residents approach to request a voucher for Family Right to Move?

- 001 Staff at your PHA
- 002 Property owner/manager
- 003 Both PHA staff and property owners/managers
- 004 Other: please specify (SPECIFY)
- 999 Web blank

(SHOW TO ALL)

As previously mentioned, while this RAD study was developed prior to the pandemic and examines PHA operations in 2019, we do have some questions about the current circumstances.

(ASK ALL)

Q15A. In general, how has COVID-19 impacted the overall number of households requesting vouchers?

- 001 Requests have decreased
- 002 No change in requests
- 003 Requests have increased
- 999 Web blank

(ASK ALL)

Q15B. How has COVID-19 impacted the number of households requesting vouchers for choice mobility?

- 001 Requests have decreased
- 002 No change in requests
- 003 Requests have increased
- 999 Web blank

Waiting list management

(ASK ALL)

(PN: SHOW Q16A AND Q16B ON A SINGLE SCREEN)

(PN: INCLUDE SMALL TEXT BOX FOR EACH WITH VALID RANGE 1-5000)

Q16A-Q16B. As of today, how many households on the HCV waiting list are trying to move using choice mobility?

Q16A. RAD PBV households: _____

9998 More than one but not sure of the exact number

0000 No RAD PBV households

9999 Web blank

Q16B. RAD PBRA households: _____

9998 More than one but not sure of the exact number

0000 No RAD PBRA households

9999 Web blank

(ASK ALL)

(PN: INCLUDE SMALL TEXT BOX FOR EACH WITH VALID RANGE 1-100000)

Q17 As of today, how many households on the HCV waitlist are trying to move through Family Right to Move?

Non-RAD PBV households: _____

999998 More than one but not sure of the exact number

0 000000 No non-RAD PBV households

999999 Web blank

(ASK ALL)

(PN: INCLUDE SMALL TEXT BOX WITH VALID RANGE 0-100000)

Q18 As of today, how many households are on your agency's entire HCV waiting list?

All households on the waiting list: _____

999998 More than one but not sure of the exact number

999999 Web blank

Choice Mobility Lease up

(ASK IF Q2=1; IF PHA DID HAVE RAD PBV RESIDENTS IN 2019)

(PN: SHOW Q19A-Q19B ON A SINGLE SCREEN)

(PN: INCLUDE SMALL TEXT BOX FOR EACH WITH VALID RANGE 0-5000)

Q19A-Q19B Please specify how many RAD **PBV** residents who were issued a voucher in 2019 were **able and not able** to successfully lease up before voucher expiration (including lease ups in 2020)?

Q19A. PBV households **able** to successfully lease up with a voucher for choice mobility: _____
9998 More than one but not sure of the exact number
9999 Web blank

Q19B. PBV households **not able** to successfully lease up with a voucher for choice mobility: _____
9998 More than one but not sure of the exact number
9999 Web blank

(ASK IF Q2=2; IF PHA DID HAVE RAD PBRA RESIDENTS IN 2019)

(PN: SHOW Q20A-Q20B ON A SINGLE SCREEN)

(PN: INCLUDE SMALL TEXT BOX FOR EACH WITH VALID RANGE 0-5000)

Q20A-Q20B. Please specify how many RAD **PBRA** residents who were issued a voucher in 2019 were **able and not able** to successfully lease up before voucher expiration (including lease ups in 2020)?

Q20A. PBRA households **able** to successfully lease up with a voucher for choice mobility: _____
9998 More than one but not sure of the exact number
9999 Web blank

Q20B. PBRA households **not able** to successfully lease up with a voucher for choice mobility: _____
9998 More than one but not sure of the exact number
9999 Web blank

(ASK IF Q2=1,2; IF PHA DID HAVE RAD PBV OR RAD PBRA RESIDENTS IN 2019)

(PN: SHOW Q21A-Q21B ON A SINGLE SCREEN)

(PN: INCLUDE SMALL TEXT BOX FOR EACH WITH VALID RANGE 1-5000)

Q21 How many requests did your PHA receive for search-time extensions from RAD residents who were issued a voucher for choice mobility in 2019?

Requests: _____
0000 PHA did not receive any requests for search-time extensions in 2019
9999 Web blank

(ASK IF Q21=1-5000; ASK IF AT ANY REQUESTS FOR SEARCH TIME EXTENSIONS)

(PN: INCLUDE SMALL TEXT BOX FOR EACH WITH VALID RANGE 1-5000)

Q21A. How many of these search time extensions were approved?

Extensions approved: _____

0000 PHA did not approve any search-time extensions in 2019

9999 Web blank

(ASK ALL)

Q22 Does your PHA allow RAD residents to immediately re-request a choice mobility voucher if they can't find a place they want to lease?

001 Yes

002 No, there is a waiting period

999 Web blank

(ASK ALL)

Q23 For RAD properties in which the PHA is part of the ownership, if a RAD resident requests and is issued a voucher, but is unable to lease up using the voucher, does the PHA have a policy allowing the resident to remain in their unit?

001 Yes, households can remain in their unit

002 No, households must move to a new unit

003 Mixed, depends on the property

004 Not Applicable (PHA is not part of the ownership)

999 Web blank

(ASK ALL)

Q24 As previously mentioned, while this RAD study was developed prior to the pandemic and focuses on PHA operations in 2019, we do have some questions about the current circumstances. Has COVID-19 impacted search-time—the time between being issued a voucher and leasing up in a new unit—for RAD residents with a voucher for choice mobility?

001 Yes

002 No

003 PHA has not issued vouchers for choice mobility since the COVID-19 pandemic started

999 Web blank

(ASK IF Q24=1; IF SEARCH TIME IMPACTED)

Q24A. How has COVID-19 impacted search time for RAD residents with a voucher for choice mobility?

001 Increase in the amount of time between when a household receives a voucher and when they lease a new unit

002 No change

003 Decrease in the amount of time between when a household receives a voucher and when they lease a new unit

004 Don't know

999 Web blank

(SHOW TO ALL)

Next, we would like to learn more about the search assistance your PHA offers RAD residents trying to move using a voucher through choice mobility.

(ASK ALL)

Q25A. Does the PHA provide a list of landlords or properties that accept vouchers?

- 001 Yes, only to RAD residents
- 002 Yes, to both RAD and non-RAD residents
- 003 No
- 999 Web blank

(ASK ALL)

Q25B. Does the PHA provide search counseling (for example, workshops, one-on-one sessions with counselors) to residents moving with choice mobility?

- 001 Yes, only to RAD residents
- 002 Yes, to both RAD and non-RAD residents
- 003 No
- 999 Web blank

(ASK ALL)

Q25C. Does the PHA provide residents transportation to view units?

- 001 Yes, only to RAD residents
- 002 Yes, to both RAD and non-RAD residents
- 003 No
- 999 Web blank

(ASK ALL)

Q25D. Does the PHA provide any financial assistance (for example, security deposit assistance, lease application fee assistance) to residents moving with choice mobility?

- 001 Yes, only to RAD residents
- 002 Yes, to both RAD and non-RAD residents
- 003 No
- 999 Web blank

(ASK ALL)

Q25E. Does the PHA work with partners or refer residents to external organization or nonprofit to provide search assistance services (for example, transportation, security deposit)?

- 001 Yes, only to RAD residents
- 002 Yes, to both RAD and non-RAD residents
- 003 No
- 999 Web blank

(ASK IF Q25A=3 AND Q25B=3 AND Q25C=3 AND Q25D=3 AND Q25E=3; IF NO TO ALL Q25A-E))

Q25F. Does the PHA offer any other search assistance we did not ask about?

- 001 Yes
- 002 No
- 999 Web blank

Outreach and communication

(SHOW TO ALL)

Questions in this section focus on the methods of communication your PHA uses to inform residents of the choice mobility option.

(ASK ALL)

(PN: ALLOW MULTIPLE RESPONSES, CODE 9 EXCLUSIVE)

Q26 When does your PHA communicate with residents about the choice mobility option? (SELECT ALL THAT APPLY)

- 001 Prior to RAD conversion
- 002 After RAD conversion
- 003 When residents move into the property
- 004 Recertification meetings
- 005 Resident association meetings
- 006 After residents move in, but before they become eligible
- 007 When residents become eligible for choice mobility (that is, after 1 year for PBV residents, after 2 years for PBRA residents)
- 008 Other: please specify (SPECIFY)
- 009 No effort to inform residents
- 999 Web blank

(ASK ALL)

(PN: ALLOW MULTIPLE RESPONSES)

Q27 How does your PHA inform residents of the choice mobility option? (SELECT ALL THAT APPLY)

- 001 Individual notices, mail/e-mail
- 002 Individual notices, text/call
- 003 Presentations to individual residents (in person or virtually)
- 004 Presentations to groups of residents (in person or virtually)
- 005 Informal conversations with individual residents (for example, during an unrelated phone call or meeting)
- 006 Informal conversations with groups of residents (for example, during an unrelated phone call or meeting)
- 007 Posted flyers in RAD-converted buildings
- 008 Through resident associations or councils
- 009 Other: please specify (SPECIFY)
- 999 Web blank

(ASK ALL)

Q28 How informed do you believe most residents are about their right to choice mobility?

- 001 Not at all informed
- 002 Somewhat informed
- 003 Very informed
- 999 Web blank

(ASK ALL)

(PN: ALLOW MULTIPLE RESPONSES)

Q29 Based on your experience, what methods of communicating with residents about the choice mobility option have generated the most followup from residents, whether requests for vouchers or questions about the option? (SELECT ALL THAT APPLY)

- 001 Individual notices, mail/e-mail
- 002 Individual notices, text/call
- 003 Presentations to individual residents (in person or virtually)
- 004 Presentations to groups of residents (in person or virtually)
- 005 Informal conversations with individual residents (for example, during an unrelated phone call or meeting)
- 006 Informal conversations with groups of residents (for example, during an unrelated phone call or meeting)
- 007 Posted flyers in RAD-converted buildings
- 008 Through resident associations or councils
- 009 Other: please specify (SPECIFY)
- 999 Web blank

(ASK ALL)

(PN: ALLOW MULTIPLE RESPONSES; CODE 9 EXCLUSIVE)

Q30 How does your PHA tailor the materials about the choice mobility option to help make them accessible to all residents? (SELECT ALL THAT APPLY)

- 001 Translates materials into multiple languages
- 002 Distributes materials in a variety of ways
- 003 Diverse representation in photos used for materials
- 004 Use materials with plain language
- 005 Use materials with larger font
- 006 Place flyers in areas that are wheelchair accessible
- 007 Provide information in Braille or other options for visually impaired residents
- 008 Other: please specify (SPECIFY)
- 009 Does not tailor materials
- 999 Web blank

(ASK ALL)

(PN: ALLOW MULTIPLE RESPONSES; CODE 7 EXCLUSIVE)

Q31 What challenges has your PHA experienced in communicating with residents about the choice mobility option to move with a voucher? (SELECT ALL THAT APPLY)

- 001 Language
- 002 Literacy
- 003 Disability
- 004 Difficulty contacting residents
- 005 Difficulty with residents responding to outreach in general
- 006 Other: please specify (SPECIFY)
- 007 No challenges were experienced
- 999 Web blank

Property Turnover and Maintenance

•

(SHOW BEFORE Q32A IN EACH LOOP)

This next section focuses on turnover and maintenance at [NAME_PROP_X] – [ID_PROP_X] and any impact on choice mobility.

[PN: ASK Q32A THROUGH Q32B IN LOOP FOR EACH SELECTED PROPERTY;

Q32A-Q32B ASKED TO UP TO 3 PROPERTIES POPULATED IN NAME_PROP_X;

DISPLAY CORRESPONDING NAME_PROP_X AND ID_PROP_X AT THE TOP OF EACH SCREEN;

SKIPPED IF NAME_PROP_1 IS NOT POPULATED (PHA HAS AT NO PROPERTIES IN SAMPLE

SKIPPED IF NO PROPERTIES ARE CM_FLAG_PROP_X=1]

(ASK IF CM_FLAG_PROP_X=1; UP TO 3 PROPERTIES)

(PN: INCLUDE SMALL TEXT BOX WITH VALID RANGE 0-2000)

(PN: SHOW Q32A AND Q32B ON THE SAME SCREEN)

Q32A. Still thinking about property [NAME_PROP_X] – [ID_PROP_X]

What was the total number of units whose tenants left the property because they received a voucher for the choice mobility option in 2019?

Units: _____

9997 Do not track unit turnover due to choice mobility

9998 PHA does not own or manage this property

9999 Web blank

(ASK IF CM_FLAG_PROP_X=1; UP TO 3 PROPERTIES)

(PN: INCLUDE SMALL TEXT BOX WITH VALID RANGE 0-2000)

(PN: SUPPRESS CODE 9998; IF Q32A=9998 FORCE Q32B=9998)

(PN: SHOW Q32A AND Q32B ON THE SAME SCREEN)

Q32B. Still thinking about property [NAME_PROP_X] – [ID_PROP_X]

What was the total number of units whose tenants left the property **overall** in 2019? This also includes tenants who left after receiving a voucher for choice mobility.

Units: _____

9998 PHA does not own or manage this property

9999 Web blank

(ASK IF Q2=1,2; IF PHA DID HAVE RAD PBV OR PBRA RESIDENTS IN 2019)

Q33 In 2019, did the option for choice mobility increase turnover at the RAD properties the PHA owns or manages?

001 Yes, for all properties

002 Yes, for some but not all properties

003 No, for all properties

004 Not applicable, there was no turnover due to choice mobility

999 Web blank

(ASK IF Q33=1,2; IF TURNOVER INCREASED)

Q33A. In 2019, did the higher turnover due to choice mobility increase maintenance costs at the RAD properties you own or manage?

001 Yes, for all properties with increased turnover

002 Yes, for some but not all properties with increased turnover

003 No, for all properties

999 Web blank

(ASK IF Q33=1,2; IF TURNOVER INCREASED)

Q33B. In 2019, did the higher turnover due to choice mobility extend vacancies at your properties?

001 Yes, for all properties with increased turnover

002 Yes, for some but not all properties with increased turnover

003 No, for all properties

999 Web blank

(ASK ALL)

Q34 To what extent has turnover at your RAD properties since the choice mobility option became available to residents changed how responsive property managers are to residents' maintenance issues and requests?

001 Much more responsive

002 Somewhat more responsive

003 No change in responsiveness

004 Somewhat less responsive

005 Much less responsive

999 Web blank

(SHOW ALL)

Thank you for completing **Section 2: Implementation of Choice Mobility**. Please note that after you select “**Next>>**” and move forward you will no longer be able to edit your responses in this section.

[END SECTION TIMER]

[SECTION 3: FINANCIAL INFORMATION] – SKIP IF AM PHA=0

[START SECTION TIMER]

(SHOW ALL)

SEC3_INTRO. SECTION #3: FINANCIAL INFORMATION

This section covers the strategic financial management of your PHA’s RAD portfolio in general. This is a longer term asset management function distinct from the day-to-day or month-to-month budgeting and financial analysis that is more often associated with property management. It includes how financial performance is defined as a long-term goal for the property, as well as financial risk assessment.

At the bottom of each page, there is a link to the glossary that will bring up survey instructions and the survey glossary. Some key terms will also be defined within the survey. Some key terms will also be defined within the survey. For additional help with the survey, please call XXX-XXX-XXXX and press “4” for survey, or e-mail us at RADSurvey@econometricainc.com.

COVID-19

This RAD study was developed prior to the pandemic. Please approach the question in each section in a precoronavirus context – how did you do things in 2019? Scattered through the survey are questions that cover the current circumstances and potential changes to your PHA’s operations. These questions are clearly marked. We appreciate you taking the time to complete the survey, especially considering the circumstances.

(ASK ALL)

[PN: ALLOW RESPONDENTS TO RANK ITEMS 1-6; FORCE RESPONDENT TO RANK ALL 6 BEFORE MOVING ON]

Q35 When you step back to review quarterly and annual performance, please rank each of the following factors from most (1) to least (6) emphasized when analyzing the financial health of your RAD portfolio.

(To rank the factors, drag each item from the left side of the screen to the right side on the screen in your preferred order.)

We understand that all these factors are important, and your answer will not be interpreted as neglecting a factor.

- ☐ Past performance to current performance
- ☐ Progress toward longer term financial goals, including those established through the RAD conversion
- ☐ Financial risks
- ☐ Financial opportunities
- ☐ Investor needs and requirements, if applicable
- ☐ Current and future adequacy of replacement reserves

(ASK ALL)

(PN: ALLOW MULTIPLE RESPONSES)

Q36 How does financial reporting to the Board of Commissioners or chief executive officer compare between current reporting for the RAD properties and preconversion reporting for the public housing properties? (SELECT ALL THAT APPLY)

- 001 More detailed/additional reports for RAD properties
- 002 Less detailed/fewer reports for RAD properties
- 003 More frequent reporting for RAD properties
- 004 Less frequent reporting for RAD properties
- 005 Special reporting for 3rd parties (investors/funders) involved in RAD properties
- 006 New or different financial metrics for RAD properties
- 007 Other: please specify (SPECIFY)
- 999 Web blank

(ASK IF PBV_COUNT>0 AND PBRA_COUNT>0; IF HAS BOTH PBV AND PBRA)

[PN: ALLOW MULTIPLE RESPONSES]

Q37. Are there any differences in the financial reporting and analysis between your RAD PBV conversion properties and RAD PBRA conversion properties? (SELECT ALL THAT APPLY)

- 001 No difference between PBV and PBRA financial reporting
- 002 We conduct more reporting for PBRA projects
- 003 We conduct more reporting for PBV projects
- 004 Financial reporting and analyses have different purposes/goals for each type of subsidy
- 005 The people receiving or approving the financial reports are different for each type of subsidy
- 006 Other: please specify (SPECIFY)
- 999 Web blank

(ASK ALL)

(PN: RANDOMIZE ITEMS A-E; INCLUDE RANDOMIZATION VARIABLE IN DATASET)

(PN: SET UP AS A GRID)

Q38. How do you classify each of the following financial risks to the long-term preservation of your PHA's RAD portfolio?

(INSERT ITEM)

- 001 High risk
- 002 Moderate risk
- 003 Low risk
- 004 No risk
- 999 Web blank

- a. Insufficient net operating income (income over expenses)
- b. Insufficient replacement reserves to address future capital needs
- c. Changes in property costs (insurance, maintenance/construction wages, utilities, taxes)
- d. Insufficient demand (population/workforce changes, increased housing market competition)
- e. Insufficient operating cost adjustment factor (OCAF)

(ASK ALL)

Q39 In financial terms, do you think that your PHA's RAD properties are better positioned for long-term preservation after the RAD conversion?

- 001 Much better position
- 002 Somewhat better position
- 003 No change
- 004 Somewhat worse position
- 005 Much worse position
- 999 Web blank

(ASK ALL)

Q40 Does your PHA own or manage any non-RAD PBV projects or units?

- 001 Yes
- 002 No
- 999 Web blank

(ASK IF Q40=1; IF OWN OR MANAGE ANY NON-RAD PBV PROJECTS OR UNITS)

(PN: INCLUDE SMALL TEXT BOX FOR EACH WITH VALID RANGE 0-100000)

Q40A. How many non-RAD PBV units?

_____ units in _____ projects.
999999 Web blank

[PN: SKIP FSR SERIES IF TOP_9=1]

(SHOW IF ((PBV_COUNT>0 OR Q40=1) AND ANY LTP_FLAG_PROP_1-20=1 AND TOP_9=0))

FSR_INTRO. This evaluation includes an analysis of the financial health and long-term preservation of RAD projects compared with non-RAD PBRA, PBV, and public housing projects. To assist with this analysis, we are requesting certain financial statements from survey respondents.

(ASK IF PBV_COUNT>0 AND Q40=2 AND ANY LTP_FLAG_PROP_1-20=1 AND TOP_9=0)

[PN: FORCE RESPONSES IN BOTH TEXT BOXES]

FSR1. Please provide the name and e-mail address of someone who can provide recent financial statements for your PHA's RAD PBV conversions. We would like "owner-certified" financial statements (audited or unaudited) from the first year of operation as a RAD property through FY 2020, if available. We will send a detailed request and instructions to the person you identify.

Name: _____
E-mail: _____

(ASK IF PBV_COUNT=0 AND Q40=1 AND ANY LTP_FLAG_PROP_1-20=1 AND TOP_9=0)

[PN: FORCE RESPONSES IN BOTH TEXT BOXES]

FSR2. Please provide the name and e-mail address of someone who can provide recent financial statements for a sample of your PHA's non-RAD PBV projects or units. We would like "owner-certified" financial statements (audited or unaudited) for a sample of up to ten non-RAD PBV projects owned and managed by the PHA from FY 2015 through FY 2020, if available. We will send a detailed request and instructions.

Name: _____

E-mail: _____

(ASK IF PBV_COUNT>0 AND Q40=1 AND ANY LTP_FLAG_PROP_1-20=1 AND TOP_9=0)

[PN: FORCE RESPONSES IN NAME 1 AND E-MAIL 1 ONLY]

FSR3. Please provide the name(s) and e-mail address(es) of someone who can provide available and recent financial statements for your PHA's RAD PBV conversions and for a sample of your PHA's non-RAD PBV projects or units. We would like "owner-certified" financial statements (audited or unaudited) for all RAD PBV conversions and for a sample of up to ten non-RAD PBV projects owned and operated by the PHA from FY 2015 through FY 2020, if available. We will send a detailed request and instructions to the person or people you identify.

Contact for RAD PBV Financial Information:

Name 1: _____

E-mail 1: _____

Contact for non-RAD PBV Financial Information (if different than above):

Name 2: _____

E-mail 2: _____

(SHOW ALL)

Thank you for completing **Section 3: Financial Information**.

[END SECTION TIMER]

SECTION 4: ASSET MANAGEMENT – SKIPPED IF AM PHA=0

[START SECTION TIMER]

(SHOW ALL)

SEC4_INTRO. **SECTION #4: ASSET MANAGEMENT**

This section covers your PHA's asset management activities for its RAD portfolio and in comparison with any non-RAD PHA-owned properties. Asset management typically involves a series of interrelated functions or activities designed to enhance the physical stability and financial performance of income-producing properties over the long term. Some or all these functions may be performed directly by your PHA or prepared by others and reported to your PHA, for example, by the property owner, if the owner is separate from the PHA, or by the property management company, or if property management is contracted out.

At the bottom of each page, there is a link to the glossary that will bring up survey instructions and the survey glossary. Some key terms will also be defined within the survey. Some key terms will also be defined within the survey. For additional help with the survey, please call XXX-XXX-XXXX and press "4" for survey, or e-mail us at RADSurvey@econometricainc.com.

COVID-19

This RAD study was developed prior to the pandemic. Please approach the question in each section in a precoronavirus context—how did you do things in 2019? Scattered through the survey are questions that cover the current circumstances and potential changes to your PHA's operations. These questions are clearly marked. We appreciate you taking the time to complete the survey, especially considering the circumstances.

General Asset Management

(SHOW TO ALL)

This section covers asset management across the PHA. For this RAD evaluation, we have defined asset management as a series of interrelated functions or activities designed to enhance the physical stability and financial performance of income-producing properties over the long term. Asset management for affordable housing also involves balancing priorities while managing resource constraints, most notably limits on rents.

(ASK ALL)

(PN: ALLOW MULTIPLE RESPONSES)

Q41 Besides RAD, which of the following property types or programs does your PHA currently own, operate, manage, or in some other way participate? (SELECT ALL THAT APPLY)

(Some properties may qualify under multiple options.)

- 001 Public Housing
- 002 Non-RAD PBV projects
- 003 Non-RAD PBRA projects
- 004 Non-RAD housing funded by LIHTCs
- 005 Other affordable housing
- 006 Market rate housing
- 007 Commercial/retail property
- 999 Web blank

(ASK ALL)

[PN: ALLOW RESPONDENTS TO RANK ITEMS 1-7; FORCE RESPONDENT TO RANK ALL 7 BEFORE MOVING ON]

Q42. In your PHA's **overall** oversight and asset management of all the properties owned by the PHA, rank the following asset management functions from most (1) to least (7) emphasized

(To rank the functions, drag each item from the left side of the screen to the right side on the screen in your preferred order.)

We understand that all these functions are important, and your answer will not be interpreted as neglecting a function.

- ☐ Long Range or Strategic Planning (that is, developing/updating a property business plan, developing a strategy for property plans 10–15 years in the future)
- ☐ Capital Planning (that is, capital repairs to occur 2 or more years in the future, refinancing and recapitalization plans, updating physical/capital needs assessments)
- ☐ Budgeting (that is, examining multiyear trends in revenue and expenses, reviewing annual operating and capital plans and budgets)
- ☐ Operational Efficiency (that is, monitoring property management performance, identifying and evaluating cost savings, and so on)
- ☐ Financial Reporting and Analysis (that is, analysis of financial ratios)
- ☐ Compliance and Reporting (that is, meeting RAD and other program requirements such as affordability and income limits, reporting to oversight entities)
- ☐ Assessment of External Factors (that is, market research, insurance, taxes, legal issues)

(ASK ALL)

[PN: ALLOW RESPONDENTS TO RANK ITEMS 1-7; FORCE RESPONDENT TO RANK ALL 7 BEFORE MOVING ON]

Q43. For your PHA's **RAD properties**, rank the following asset management functions from most (1) to least (7) emphasized.

(To rank the functions, drag each item from the left side of the screen to the right side on the screen in your preferred order.)

(We understand that all these functions are important, and your answer will not be interpreted as neglecting a function.)

- ☐ Long Range or Strategic Planning (that is, developing/updating a property business plan, developing a strategy for property plans 10–15 years in the future)
- ☐ Capital Planning (that is, capital repairs to occur 2 or more years in the future, refinancing and recapitalization plans, updating physical/capital needs assessments)
- ☐ Budgeting (that is, examining multiyear trends in revenue and expenses, reviewing annual operating and capital plans and budgets)
- ☐ Operational Efficiency (that is, monitoring property management performance, identifying and evaluating cost savings, and so on)
- ☐ Financial Reporting and Analysis (that is, analysis of financial ratios)
- ☐ Compliance and Reporting (that is, meeting RAD and other program requirements such as affordability and income limits, reporting to oversight entities)
- ☐ Assessment of External Factors (that is, market research, insurance, taxes, legal issues)

(ASK ALL)

- Q44 For your PHA's RAD properties, are there significant differences in your approach to operations and asset management within the RAD portfolio (for example, do you monitor different things, produce different reports, conduct a different budgeting process, and have different approaches to measuring performance and goals for specific RAD properties)?

001 Yes
002 No
999 Web blank

(ASK IF Q44=1; IF SIGNIFICANT DIFFERENCES)

(PN: INSERT SINGLE LARGE OPEN ENDED TEXT BOX)

- Q44A. Please list the RAD properties that are operated/managed differently and describe the reasons that your asset management approach is different for these specific properties.

OPEN END
999 Web blank

(ASK IF PBV_COUNT>0 AND PBRA_COUNT>0; IF HAS BOTH PBV AND PBRA)

(PN: ALLOW MULTIPLE RESPONSES; CODE 1 EXCLUSIVE)

- Q45 Is there a difference between your approach to each of the following asset management functions for RAD PBV conversions and for RAD PBRA conversions? (SELECT ALL THAT APPLY)

Select each function where the approach differs.

001 No difference in approach to RAD PBV and PBRA conversions
002 Long Range or Strategic Planning (that is, developing/updating a property business plan, developing a strategy for property plans 10–15 years in the future)
003 Capital Planning (that is, capital repairs to occur 2 or more years in the future, refinancing and recapitalization plans, updating physical/capital needs assessments)
004 Budgeting (that is, examining multiyear trends in revenue and expenses, reviewing annual operating and capital plans and budgets)
005 Operational Efficiency (that is, monitoring property management performance, identifying and evaluating cost savings, and so on)
006 Financial Reporting and Analysis (that is, analysis of financial ratios)
007 Compliance and Reporting (that is, meeting RAD and other program requirements such as affordability and income limits, reporting to oversight entities)
008 Assessment of External Factors (that is, market research, insurance, taxes, legal issues)
999 Web blank

(ASK IF Q45 = 2-8; ASK IF ANY DIFFERENCE SELECTED)

(PN: INSERT SINGLE LARGE OPEN ENDED TEXT BOX)

(PN: INSERT ITEMS SELECTED IN Q45)

- Q45A. For the asset management functions selected, please describe the differences between RAD PBV and PBRA conversions.

(INSERT ITEMS SELECTED IN Q45 AS LIST)

OPEN END
999 Web blank

(ASK IF PBV_COUNT>0 AND Q41=2; IF HAS RAD PBV and non-RAD PBV UNITS)

(PN: ALLOW MULTIPLE RESPONSES; CODES 1 AND 2 ARE EXCLUSIVE)

Q46 Is there a difference between your approach to each of the following functions for RAD PBV properties compared with non-RAD PBV properties that your PHA owns or manages? (SELECT ALL THAT APPLY)

Select each function where the approach differs.

- 001 My PHA does not own or manage non-RAD PBV projects or units (that is, we are only the contract administrator)
- 002 No difference in approach to RAD PBV and non-RAD PBV properties
- 003 Long Range or Strategic Planning (that is, developing/updating a property business plan, developing a strategy for property plans 10–15 years in the future)
- 004 Capital Planning (that is, capital repairs to occur 2 or more years in the future, refinancing and recapitalization plans, updating physical/capital needs assessments)
- 005 Budgeting (that is, examining multiyear trends in revenue and expenses, reviewing annual operating and capital plans and budgets)
- 006 Operational Efficiency (that is, monitoring property management performance, identifying and evaluating cost savings, and so on)
- 007 Financial Reporting and Analysis (that is, analysis of financial ratios)
- 008 Compliance and Reporting (that is, meeting RAD and other program requirements such as affordability and income limits, reporting to oversight entities)
- 009 Assessment of External Factors (that is, market research, insurance, taxes, legal issues)
- 999 Web blank

(ASK IF Q46 = 3-9; ASK IF ANY DIFFERENCE SELECTED)

(PN: INSERT SINGLE LARGE OPEN ENDED TEXT BOX)

(PN: INSERT ITEMS SELECTED IN Q46)

Q46A. For the asset management functions selected, please describe the differences between RAD and non-RAD PBV units.

(INSERT ITEMS SELECTED IN Q46 AS LIST)

OPEN END

999 Web blank

(ASK IF PBRA_COUNT>0 AND Q41=3; IF HAS RAD PBRA and non-RAD PBRA UNITS)

(PN: ALLOW MULTIPLE RESPONSES; CODE 1 EXCLUSIVE)

Q47 Is there a difference between your approach to each of the following functions for RAD PBRA properties compared with non-RAD PBRA properties? (SELECT ALL THAT APPLY)

Select each function where the approach differs.

- 001 No difference in approach to RAD PBRA and non-RAD PBRA properties
- 002 Long Range or Strategic Planning (that is, developing/updating a property business plan, developing a strategy for property plans 10–15 years in the future)
- 003 Capital Planning (that is, capital repairs to occur 2 or more years in the future, refinancing and recapitalization plans, updating physical/capital needs assessments)
- 004 Budgeting (that is, examining multiyear trends in revenue and expenses, reviewing annual operating and capital plans and budgets)
- 005 Operational Efficiency (that is, monitoring property management performance, identifying and evaluating cost savings, and so on)
- 006 Financial Reporting and Analysis (that is, analysis of financial ratios)
- 007 Compliance and Reporting (that is, meeting RAD and other program requirements such as affordability and income limits, reporting to oversight entities)
- 008 Assessment of External Factors (that is, market research, insurance, taxes, legal issues)
- 999 Web blank

(ASK IF Q47 = 2-8; ASK IF ANY DIFFERENCE SELECTED)

(PN: INSERT SINGLE LARGE OPEN ENDED TEXT BOX)

(PN: INSERT ITEMS SELECTED IN Q47)

Q47A. For each asset management function selected, please describe the differences between RAD and non-RAD PBRA properties.

(INSERT ITEMS SELECTED IN Q47 AS LIST)

OPEN END

999 Web blank

(ASK ALL)

(PN: RANDOMIZE ITEMS A-G; INCLUDE RANDOMIZATION VARIABLE IN DATASET)

(PN: SET UP AS A GRID)

Q48A-Q48G For the following asset management functions, how has the emphasis changed for the RAD properties compared with pre-RAD public housing?

(INSERT ITEM)

- 001 Much more emphasis in RAD than pre-RAD Public Housing
- 002 A little more emphasis in RAD than pre-RAD Public Housing
- 003 No change in emphasis between RAD and pre-RAD Public Housing
- 004 A little less emphasis in RAD than pre-RAD Public Housing
- 005 Much less emphasis in RAD than pre-RAD Public Housing
- 999 Web blank

- a. Long Range or Strategic Planning (that is, developing/updating a property business plan, developing a strategy for property plans 10–15 years in the future)
- b. Capital Planning (that is, capital repairs to occur 2 or more years in the future, refinancing and recapitalization plans, updating capital/physical needs assessments)
- c. Budgeting (that is, examining multiyear trends in revenue and expenses, reviewing annual operating and capital plans and budgets)
- d. Operational Efficiency (that is, monitoring property management performance, identifying and evaluating cost savings, and so on)
- e. Financial Reporting and Analysis (that is, analysis of financial ratios)
- f. Compliance and Reporting (that is, meeting RAD and other program requirements such as affordability and income limits, reporting to oversight entities)
- g. Assessment of External Factors (that is, market research, insurance, taxes, legal issues)

Oversight of RAD Asset Management

(SHOW TO ALL)

Whether or not your PHA owns or manages the RAD properties, in almost all cases it does have an interest in the long-term viability and preservation of RAD converted properties as affordable housing.

(ASK ALL)

(PN: ALLOW MULTIPLE RESPONSES)

Q49. Does PHA staff coordinate oversight of RAD properties with any of the following entities? (SELECT ALL THAT APPLY)

- 001 PHA Board
- 002 LIHTC investors
- 003 Lenders
- 004 State agencies (for example, HFA)
- 005 HUD Field Office
- 006 HUD Headquarters
- 007 Municipal or local government agencies
- 008 Other: please specify (SPECIFY)
- 999 Web blank

(ASK ALL)

(PN: ALLOW MULTIPLE RESPONSES; UP TO 3)

- Q50. Asset management experts agree that the choice of property manager is one of the most consequential decisions that an asset manager makes. At the time of the RAD conversion, which factors were most important in determining who would provide property management services for your post-conversion RAD properties?

Select up to 3 responses

- 001 Capacity to effectively manage affordable housing
- 002 Capacity to deliver or coordinate resident services
- 003 Cost
- 004 Continuation of existing arrangements
- 005 Labor issues with respect to current workforce (for example, avoid layoffs, retirement plan)
- 006 Experience with HUD systems and reporting requirements
- 007 Experience with nonpublic housing residential property management
- 008 Compliance experience with Section 8 PBV (if applicable)
- 009 Compliance experience with Section 8 PBRA (if applicable)
- 010 Compliance experience with LIHTC (if applicable)
- 011 Other: please specify (SPECIFY)
- 999 Web blank

(ASK ALL)

(PN: INCLUDE SMALL TEXT BOX FOR EACH WITH VALID RANGE 0-997)

- Q50A. How many properties have property management contracted out to a third party?

_____ properties

- 998 PHA does not own or manage properties
- 999 Web blank

(ASK ALL)

(PN: INSERT 'this property' IF MORE EXACTLY ONE PROPERTY IN SAMPLE; INSERT 'more properties' IF MULTIPLE PROPERTIES IN SAMPLE)

- Q51. In general, are you satisfied with the property management arrangements at the RAD properties?

- 001 Yes, they are working out well
- 002 It would have been better to contract out property management for [this property/more properties]
- 003 It would have been better to keep property management in house for ~~more~~ [this property/more properties]
- 004 No, there have been unexpected difficulties (for example, replacing property management staff or companies)
- 005 Too soon to tell
- 999 Web blank

(ASK ALL)

Q52. In terms of asset management and operations, do you think that your PHA's RAD properties are better positioned for long-term preservation after the RAD conversion?

- 001 Much better position
- 002 Somewhat better position
- 003 No change
- 004 Somewhat worse position
- 005 Much worse position
- 999 Web blank

Asset Management Activities

(SHOW ALL)

The following questions focus on activities common to general real estate asset management. Your answers will help us assess the similarities and differences between RAD asset management and private-sector asset management.

(ASK ALL)

Q53. In general, does each RAD property have a business plan or a strategic plan?

- 001 Yes
- 002 No
- 999 Web blank

(ASK IF Q53=1; IF HAS BUSINESS PLAN OR STRATEGY)

Q53A. In general, how often are the business or strategic plans updated?

- 001 Annually or more frequently
- 002 Every 2 to 4 years
- 003 Every 5 years
- 004 Less frequently than 5 years or only when necessary
- 005 No updates are scheduled or expected
- 999 Web blank

(ASK IF Q53=1; IF HAS BUSINESS PLAN OR STRATEGY)

(PN: ALLOW MULTIPLE RESPONSES)

Q53B. What goals are explicitly addressed in the business or strategic plan? (SELECT ALL THAT APPLY)

- 001 Maximizing value
- 002 Minimizing risks
- 003 Ensuring compliance
- 004 Improving efficiency
- 005 Preserving affordability
- 006 Capital investment and replacement reserves
- 007 Other: please specify (SPECIFY)
- 999 Web blank

(ASK IF Q53=1; IF HAS BUSINESS PLAN OR STRATEGY)

Q53C. Does the PHA Board approve the business or strategic plan?

- 001 Yes
- 002 No
- 999 Web blank

(ASK ALL)

Q54. What is the primary way your PHA tracks property data?

- 001 Excel spreadsheets
- 002 Excel template or toolkit
- 003 Commercial asset management software
- 004 Accounting software
- 005 E-mail correspondence
- 006 Paper files
- 007 Other: please specify (SPECIFY)
- 999 Web blank

(ASK ALL)

Q55. Does your PHA use a toolkit or template to conduct performance assessments or “risk ratings” for the RAD properties?

- 001 Yes, we use a 3rd party toolkit/template (for example, AHIC)
- 002 Yes, we use a template from HUD or developed by another PHA
- 003 Yes, we use a custom template that we developed
- 004 No
- 999 Web blank

(ASK ALL)

Q56. How often do you conduct or update a physical/capital needs assessment at your RAD properties?

- 001 Annually
- 002 Every 2 to 4 years
- 003 Every 5 years
- 004 Every 6 to 10 years
- 005 No plan to conduct or update a needs assessment in the next 10 years
- 999 Web blank

(ASK ALL)

Q57. How often does staff assigned as an asset manager or, in the absence of such staff, the PHA leadership purposefully walk or drive around and observe the neighborhood around one of your PHA's RAD properties?

- 001 Weekly
- 002 Bi-weekly
- 003 Monthly
- 004 Quarterly
- 005 Semi-annually
- 006 Annually
- 007 Rarely or Never
- 999 Web blank

(ASK ALL)

(PN: RANDOMIZE ITEMS A-F; INCLUDE RANDOMIZATION VARIABLE IN DATASET)

(PN: SET UP AS A GRID)

Q58A-Q58F. How often do you meet with the following to discuss a specific RAD property or the PHA's RAD portfolio?

(INSERT ITEM)

- 001 Often (at least once a month)
- 002 Quarterly
- 003 At least once a year
- 004 Only when necessary
- 005 Rarely or Never
- 999 Web blank

- a. Property management staff
- b. PHA leadership
- c. PHA Board of Directors/Commissioners
- d. Residents (informally, formally, or through the Resident Council)
- e. Lenders and/or investors (if applicable)
- f. Legal, accounting, and other professional staff

(ASK ALL)

Q59. Do you have a schedule or list of asset management activities and deadlines?

- 001 Yes
- 002 No
- 999 Web blank

(ASK IF Q59=1; IF THE PHA HAS A SCHEDULE/LIST OF AM ACTIVITIES)

(PN: ALLOW MULTIPLE RESPONSES)

Q59A. What does the schedule or list of asset management activities and deadlines include? (SELECT ALL THAT APPLY)

- 001 Compliance submission deadlines
- 002 Regular meetings with ownership
- 003 Regular meetings with property management staff
- 004 Regular financial reviews
- 005 Site visits
- 006 A schedule/process for annual budget preparation
- 007 Other: please specify (SPECIFY)
- 999 Web blank

(ASK ALL)

(PN: ALLOW MULTIPLE RESPONSES; CODE 5 EXCLUSIVE)

Q60. Does your PHA or asset management staff belong to a local, state, or national real estate management or ownership association or advocacy group? (SELECT ALL THAT APPLY)

- 001 Local group
- 002 State or regional group
- 003 NAHRO, PHADA, or CLPHA
- 004 Another national group
- 005 None of the above
- 999 Web blank

(ASK ALL)

Q61. How often does PHA asset management staff or leadership attend a training program or conference exclusively focused on long-term asset management or real estate business planning?

- 001 Once or twice a year
- 002 Once every 2 or 3 years
- 003 Less often than every 3 years
- 004 Never
- 999 Web blank

COVID-19 RESPONSE

(SHOW TO ALL)

The COVID-19 pandemic is ongoing, but it provides an opportunity to assess the value of asset management, to identify core asset management principles, and to change or improve asset management practices.

(ASK ALL)

Q62. While no one was completely prepared for the disruptions caused by COVID-19, how prepared and able to respond was your PHA?

- 001 Very prepared
- 002 Somewhat prepared
- 003 Not too prepared
- 004 Not prepared at all
- 999 Web blank

(ASK ALL)

Q63. Were there differences in how your PHA responded to COVID-19 at your RAD properties and at other properties?

- 001 Yes
- 002 No
- 999 Web blank

(ASK IF Q63=1; IF THERE WERE DIFFERENCES)

(PN: INSERT LARGE OPEN END TEXT BOX)

Q63A. Please describe the differences. In particular, were there differences in available financial resources?

- OPEN END
- 999 Web blank

(ASK ALL)

(PN: INSERT LARGE OPEN END TEXT BOX)

Q64. Can you identify one thing as an asset manager that really helped your PHA in responding to COVID-19?

- OPEN END
- 999 Web blank

(ASK ALL)

(PN: INSERT LARGE OPEN END TEXT BOX)

Q65. Can you identify one thing as an asset manager that you wish you had but didn't in responding to COVID-19?

- OPEN END
- 999 Web blank

Asset Management Conclusion

(ASK ALL)

(PN: INSERT LARGE OPEN END TEXT BOX)

COMMENT. Thank you for participating in this survey. If you have recommendations for improving asset management of RAD properties in general, or if you have additional thoughts about any of the topics covered in this section, please add them below. You can also send comments and thoughts to RADSurvey@econometricainc.com.

OPEN END

999 Web blank

(SHOW ALL)

Thank you for completing **Section 4: Asset Management**. Please note that after you select “**Next>>**” and move forward you will no longer be able to edit your responses in this section.

[END SECTION TIMER]

[CLOSING SCREEN]

(SHOW ALL)

All sections are now **fully completed**. Thank you for your time.

Appendix D: Owner-Operator Survey Instrument

Job #T1084

RAD Owner-Operator Survey Questionnaire

[PN: START SECTION TIMER]

[PASSCODE SCREEN]



Thank you for participating in the Rental Assistance Demonstration (RAD) Choice Mobility and Long-Term Affordability Evaluation.

To access the survey, please enter your password in the box below. Your password appears in the e-mail or letter we sent you.

[INSERT TEXTBOX FOR PASSCODE AND 'START' BUTTON]

Here are some helpful hints:

- Your answers will be used for research purposes only. You are not required to answer any question you do not wish to answer.
- Please do not use your browser's back button to go back to previous questions. Instead, use the navigation buttons on each web page to move through the survey.
- For additional help with the survey, please call XXX-XXX-XXXX or e-mail us at RADSurvey@econometricalnc.com.

[INTRODUCTION – PART 1]

Welcome to the Property Owner and Operator survey for the RAD Choice Mobility and Long-Term Affordability Evaluation.

Three research companies—Econometrica, the Urban Institute, and SSRS—are under contract to HUD to conduct this survey about the RAD program (public housing component). You have been identified by **[PN INSERT: PHA_NAME]** or through administrative data as a key contact to complete this survey because you are the owner or general managing partner of one or more RAD properties. This survey asks about your experiences with the RAD program. Your responses will remain strictly confidential. Neither you nor your organization will be identified in reporting findings to HUD or anyone else.

This survey will be given to all RAD property owners or general managing partners not directly affiliated with a PHA to allow researchers to understand (1) the implementation and results of the choice mobility option for residents of properties converted to PBV or PBRA developments under the RAD program and (2) the long-term financial viability and asset management of RAD developments.

Findings from this study will enable HUD to:

- Identify effects of the choice mobility option on RAD properties;
- Identify models of asset management of RAD properties.

Click “Next>>” to continue.

[INTRODUCTION – PART 2]

The survey consists of two sections and should take about 20 minutes to complete. Any information you provide will be confidential to the extent permitted by law. All of your responses to the questions will be combined with responses from PHAs and property owners and general managing partners of other RAD developments. These responses will only be used for research purposes and will NOT be used for compliance. HUD will receive a copy of the survey responses with all personally identifying information, company information, and RAD development identifiers removed.

For additional help with the survey, please call XXX-XXX-XXXX or e-mail us at RADSurvey@econometricalnc.com.

This survey was approved by the U.S. Office of Management and Budget. The OMB control number is 2528-0330 and expires on 07/31/2024.

Privacy Act Statement

Authority: Section 502 (g) of the Housing and Urban Development Act of 1970 (Public Law 91-609) (12 U.S.C. §§ 1701z-1; 1701z-2(d) and (g)).

Purpose: Evaluation of the Rental Assistance Demonstration (RAD) program.

Routine Use(s): The information will be used for the purpose set forth above and may be provided to Congress or other federal, state, and local agencies, when determined necessary.

Disclosure: Disclosure of personal information is voluntary. Failure to disclose the personal information requested will not affect individuals.

System of Records Notice (SORN): PD&R/RRE.01 published in the Federal Register on January 22, 2015 (FR-5843-N-01), <https://www.govinfo.gov/content/pkg/FR-2015-01-22/html/2015-01029.htm>.

Click “Next>>” to continue.

[SCREENER]

(ASK IF IREMS=1; IF SAMPLE COMES FROM IREMS DATABASE)

(PN: ALLOW MULTIPLE RESPONSES)

SCR1. To ensure you are eligible for the survey, please select the relevant forms of ownership for ANY RAD conversions you own or operate. (SELECT ALL THAT APPLY)

- 001 The PHA continues to own the project
- 002 An affiliate entity in which the PHA is the sole owner or member
- 003 Another public or nonprofit entity not affiliated with the PHA
- 004 LIHTC entity with the PHA (or PHA-affiliated entity) as the sole general partner / managing member
- 005 LIHTC entity with the PHA (or PHA-affiliated entity) as one of many general partners / managing members
- 006 LIHTC entity with the PHA (or PHA-affiliated entity) as a passive partner
- 007 LIHTC entity where the PHA is not a partner and retains control through a long-term ground lease
- 008 Control Agreement with other ownership and control arrangements approved by HUD
- 999 Web blank

[PN: IF SCR1=3 OR SCR1=6 OR SCR1=7 OR SCR1=8 CONTINUE TO MAIN SURVEY]

[PN: IF SCR1≠3 AND SCR1≠6 AND SCR1≠7 AND SCR1≠8, THANK AND TERMINATE – SHOW SCR1 TERM TEXT – RECORD AS ‘SCR1 – IREMS NOT ELIGIBLE’]

[PN: CS3 TERMINATION TEXT: "Based on the information you provided, this survey does not apply to you. Thank you for your time"]

[SURVEY INSTRUCTIONS]

[PN: SHOW SURVEY INSTRUCTIONS TO SAMPLED OWNER/MANAGER ONLY]

(SHOW TO ALL)

[PN: FORCE RESPONSES]

[PN: PROGRAM AS GRID]

[PN: IN 'Section Status' COLUMN SHOW 'INCOMPLETE' WITH RED INDICATOR IF SECTION NOT STARTED OR NOT FINISHED; SHOW 'COMPLETE' WITH GREEN INDICATOR IS SECTION IS COMPLETE]

SEC1–SEC2. This survey consists of two sections that ask a series of questions about the RAD properties you own or operate. An overview of the questions in each section can be found in the table below.

You can preview a full version of the survey [here](#). [PN: LINK TO 'PLAIN TEXT' VERSION OF SURVEY].

While we ***strongly*** encourage **you** to complete as many sections as possible, we understand that in some cases only specialized staff members may be able to answer specific sections. Please select which sections you will answer and which sections you would like us to pass along to someone else.

Please note: Once you complete a section you will not be able to change your responses.

RAD Property Owner and Manager Survey

Section	Topics Covered	Who will complete this section?	Section Status
Section 1. Implementation of Choice Mobility	Information on how Choice Mobility has been implemented in your RAD portfolio.	1 Complete myself 2 E-mail to someone else	SHOW INCOMPLETE/ COMPLETE ICON
Section 2. Asset Management and Long-Term Preservation	Information on the asset management and long-term preservation of your RAD portfolio.	1 Complete myself 2 E-mail to someone else	SHOW INCOMPLETE/ COMPLETE ICON

Click “Next>>” to continue.

[PN: SHOW SEC_1_PASS, SEC_2_PASS ON SINGLE SCREEN, IF APPLICABLE]

(ASK IF SEC_1=2; PASSED ALONG SECTION 1)

[PN: FORCE RESPONSE TO SEC1_NAME AND SEC1_E-MAIL; DO NOT FORCE SEC1_PHONE]

SEC1_PASS. Could you provide contact information for the person we should contact about **Section 1:**

Implementation of Choice Mobility?

SEC1_NAME.	FULL NAME:	_____
SEC1_E-MAIL.	E-MAIL ADDRESS:	_____
SEC1_PHONE.	PHONE NUMBER:	_____

(ASK IF SEC_2=2; PASSED ALONG SECTION 2)

[PN: FORCE RESPONSE]

[PN: FORCE RESPONSE TO SEC2_NAME AND SEC2_E-MAIL; DO NOT FORCE SEC2_PHONE]

SEC2_PASS. Could you provide contact information for the person we should contact about **Section 2: Asset Management and Long-Term Preservation?**

SEC2_NAME.	FULL NAME:	_____
SEC2_E-MAIL.	E-MAIL ADDRESS:	_____
SEC2_PHONE.	PHONE NUMBER:	_____

Click “Next>>” to continue.

[PN: E-MAIL DIRECT LINK TO CORRESPONDING SURVEY SECTION TO E-MAIL ADDRESSES PROVIDED. IF SAME E-MAIL GIVEN FOR MULTIPLE SECTIONS, SEND AS A SINGLE SURVEY LINK]

[PN: IF SEC_1=1 OR SEC_2=1 CONTINUE TO CORRESPOND SECTIONS;

IF SEC_1=2 AND SEC_2=2. SHOW TEXT: *“Thank you for sharing this survey with your colleagues. Even though you have indicated you will not complete any of the sections yourself, you may still receive periodic reminders that they have not completed their assigned section(s). If that is the case, we ask that you please reach out to them and encourage them to complete their section(s).”*]

Click “Next>>” to continue.

[END SECTION TIMER]

[SECTION 1: IMPLEMENTATION OF CHOICE MOBILITY]

[START SECTION TIMER]

(SHOW ALL)

SEC1_INTRO. **SECTION #1: IMPLEMENTATION OF CHOICE MOBILITY**

Questions in this section focus on the role of property owners and operators in choice mobility implementation and communication, as well as the effect of choice mobility on property turnover and maintenance.

At the bottom of each page, there is a link to the glossary. Some key terms will also be defined within the survey. For additional help with the survey, please call XXX-XXX-XXXX and press “4” for survey, or e-mail us at RADSurvey@econometricalnc.com.

Under RAD, residents have a right called choice mobility. Unless an exception was granted at the time of conversion, properties that convert assistance must provide residents the choice of moving with continuing tenant-based rental assistance using a Housing Choice Voucher (HCV) within an established time after conversion. For project-based voucher (PBV) properties, this timeframe is 1 year after the resident moves into the unit, and for Section 8 Project-based Rental Assistance (PBRA) properties the timeframe is 2 years.

Choice mobility does not mean that a voucher will be received immediately on request; rather, the household gets first priority for a voucher when one becomes available. For more information about Choice Mobility, see [RAD Fact Sheet #9: Choice Mobility](#) or [Notice H-2019-09/PIH-2019-23 \(HA\)](#).

This section collects property-level information on the RAD properties in which you or your company has an ownership interest.

Please note: Once you complete a section you will not be able to change your responses. You can preview a full version of the survey [here](#). [PN: LINK TO ‘PLAIN TEXT’ VERSION OF SURVEY].

COVID-19

This RAD study was developed prior to the pandemic. Please approach the questions in each section in a precoronavirus context—how did you do things in 2019? Scattered through the survey are questions that cover the current circumstances and potential changes to your organization’s operations. These questions are clearly marked. Given the circumstances, we do appreciate you taking the time to complete this survey.

Click “Next>>” to continue.

(ASK ALL)

[PN : ALLOW MULTIPLE RESPONSES ; CODE 4 EXCLUSIVE]

Q1. This survey asks about residents living in RAD properties in 2019. Please indicate below if you had any residents in the following units during that year. (SELECT ALL THAT APPLY)

- 001 Any of your properties had **RAD PBV** residents in 2019
- 002 Any of your properties had **RAD PBRA** residents in 2019
- 003 Any of your properties had **non-RAD PBV** residents in 2019
- 004 Properties had no RAD residents or non-RAD PBV residents in 2019
- 999 Web blank

(ASK IF Q1=1,2; IF HAD RAD PBV OR RAD PBRA RESIDENTS)

Q2. Prior to receiving this survey, did you know about the choice mobility option?

- 001 Yes
- 002 No
- 003 To some extent
- 999 Web blank

[ROLE IN CHOICE MOBILITY IMPLEMENTATION AND COMMUNICATION]

[PN: ASK Q3A THROUGH Q3B IN LOOP FOR UP TO 3 PROPERTIES IN SAMPLE;

DISPLAY CORRESPONDING NAME_PROP_X AND ID_PROP_X AT THE TOP OF EACH SCREEN]

(SHOW IF Q1=2 OR SUBTYPE_PROP_1='PBRA' OR SUBTYPE_PROP_2='PBRA' OR SUBTYPE_PROP_3='PBRA'; IF ANY RAD PBRA PROPERTIES; SHOW FOR FIRST PROPERTY ONLY)

For RAD PBRA properties, PHAs may limit the number of choice-mobility moves from any given property in a year to 15 percent.

While we use the term “properties” in the following questions, the reference is to specific RAD projects. A development or property may have multiple RAD projects.

Next, we would like to know more about each PBRA RAD conversion that you or your company owns or operates.

Click “Next>>” to continue.

(ASK IF Q1=2 OR SUBTYPE_PROP_1='PBRA' OR SUBTYPE_PROP_2='PBRA' OR SUBTYPE_PROP_3='PBRA'; IF ANY RAD PBRA PROPERTIES)

Q3A. Please now think about [NAME_PROP_X] – [ID_PROP_X].

Was the number of choice mobility moves limited to 15 percent of all units in the project in 2019?

- 001 Yes
- 002 No
- 998 Don't know
- 999 Web blank

(ASK IF Q3A=1; IF CHOICE MOBILITY MOVES LIMITED)

Q3B. Are you responsible for tracking choice mobility moves and the limits at [NAME_PROP_X] – [ID_PROP_X]?

- 001 Yes
- 002 No
- 998 Don't know
- 999 Web blank

(ASK IF CM_ELIGIBLE=1 AND Q1=1,2; ASK IF OWNER HAS CM ELIGIBLE PROPERTIES)

(PN: ALLOW MULTIPLE RESPONSES)

Q4. For residents at your RAD PBV or PBRA properties that are eligible to request a voucher, what point of contact could residents approach to request a choice mobility voucher?

- 001 Staff at the PHA
- 002 Property owner/manager
- 003 Other, please specify (SPECIFY)
- 999 Web blank

(ASK IF CM_ELIGIBLE=1 AND Q1=1,2; ASK IF OWNER HAS CM ELIGIBLE PROPERTIES)

For the following question, please indicate your role as the property owner, or the role of your designated property manager, in facilitating the choice mobility option at your RAD properties. If the answers differ between properties, please answer based on the most common situation.

Click “Next>>” to continue.

(ASK IF CM_ELIGIBLE=1 AND Q1=1,2; ASK IF OWNER HAS CM ELIGIBLE PROPERTIES)

Q5A. Is the property owner or property manager responsible for **informing residents** about the choice mobility option?

- 001 Yes
- 002 No
- 998 Don't know
- 999 Web blank

(ASK IF CM_ELIGIBLE=1 AND Q1=1,2; ASK IF OWNER HAS CM ELIGIBLE PROPERTIES)

Q5B. Is the property owner or property manager responsible for **tracking when residents become eligible** for the choice mobility option?

- 001 Yes
- 002 No
- 998 Don't know
- 999 Web blank

(ASK IF CM_ELIGIBLE=1 AND Q1=1,2; ASK IF OWNER HAS CM ELIGIBLE PROPERTIES)

Q5C. Is the property owner or property manager responsible for **tracking requests for a voucher** through the choice mobility option?

001 Yes

002 No

998 Don't know

999 Web blank

(ASK IF CM_ELIGIBLE=1 AND Q1=1,2; ASK IF OWNER HAS CM ELIGIBLE PROPERTIES)

Q5D. Is the property owner or property manager responsible for **informing the PHA of requests from residents** for a voucher through choice mobility?

001 Yes

002 No

998 Don't know

999 Web blank

(ASK IF Q5A=2-999 AND Q5B=2-999 AND Q5C=2-999 AND Q5D=2-999; ASK NOT 'YES' TO Q5A-Q5D)

Q5E. Does the property owner or the owner's designated property manager have any role in facilitating the choice mobility option?

001 Yes

002 No

998 Don't know

999 Web blank

[PROPERTY TURNOVER AND MAINTENANCE]

(ASK IF CM_ELIGIBLE=1 AND Q1=1,2; ASK IF OWNER HAS CM ELIGIBLE PROPERTIES)

Next, we ask about the turnover and maintenance at your RAD properties in general and any impact of choice mobility.

Click “Next>>” to continue.

**[PN: ASK Q6A THROUGH Q6B IN LOOP FOR UP TO 3 PROPERTIES IN SAMPLE;
DISPLAY CORRESPONDING NAME_PROP_X AND ID_PROP_X AT THE TOP OF EACH SCREEN]**

(ASK IF CM_ELIGIBLE=1 AND Q1=1,2; ASK IF OWNER HAS CM ELIGIBLE PROPERTIES)

(PN: INCLUDE SMALL TEXT BOX WITH VALID RANGE 0-9997)

Q6A. We would like to know more about some of the RAD conversions that you or your company owns or operates.

Please think specifically about [NAME_PROP_X] – [ID_PROP_X].

What was the total number of units whose tenants left the property because they received a voucher for the choice mobility option in 2019? Just your best guess is fine.

OF UNITS: _____

9998 Do not track unit turnover due to choice mobility

9999 Web blank

(ASK IF CM_ELIGIBLE=1 AND Q1=1,2; ASK IF OWNER HAS CM ELIGIBLE PROPERTIES)

(PN: INCLUDE SMALL TEXT BOX WITH VALID RANGE 0-9997)

Q6B. Still thinking about property [NAME_PROP_X] – [ID_PROP_X]

What was the total number of units whose tenants left the property in 2019? Just your best guess is fine.

OF UNITS: _____

9998 Do not track unit turnover due to choice mobility

9999 Web blank

(ASK IF CM_ELIGIBLE=1 AND Q1=1,2; ASK IF OWNER HAS CM ELIGIBLE PROPERTIES)

Q7. In 2019, did the option for choice mobility increase turnover at the RAD properties you own or operate relative to turnover before the RAD conversion?

001 Yes, for all properties

002 Yes, for some but not all properties

003 No, for all properties

004 Not applicable, there was no turnover due to choice mobility

005 Do not track unit turnover due to choice mobility

999 Web blank

(ASK IF Q7=1,2; ASK IF CHOICE MOBILITY INCREASED TURNOVER IN ALL OR SOME PROPERTIES)

Q7A. In 2019, did the higher turnover due to choice mobility increase maintenance costs at the RAD properties you own or operate?

- 001 Yes, for all properties with increased turnover
- 002 Yes, for some but not all properties with increased turnover
- 003 No, for all properties
- 999 Web blank

(ASK IF Q7=1,2; ASK IF CHOICE MOBILITY INCREASED TURNOVER IN ALL OR SOME PROPERTIES)

Q7B. In 2019, did the higher turnover due to choice mobility increase the average number of days units spent vacant at your properties?

- 001 Yes, for all properties with increased turnover
- 002 Yes, for some but not all properties with increased turnover
- 003 No, for all properties
- 999 Web blank

(ASK IF CM_ELIGIBLE=1 AND Q1=1,2; ASK IF OWNER HAS CM ELIGIBLE PROPERTIES)

Q8. Do you believe the availability of the choice mobility option made property managers more responsive to maintenance issues and requests?

- 001 Yes, much more responsive
- 002 Yes, somewhat more responsive
- 003 No, not more responsive

[CHOICE MOBILITY CONCLUSION]

(ASK ALL)

(PN: INSERT LARGE OPEN END TEXT BOX)

SEC1_COMMENT. Thank you for completing **Section 1: Implementation of Choice Mobility**. Please note that after you select “**Next>>**” and move forward you will no longer be able to edit your responses in this specific section.

If you have recommendations for improving the implementation of choice mobility in general, or if you have additional thoughts about any of the topics covered in this section, please add them below. You can also send comments and thoughts to RADSurvey@econometricainc.com.

- OPEN END
- 999 Web blank

[END SECTION TIMER]

[SECTION 2: Asset Management and Long-Term Preservation]

[START SECTION TIMER]

(SHOW ALL)

SEC2_INTRO. **SECTION #2: ASSET MANAGEMENT AND LONG-TERM PRESERVATION**

This section will cover your role in asset management as an owner/operator of a RAD property and in preserving the long-term affordability of the property. Asset management typically involves a series of interrelated functions or activities designed to enhance the physical stability and financial performance of income-producing properties over the long term. Some or all these functions may be performed directly by your organization or by the property management company if property management is contracted out.

Please note: Once you complete a section you will not be able to change your responses. You can preview a full version of the survey [here](#). [PN: LINK TO 'PLAIN TEXT' VERSION OF SURVEY].

COVID-19

This RAD study was developed prior to the pandemic. Please approach the questions in each section in a precoronavirus context—how did you do things in 2019? Scattered through the survey are questions that cover the current circumstances and potential changes to your organization's operations. These questions are clearly marked. Given the circumstances, we do appreciate you taking the time to complete this survey.

Click "Next>>" to continue.

[GENERAL ASSET MANAGEMENT]

(SHOW TO ALL)

This section covers asset management across your organization's real estate portfolio. For this RAD evaluation, we have defined asset management as a series of interrelated functions or activities designed to enhance the physical stability and financial performance of income-producing properties over the long term. Asset management for affordable housing also involves balancing priorities while managing resource constraints, most notably limits on rents.

Click "Next>>" to continue.

(ASK ALL)

(PN: INCLUDE SMALL TEXT BOX FOR EACH WITH VALID RANGE 0-5000000)

Q9. How large is your organization's residential portfolio? Just your best guess is fine.

_____ properties
_____ units
9999999 Web blank

(ASK ALL)

(PN : ALLOW MULTIPLE RESPONSES ; CODE 7 EXCLUSIVE)

- Q10. Which of the following property types does your organization currently own, operate, manage, or in some other way participate? (SELECT ALL THAT APPLY)

(Some properties may qualify under multiple options.)

- 001 Non-RAD PBV Projects
- 002 Non-RAD PBRA Projects
- 003 Non-RAD housing funded by LIHTCs
- 004 Other affordable housing
- 005 Market rate housing
- 006 Commercial/retail property
- 007 None of the above
- 999 Web blank

(ASK ALL)

[PN: ALLOW RESPONDENTS TO RANK ITEMS 1-7; IF RESPONDENT DOES NOT RANK ALL ITEMS SHOW SOFT PROMPT BEFORE ALLOWING THEM TO MOVE ON; DO NOT FORCE RESPONDENT TO RANK ALL 7]

[PN: SOFT PROMPT MESSAGE: Please rank all the factors by dragging each item from the left side of the screen to the right side on the screen in your preferred order.]

- Q11. In the overall oversight and asset management of all the properties owned or operated by your organization, rank the following asset management functions from most (1) to least (7) emphasized.

We understand that all these functions are important, and your answer will not be interpreted as neglecting a function.

(To rank the factors, drag each item from the left side of the screen to the right side on the screen in your preferred order.)

- ___ Long Range or Strategic Planning (that is, developing/updating a property business plan, developing a strategy for property plans 10–15 years in the future)
- ___ Capital Planning (that is, capital repairs to occur 2 or more years in the future, refinancing and recapitalization plans, updating physical/capital needs assessments or studies)
- ___ Budgeting (that is, examining multiyear trends in revenue and expenses, reviewing annual operating and capital plans and budgets)
- ___ Operational Efficiency (that is, monitoring property management performance, identifying and evaluating cost savings, and so on)
- ___ Financial Reporting and Analysis (that is, analysis of financial ratios)
- ___ Compliance and Reporting (that is, meeting any applicable program/funding requirements such as affordability and income limits, reporting to oversight entities)
- ___ Assessment of External Factors (that is, market research, insurance, taxes, legal issues)

(ASK ALL)

Q12. Are there significant differences in your approach to operations and asset management for some properties within your rental housing portfolio? (for example, do you monitor different things, produce different reports, conduct a different budgeting process, and have different approaches to measuring performance and goals)

001 Yes

002 No

999 Web blank

(ASK IF Q12=1; IF DIFFERENCES IN APPROACH)

(PN: INSERT LARGE OPEN END TEXT BOX)

Q12A. Please describe the reasons that your asset management approach is different for some residential properties.

OPEN END

999 Web blank

[RAD PROPERTY FINANCIAL INFORMATION]

(SHOW TO ALL)

This section covers the strategic financial management of RAD properties that you own or operate. This is a longer term asset management function distinct from the day-to-day or month-to-month budgeting and financial analysis that is more often associated with property management. It includes how financial performance is defined as a long-term goal for the property, as well as financial risk assessment.

Click “Next>>” to continue.

(ASK ALL)

[PN: ALLOW RESPONDENTS TO RANK ITEMS 1-6; IF RESPONDENT DOES NOT RANK ALL ITEMS SHOW SOFT PROMPT BEFORE ALLOWING THEM TO MOVE ON; DO NOT FORCE RESPONDENT TO RANK ALL 7]

[PN: SOFT PROMPT MESSAGE: Please rank all the factors by dragging each item from the left side of the screen to the right side on the screen in your preferred order.]

[PN: INSERT NAMES OF UP TO 3 PROPERTIES, IN ORDER]

- Q13. When you step back to review quarterly and annual performance of your RAD properties, including **[NAME_PROP_1, NAME_PROP_2, and NAME_PROP_3]**, please rank each of the following factors from most (1) to least (6) emphasized when analyzing the financial health of these RAD properties.

We understand that all these factors are important, and your answer will not be interpreted as neglecting a factor.

(To rank the factors, drag each item from the left side of the screen to the right side on the screen in your preferred order.)

- ___ Past performance to current performance
- ___ Progress toward longer term financial goals, including those established through the RAD conversion
- ___ Financial risks
- ___ Financial opportunities
- ___ Investor needs and requirements
- ___ Current and future adequacy of replacement reserves

(ASK ALL)

[PN: DO NOT PROGRAM AS GRID]

[PN: RANDOMIZE ITEMS A-E; INCLUDE RANDOMIZATION VARIABLE IN DATAFILE]

[PN: INSERT NAMES OF UP TO 3 PROPERTIES, IN ORDER]

- Q14. How do you classify each of the following financial risks to the long-term preservation of your RAD properties, including **[NAME_PROP_1, NAME_PROP_2, and NAME_PROP_3]** as affordable housing?

- 001 High risk
 - 002 Moderate risk
 - 003 Low risk
 - 004 No risk
 - 999 Web blank
-
- a. Insufficient net operating income (income over expenses)
 - b. Insufficient replacement reserves to address future physical/capital needs
 - c. Changes in property costs (insurance, maintenance/construction wages, utilities, taxes)
 - d. Insufficient demand (population/workforce changes, increased housing market competition)
 - e. Insufficient operating cost adjustment factor (OCAF)

(ASK ALL)

[PN: INSERT NAMES OF UP TO 3 PROPERTIES, IN ORDER]

Q15. In financial terms, how well positioned are your RAD properties, including **[NAME_PROP_1, NAME_PROP_2, and NAME_PROP_3]** for long-term preservation as affordable housing?

- 001 Very well-positioned
- 002 Somewhat well-positioned
- 003 Neutral position
- 004 Somewhat poorly positioned
- 005 Very poorly positioned
- 999 Web blank

[FINANCIAL STATEMENTS REQUEST]

(SHOW ALL)

This evaluation includes an analysis of financial health and long-term preservation of RAD projects compared with non-RAD PBRA, PBV, and public housing projects. To assist with this analysis, we are requesting certain financial statements from survey respondents.

Click “Next>>” to continue.

(ASK IF Q10_1=0; ASK IF DID NOT SELECT ‘Non-RAD PBV Projects’ IN Q10)

[PN: FORCE RESPONSES IN ALL TEXT BOXES]

[PN: INSERT NAMES OF UP TO 3 PROPERTIES, IN ORDER]

FS1. Please provide the name and e-mail address of someone who can provide recent financial statements for the RAD properties that you own or operate. We would like “owner-certified” financial statements (audited or unaudited) from the first year of operation as a RAD property through FY 2020, if available. We will send a detailed request and instructions to the person you identify.

Name: _____
E-mail: _____

(ASK IF Q10_1=1; ASK IF SELECTED ‘Non-RAD PBV Projects’ IN Q10)

[PN: FORCE RESPONSES IN ALL TEXT BOXES]

[PN: INSERT NAMES OF UP TO 3 PROPERTIES, IN ORDER]

FSR3. Please provide the name(s) and e-mail address(es) of someone who can provide recent financial statements for the RAD properties that you own or operate. And for a sample of up to 10 of your organization’s non-RAD PBV projects or units. We would like “owner-certified” financial statements (audited or unaudited) from FY 2015 through FY 2020, if available. We will send a detailed request and instructions to the person or people you identify.

Contact for RAD Properties:
Name 1: _____
E-mail 1: _____

Contact for Non-RAD PBV Properties:
Name 2: _____
E-mail 2: _____

[RAD PROPERTY ASSET MANAGEMENT]

(SHOW TO ALL)

[PN: INSERT NAMES OF UP TO 3 PROPERTIES, IN ORDER]

The remainder of this survey focuses on asset management activities at your RAD properties, including
[NAME_PROP_1, NAME_PROP_2, and NAME_PROP_3].

Click “Next>>” to continue.

(ASK ALL)

[PN : ALLOW MULTIPLE RESPONSES ; CODE 10 EXCLUSIVE]

Q16. Does your organization coordinate oversight of RAD properties with any of the following entities?
(SELECT ALL THAT APPLY)

- 001 PHA Staff
- 002 PHA Board of Directors
- 003 LIHTC investors
- 004 Lenders
- 005 State agencies (for example, HFA)
- 006 HUD Field Office
- 007 HUD Headquarters
- 008 Municipal or local government agencies
- 009 Other: please specify (SPECIFY)
- 010 None of the above
- 999 Web blank

(ASK ALL)

[PN: ALLOW MULTIPLE RESPONSES; CODE 8 EXCLUSIVE]

Q17. What entities have accept/reject power over the annual operating and capital budgets at **[NAME_PROP_1, NAME_PROP_2, and NAME_PROP_3]**? (SELECT ALL THAT APPLY)

- 001 You or someone within your office
- 002 Your CEO or your organization's Board of Directors
- 003 The CEO/Board of the property management company
- 004 PHA staff
- 005 PHA Board of Directors
- 006 Funders (bank, LIHTC investors, and so on)
- 007 Other: please specify (SPECIFY)
- 008 None of the above
- 999 Web blank

(ASK ALL)

[PN: INSERT NAMES OF UP TO 3 PROPERTIES, IN ORDER]

Q18. In general, do your RAD properties, including **[NAME_PROP_1, NAME_PROP_2, and NAME_PROP_3]**, have business plans or strategic plans?

- 001 Yes
- 002 No
- 999 Web blank

(ASK IF Q18=1; IF HAS BUSINESS/STRATEGIC PLANS)

[PN: IF ONE PROPERTY IN SAMPLE INSERT 'is' AND 'plan'; IF MORE THAN ONE PROPERTY IN SAMPLE INSERT 'are' AND 'plans']

Q18A. How often (is/are) the business or strategic (plan/plans) updated?

- 001 Annually or more frequently
- 002 Every 2 to 4 years
- 003 Every 5 years
- 004 Less frequently than 5 years or only when necessary
- 005 No updates are scheduled or expected
- 999 Web blank

(ASK IF Q18=1; IF HAS BUSINESS/STRATEGIC PLANS)

(PN: ALLOW MULTIPLE RESPONSES)

[PN: IF ONE PROPERTY IN SAMPLE INSERT 'plan'; IF MORE THAN ONE PROPERTY IN SAMPLE INSERT 'plans']

Q18B. What goals are explicitly addressed in the business or strategic (plan/plans)? (Select all that apply)

- 001 Maximizing value
- 002 Minimizing risks
- 003 Ensuring compliance
- 004 Improving efficiency
- 005 Preserving affordability
- 006 Capital investment and replacement reserves
- 007 Other: please specify (SPECIFY)
- 999 Web blank

(ASK IF Q18=1; IF HAS BUSINESS/STRATEGIC PLANS)

[PN: IF ONE PROPERTY IN SAMPLE INSERT 'plan'; IF MORE THAN ONE PROPERTY IN SAMPLE INSERT 'plans']

Q18C. Does the PHA Board of Directors approve the business or strategic (plan/plans)?

- 001 Yes
- 002 No
- 999 Web blank

(ASK ALL)

(PN: ALLOW MULTIPLE RESPONSES)

Q19. How does your organization track property data?

*Please select the **primary** means of tracking.*

- 001 Excel spreadsheets
- 002 Excel template or toolkit
- 003 Commercial asset management software
- 004 Accounting software
- 005 E-mail correspondence
- 006 Paper files
- 007 Other: Please specify (SPECIFY)
- 999 Web blank

(ASK ALL)

Q20. Does your organization use a toolkit or template to conduct performance assessments or "risk ratings" for your RAD properties?

- 001 Yes, we use a 3rd party toolkit/template (for example, AHIC)
- 002 Yes, we use a custom template that we developed
- 003 No
- 999 Web blank

(ASK ALL)

Q21. How often do you conduct or update a physical/capital needs assessment at your RAD properties?

- 001 Annually
- 002 Every 2 to 4 years
- 003 Every 5 years
- 004 Every 6 to 10 years
- 005 No plan to conduct or update an assessment in the next 10 years
- 999 Web blank

(ASK ALL)

Q22. How often do asset management staff purposefully walk or drive around and observe the neighborhood around your RAD properties?

- 001 Weekly
- 002 Bi-weekly
- 003 Monthly
- 004 Quarterly
- 005 Semi-annually
- 006 Annually
- 007 Rarely or Never
- 999 Web blank

(ASK ALL)

(PN: RANDOMIZE ITEMS A-F; INCLUDE RANDOMIZATION VARIABLE IN DATASET)

(PN: DO NOT PROGRAM AS GRID)

[PN: INSERT NAMES OF UP TO 3 PROPERTIES, IN ORDER]

[PN: SHOW CODE 6 FOR ITEM E ONLY]

Q23. How often do you meet with each of the following to discuss your RAD properties, including **[NAME_PROP_1, NAME_PROP_2, and NAME_PROP_3]**?

[INSERT ITEM]

- 001 Often (at least once a month)
 - 002 Quarterly
 - 003 At least once a year
 - 004 Only when necessary
 - 005 Rarely or never
 - 006 Not applicable
 - 999 Web blank
-
- a. Property management staff
 - b. PHA staff
 - c. PHA Board of Directors/Commissioners
 - d. Residents (informally, formally, or through the Resident Council)
 - e. Lenders and/or investors (if applicable)
 - f. Legal, accounting, and other professional staff

(ASK ALL)

Q24. Do you have a schedule or list of asset management activities and deadlines?

- 001 Yes
- 002 No
- 999 Web blank

(ASK IF Q24=1; IF HAS SCHEDULE OR LIST)

(PN : ALLOW MULTIPLE RESPONSES ; CODE 7 EXCLUSIVE)

Q24A. Does the schedule or list include the following? (SELECT ALL THAT APPLY)

- 001 Compliance submission deadlines
- 002 Regular meetings with your organization's directors or executives
- 003 Regular meetings with property management staff
- 004 Regular financial reviews
- 005 Site visits
- 006 A schedule/process for annual budget preparation
- 007 None of the above
- 999 Web blank

(ASK ALL)

(PN: ALLOW MULTIPLE RESPONSES; CODE 4 EXCLUSIVE)

Q25. Does your organization belong to a local, state, or national real estate management or ownership association or advocacy group? (SELECT ALL THAT APPLY)

- 001 Local group
- 002 State or regional group
- 003 National group
- 004 None of the above
- 999 Web blank

(ASK ALL)

Q26. How often do asset managers at your organization attend training programs or conferences exclusively focused on long-term asset management or real estate business planning?

- 001 At least once a year
- 002 Once every 2 or 3 years
- 003 Less often than every 3 years
- 004 Never
- 005 Not applicable to my organization
- 999 Web blank

[COVID-19 RESPONSE]

(SHOW TO ALL)

The COVID-19 pandemic is ongoing, but it provides an opportunity to assess the value of asset management, to identify core asset management principles, and to change or improve asset management practices.

Click “Next>>” to continue.

(ASK ALL)

Q27. Were there differences in how your organization responded to COVID-19 at your RAD properties and at other properties?

001 Yes

002 No

999 Web blank

(ASK IF Q27=1; IF DIFFERENCES IN RESPONSE TO COVID-19)

(PN: INSERT LARGE OPEN END TEXT BOX)

Q27A. Please describe the differences. In particular, were there differences in available financial resources?

OPEN END

999 Web blank

(ASK ALL)

(PN: INSERT LARGE OPEN END TEXT BOX)

Q28. Can you identify one thing as an asset manager that really helped your organization in responding to COVID-19?

OPEN END

999 Web blank

(ASK ALL)

(PN: INSERT LARGE OPEN END TEXT BOX)

Q29. Can you identify one thing as an asset manager that you wish you had but didn't in responding to COVID-19?

OPEN END

999 Web blank

[ASSET MANAGEMENT CONCLUSION]

(ASK ALL)

(PN: INSERT LARGE OPEN END TEXT BOX)

SEC2_COMMENT. Thank you for completing **Section 2: Asset Management and Long-Term Preservation**.

Please note that after you select “**Next>>**” and move forward you will no longer be able to edit your responses in this specific section.

If you have recommendations for improving asset management of RAD properties in general, or if you have additional thoughts about any of the topics covered in this section, please add them below. You can also send comments and thoughts to RADSurvey@econometricalnc.com.

OPEN END

999 Web blank

[END SECTION TIMER]

[CLOSING SCREEN]

(SHOW ALL)

That’s the end of the survey. Thank you for your time.

Appendix E: Framework for Weighting Survey Section and Question Nonresponse

This appendix details nonresponse considerations and describes the nonresponse analysis that was performed for the public housing agency (PHA) survey. Each of the three studies that used the data collected by the PHA survey—Choice Mobility, Asset Management, and Long-Term Preservation—required a separate unit nonresponse analysis due to their different study universes, and all analyses followed a standard framework.²⁹ The PHA survey was sent to all qualified PHAs for each study, so the selection probability is 100 percent, and sampling considerations are nonexistent. As such, these analyses are examining response variability rather than sampling variability.

The analysis framework includes bivariate analysis and logistic regression over a set of known PHA characteristics. Because some respondents did not complete the survey, these analyses are conducted twice—once where partial responses are included in the calculation of response rate (that is, answering at least one question is considered a complete response), referred to as the “maximum response rate” below, and once where only respondents who viewed each question and reached the end of the section or survey are included in the calculation of response rate, referred to as the “minimum response rate” below. Due to the structure of the survey, which included complex skip logic, unit nonresponse analysis is limited to each section and the entire survey; individual questions are not analyzed for nonresponse bias.

E.1. Response Designation

The PHA Survey was divided into four sections, roughly corresponding to the three studies: Section 1 was presented to all respondents, section 2 was presented to the PHAs included in the Choice Mobility study, and sections 3 and 4 were presented to the PHAs included in the Asset Management study. The Long-Term Preservation PHAs are a subset of the Asset Management PHAs and were presented with additional questions in section 3.

Responses are designated both by section and for the entire survey.

- **Completed.** The respondent has answered or viewed all applicable questions in the section or survey.
- **Partially Completed.** The respondent has answered at least one question in the section or survey.
- **Nonresponse.** The respondent did not answer any questions in the section or survey.

The breadth of research questions addressed by the PHA survey and the high value of each survey question to this research effort means that respondents who chose to answer only a few questions in each section or who skipped an entire section should not be dismissed or devalued. The complexity of the survey logic also makes it difficult to categorize partial responses. To address the latter challenge, the nonresponse analyses are conducted for both the “minimum

²⁹ Each study resulted in a separate final report, with this analysis duplicated across studies. Hence the references to the other studies within this appendix.

response rate,” exclusive to responses designated as completed, and the “maximum response rate,” inclusive of responses designated as partially completed.

Exhibit E-1 presents overall survey response rates for each study, and exhibit E-2 presents response rates for specific sections corresponding to the three studies. Note that variation in the unit response counts and rates are due to partial complete or nonresponse for specific sections. For example, a PHA that was included in both the Choice Mobility and Asset Management studies and completed section 2 but did not answer any questions in section 4 would be considered a nonresponse for section 4 (exhibit E-2) but a partial complete for the entire survey (exhibit E-1).

Exhibit E-1. PHA Survey Populations and Response Rates

Study	PHA Population	Completed Surveys	Partially Completed Surveys	Nonresponse	Maximum Response Rate (%)	Minimum Response Rate (%)
Choice Mobility	339	148	63	128	62.2	43.7
Long-Term Preservation	159	65	35	59	62.9	40.9
Asset Management	248	106	50	92	62.9	42.7

PHA = public housing agency.

Note: The maximum response rate assumes that all partial completes have enough information to be considered a complete response, and the minimum response rate assumes that all partial completes are nonresponses.

Exhibit E-2. PHA Survey Section Response Rates

Section	Study PHA Population	Completed Section	Partially Completed Section	Nonresponse	Maximum Response Rate (%)	Minimum Response Rate(%)
Section 2: Choice Mobility	339	163	48	128	62.2	48.1
Section 3: Long-Term Preservation	159	71	29	59	62.9	44.7
Section 4: Asset Management	248	113	43	92	62.9	45.6

PHA = public housing agency.

Note: The maximum response rate assumes that all partial completes have enough information to be considered a complete response, and the minimum response rate assumes that all partial completes are nonresponses.

E.2. PHA Characteristics Considered in the Nonresponse Analysis

After reviewing the available administrative data, the research team identified five potential sources of nonresponse bias and sources. HUD recommended a sixth potential source for the Choice Mobility study.

- PHA Size.** The size of a PHA may influence its tendency to respond to the survey, particularly for larger PHAs that have dedicated asset managers or Rental Assistance Demonstration (RAD) managers. The analysis is conducted over a discrete variable with three values—small, medium, and large—and over three binary variables for each size. PHA size is based on the PHA’s pre-RAD public housing portfolio.
- Census Region.** The geographic location of a PHA may influence whether it responds to the survey or to specific sections. A plurality of RAD conversions occurred in the South, and voucher programs are more common in the West. The analysis is conducted over a

discrete variable with four values—Northeast, Midwest, South, and West—and over four binary variables for each region. Regions are defined by the U.S. Census Bureau.

- **Subsidy Type.** The choice of a project-based voucher (PBV) or project-based rental assistance (PBRA) conversion may affect whether a PHA responds to the survey. PBV conversions generally have less direct HUD oversight than PBRA conversions, and PBRA conversions are no longer part of HUD’s Office of Public and Indian Housing. Such variance in oversight may influence whether a PHA responds to the survey. The analysis is conducted on binary variables indicating the presence of PBV or PBRA conversions (the number of PHAs with both types of conversions is too small to effectively analyze nonresponse).
- **RAD Portfolio Size.** The number of RAD conversions and units, and the presence of an active Commitment to Enter into a Housing Assistance Payment (CHAP), could influence whether a PHA responds to the survey. The analysis is conducted over three factors: number of total RAD units, number of closed RAD units, and a binary variable indicating whether the PHA has an active CHAP. RAD portfolio statistics are based on HUD administrative data as of October 16, 2020. Total and closed units are separated into bins at 100, 200, and 400 units, which is a rough approximation of quartiles for the PHA populations for each study.
- **“Portfolio” Conversion.** Whether a PHA is pursuing RAD conversions for its entire public housing portfolio, has completed its conversions, or has combined RAD with other programs to dispose of its entire public housing portfolio could affect whether the PHA responds to the survey. The analysis is conducted over three binary variables that indicate whether the PHA has converted its entire public housing portfolio or intends to do so.
 - o RAD Portfolio Conversion Authority: The PHA has received portfolio conversion authority and reserved RAD units from HUD.
 - o All Public Housing Disposed Of: The PHA has disposed of its entire public housing portfolio or intends to do so by the end of 2022. This identification is based on Annual Contributions Contract unit counts in November 2021, active CHAPs, and a review of PHA Plans for PHAs in the study populations that have fewer than 50 public housing units remaining and are not under an active CHAP.
 - o A combination of portfolio conversion and disposition.
- **Choice Mobility Exemption.** PHAs with RAD conversions that are exempt from the Choice Mobility requirements may not respond to a survey on Choice Mobility. PHAs with a Choice Mobility exemption were identified using HUD administrative data at the RAD conversion level.

E.3. Nonresponse Bivariate Analysis

The research team conducted a series of bivariate analyses (significance testing on cross-tabulations) that examined how response rates may have varied across different PHA characteristics and whether any differences were statistically significant. Exhibit E-3 presents the Chi-square test statistics for the PHA characteristics defined in section E.2. Chi-square tests were conducted on both the maximum and minimum number of responses, as defined in section E.1.

The PHA population for each survey section corresponds to the relevant study population (that is, section 2 corresponds to Choice Mobility, section 3 corresponds to Long-Term Preservation, and section 4 corresponds to Asset Management).

Exhibit E-3. Chi-Square Test Statistics

	Section 2– Choice Mobility	Section 2– Choice Mobility	Section 3– Long-Term Preservation	Section 3– Long-Term Preservation	Section 4– Asset Management	Section 4– Asset Management
PHA Characteristic	Max. Response	Min. Response	Max. Response	Min. Response	Max. Response	Min. Response
PHA Size	1.28	1.51	2.14	4.88	1.89	1.27
Small	0.47	0.01	0.18	0.05	1.23	0.00
Medium	0.00	0.35	0.15	2.79	0.13	0.59
Large	0.78	1.10	1.55	2.80	0.70	0.62
Census Region	3.10	3.99	2.88	5.36	1.18	1.78
Northeast	1.65	2.44	1.60	2.88	0.56	0.11
Midwest	1.42	0.07	0.07	0.20	0.29	0.00
South	0.00	0.00	0.79	3.16	0.00	0.74
West	0.00	1.40	0.07	0.00	0.01	0.86
PBV Conversion	1.29	1.60	1.20	2.00	0.72	1.43
PBRA Conversion	2.97	3.49	3.33	2.89	2.68	3.63
Total RAD Units	3.10	1.53	1.83	1.90	3.51	3.29
Closed RAD Units	4.12	0.89	1.09	1.41	3.34	3.07
Active CHAP	0.01	0.61	0.00	0.07	0.00	0.00
Portfolio Conversion Authority	0.37	2.92	1.24	2.16	0.43	0.00
All Public Housing Disposed of	0.98	0.54	1.13	0.57	1.58	0.00
Intent to Dispose of All Public Housing	0.34	0.23	0.02	0.01	0.55	0.00
Choice Mobility Exemption	0.09	0.31	N/A	N/A	N/A	N/A

Note: Chi-square test did not result in any statistically significant coefficient ($P > 0.05$).

CHAP = Commitment to Enter into a Housing Assistance Payment. N/A = not applicable. PBRA = project-based rental assistance. PBV = project-based voucher. PHA = public housing agency. RAD = Rental Assistance Demonstration.

None of the results are significant at the $p < 0.05$ level. Analyses examining overall survey completion produced similar results that are not significant at the $p < 0.05$ level. No statistically significant nonresponse bias is detected among any of the PHA characteristics identified as potential sources of such bias.

E.4. Nonresponse Multivariate Analysis

Although bivariate analyses found no statistically significant sources of nonresponse bias, the research team also conducted multivariate logistical regression analyses in order to assess the independent association of each explanatory variable with the response designation while adjusting for the other variables. Exhibit E-4 presents these results.

Exhibit E-4. Log Odds (β) for Predictors of Nonresponse

	Section 2– Choice Mobility	Section 2– Choice Mobility	Section 3– Long-Term Preservation	Section 3– Long-Term Preservation	Section 4– Asset Management	Section 4– Asset Management
Predictor of Nonresponse	Max. Response	Min. Response	Max. Response	Min. Response	Max. Response	Min. Response
Public Housing Agency Size (Reference Group: Large)						
Small	– 0.292	– 0.159	– 0.734	– 0.367	– 0.544	– 0.046
Medium	– 0.264	– 0.257	– 0.593	– 0.781	– 0.312	– 0.063
Census Region (Reference Group: Midwest)						
Northeast	0.632	0.354	0.477	0.557	0.453	0.120
South	0.325	0.043	– 0.317	– 0.442	0.242	– 0.019
West	0.267	– 0.384	– 0.380	– 0.001	0.048	0.443
PBV Conversion	– 0.445	– 0.348	– 0.714	– 0.218	– 0.713	– 0.462
PBRA Conversion	– 0.831	– 0.806	– 1.171*	– 0.687	– 0.988*	– 0.849
Total RAD Units	0.000	0.000	0.000	0.000	0.000	0.000
Active CHAP	– 0.150	0.166	– 0.478	– 0.096	– 0.256	– 0.166
Intent to Dispose of All Public Housing	– 0.264	0.095	– 0.191	0.062	– 0.316	– 0.019
Choice Mobility Exemption	0.304	0.142	N/A	N/A	N/A	N/A
Constant	1.127	0.412	2.387*	0.733	1.814*	0.927

* Coefficient is statistically significant at $p < 0.05$.

CHAP = Commitment to Enter into a Housing Assistance Payment. N/A = not applicable. PBRA = project-based rental assistance. PBV = project-based voucher. RAD = Rental Assistance Demonstration.

The regression model was simplified to include seven predictors of nonresponse: Census region, PHA size, presence of PBV conversions, presence of PBRA conversions, intention to dispose of all public housing, presence of an active CHAP, and total number of RAD units. The section 2 regression also included the presence of a Choice Mobility exemption as a predictor. As with the bivariate analyses, each regression was conducted on both the maximum and minimum response rates, and the PHA population for each survey section corresponds to the relevant study population.

None of the eight factors identified for testing are statistically significant predictors of nonresponse for the Choice Mobility study (section 2), but the presence of a PBRA conversion is statistically significant at the $p < 0.05$ level for both the Asset Management and Long-Term Preservation studies when responses are categorized to give the maximum number of completions (that is, answering at least one question in the section is categorized as a complete response). When only respondents who answered or viewed all questions in the section are considered a complete response, the presence of a PBRA conversion is no longer statistically significant. Analyses examining overall survey completion produced similar results.

These multivariate results indicate that the presence of a PBRA conversion could be a source of nonresponse bias for the Asset Management and Long-Term Preservation studies, but the evidence is not conclusive. The bivariate results (section E.3) indicate that the presence of a PBRA conversion alone is not a statistically significant source of nonresponse bias. To explore this question, the research team conducted additional multivariate analyses, specifically logistical regressions, using only the presence of a PBRA conversion as a predictor of nonresponse, and ordered probit regressions. Exhibits E-5 and E-6 present these results.

Exhibit E-5. Estimated Coefficients for Presence of a PBRA Conversion in Section 3 (Long-Term Preservation)

	Logit With Maximum Number of Responses	Logit With Minimum Number of Response	Ordered Probit
Full Multivariate Model (as in exhibit E-4)	– 1.171*	– 0.687	– 0.581*
PBRA as the Only Predictor	– 0.659*	– 0.599	– 0.253

* Coefficient is statistically significant at $p < 0.05$.

PBRA = project-based rental assistance.

Exhibit E-6. Estimated Coefficients for Presence of a PBRA Conversion in Section 4 (Asset Management)

	Logit With Maximum Number of Responses	Logit With Minimum Number of Response	Ordered Probit
Full Multivariate Model (as in exhibit E-4)	– 0.988*	– 0.849	– 0.427*
PBRA as the Only Predictor	– 0.467	– 0.524*	– 0.146

* Coefficient is statistically significant at $p < 0.05$.

PBRA = project-based rental assistance.

The results of these additional regressions are mixed. For section 3, the presence of a PBRA conversion is statistically significant for the maximum number of responses both as part of the full model and when it is the only predictor, but it is not statistically significant in either case for the minimum number of responses. For section 4, the presence of a PBRA conversion is statistically significant for the maximum number of responses when it is part of the full model, but not when it is the only predictor. The results switch for the minimum number of responses, with the presence of a PBRA conversion being statistically significant only when it is the sole predictor in the model. For both sections, the ordered probit results are statistically significant as part of the full model but are not significant when the presence of a PBRA conversion is the only predictor.

E.5. Nonresponse Analysis Conclusions

For the Choice Mobility study (section 2), neither the bivariate nor the multivariate analyses produce statistically significant indications of nonresponse bias. This nonresponse analysis has indicated that no statistically significant nonresponse bias has been generated by the factors considered, but it does not rule out the existence of bias due to other factors that are difficult to identify or measure.

For both the Long-Term Preservation (section 3) and Asset Management (section 4) studies, the bivariate analyses indicate that no statistically significant difference exists between responding PHAs and nonresponding PHAs. For the multivariate analyses, in some cases, the presence of a

PBRA conversion is a statistically significant predictor for nonresponse, but no other predictor is statistically significant.

The multivariate results seem to indicate that the presence of a PBRA conversion becomes significant only when interacting with other predictors, and only for certain regression specifications. These analyses do not provide any evidence for which other predictors are interacting with the presence of a PBRA conversion to make it statistically significant; all other predictors in these regressions are not statistically significant. Because the multivariate results are inconclusive over the set of analyses used, and with no statistically significant results for the bivariate analyses, the research team concludes that the presence of a PBRA conversion is not a statistically significant source of nonresponse bias for either study.

As demonstrated by the mixed results for the presence of a PBRA conversion, the interaction of known and unknown factors may reveal nonresponse bias. As is typical for housing research surveys, the eight factors identified as potential sources of nonresponse bias are easily measured, but they are also a limited set of potential sources. This nonresponse analysis has indicated that no statistically significant nonresponse bias has been generated by these eight factors or their interactions, but it does not rule out the existence of bias due to other difficult-to-identify or measure factors.

E.6. Weights

Based on the nonresponse analysis results presented in this appendix, the analyses of PHA Survey data will assume that no statistically significant nonresponse bias is indicated, and the auxiliary variables do not show evidence of being related to response. The survey was a census of qualified PHAs, with a selection probability of 100 percent, so no sampling weights were used.

E.7. Note on Conversion-Level Primary Data

The PHA Survey included nine questions about specific RAD conversions. To reduce respondent burden, these questions were limited to a maximum of three RAD conversions per PHA, except for Question 1A on the ownership structure, which was limited to a maximum of 11 RAD conversions. (The nine PHAs eligible for the PHA Survey that had the most RAD conversions were asked these nine questions for all their eligible conversions separately from the web-based survey.) By agreement with HUD, the responses to these conversion-level questions are analyzed without weights or other adjustments. A similar non-adjustment approach, also by agreement with HUD, is taken with regard to financial statements data provided by the PHAs.

Appendix F: COVID-Related Survey Questions for Rental Assistance Demonstration Public Housing Agencies

The COVID-19 pandemic began in the United States in March 2020, at the same time that the research team was finalizing the Research Design and Data Collection and Analysis Plan for this study. The pandemic presented many challenges to this research, but it also provided an opportunity to gather data on how public housing agencies (PHAs) responded to the pandemic.

In terms of the asset management study, the pandemic provided a test of the asset management structure at Rental Assistance Demonstration (RAD) properties. Although no one was completely prepared for the disruptions caused by COVID-19, properties and organizations with strong asset management frameworks that implement best practices were in a better position to react to and mitigate the challenges of the pandemic. The census of RAD PHAs included four questions about each PHA's response to COVID-19 in terms of asset management. These responses provided insight into the adequacy of asset management structures at RAD conversions and information on specific successes and challenges PHAs faced. A total of 115 PHAs responded to the COVID-19 questions.³⁰

F.1. PHA Preparation and Response

The census of RAD PHAs was active from August to November 2021, so PHAs had managed the pandemic for more than 16 months before responding to these questions. The section of the PHA survey that covered COVID-19 and asset management began with the following statement: "The COVID-19 pandemic is ongoing, but it provides an opportunity to assess the value of asset management, to identify core asset management principles, and to change or improve asset management practices." The next two questions asked about preparation for the pandemic and whether the PHA's response differed based on the type of property (program or subsidy) while acknowledging that "no one was completely prepared for the disruptions caused by COVID-19."

The responses in exhibit F-1 indicate that, with hindsight, PHAs generally believed that they were prepared for the pandemic. The results discussed in the following section support this observation, particularly the 59.1 percent that stated they were somewhat prepared. The PHAs that responded that they were very prepared included those that had received emergency management training through Federal Emergency Management Agency (FEMA) or conducted emergency management planning for natural disasters.³¹

Exhibit F-1. How Prepared and Able to Respond Was Your PHA?

Preparedness Level	Number of PHAs	Percent of PHAs (%)
Very prepared	34	29.6
Somewhat prepared	68	59.1
Not too prepared	11	9.6
Not prepared at all	2	1.7

PHA = public housing agency.

³⁰ The census of RAD PHAs also included questions about COVID-19 and Choice Mobility. These questions will be analyzed and discussed in part 2 of this Final Report.

³¹ FEMA provides an extensive library of emergency preparedness resources on its website (<https://www.fema.gov/emergency-managers/national-preparedness-plan>) and can provide or facilitate emergency management training for PHAs. Many state emergency management agencies can also provide training or resources at no cost to the PHA.

Source: Census of Rental Assistance Demonstration PHAs, August to November 2021

A total of 94.8 percent of PHAs stated that how they responded to COVID-19 did not differ at their RAD and other properties. Of the six PHAs with differences in their responses, three altered their operations in terms of in-person availability and suspension of non-emergency maintenance. Two noted that their public housing properties received additional funds from HUD, although their RAD and low-income housing tax credit properties had to find other sources of emergency funding. One described their ability to provide in-house maintenance staff with “essential” pay, but that they could not do the same for their third-party management company staff.

F.2. Factors for an Effective Response to COVID-19

PHAs were then asked to name or describe one thing that, as an asset manager, helped the PHA the most in responding to COVID-19. Responses ranged widely, reduced to the 11 categories in exhibit F-2.

Exhibit F-2. What Helped the Most in Your PHA’s Response to COVID-19?

Category	Number of PHAs	Percent of PHAs (%)
Tech/Shift to Remote Work	17	14.8
Communications/Team Structure	15	13.0
Resident Relationships	15	13.0
Additional Funding/Coronavirus Aid, Relief, and Economic Security Act	11	9.6
Local Government Support	7	6.1
Reserves/Resources	7	6.1
Safety Protocols/Public Health Orders	7	6.1
Emergency Preparations	6	5.2
Kept Offices Open	6	5.2
Regulatory Waivers	5	4.3
Rural PHA	5	4.3
No Answer	14	12.2

PHA = public housing agency.

Source: Census of Rental Assistance Demonstration PHAs, August to November 2021

Slightly more than half of respondents described something that fit into one of four categories.

- **Tech/Shift to Remote Work (14.8 percent).** This category encompasses information technology that allows for remote work and the adoption of that technology. Examples include cloud-based data systems and virtual meetings. Resident-facing technology, such as web-based rent payments and maintenance requests by e-mail, are also included in this category.
- **Communications/Team Structure (13.0 percent).** This category is related to the Tech category as the success of remote work depends on strong communication and team structure. This category includes emergency meetings, clear lines of communication, information sharing between the PHA and property managers, strong teamwork, and a sense of mission.

- **Resident Relationships (13.0 percent).** This category is separate from the Communications category because it is specific to communication and interaction with residents. This category includes direct communication with residents, such as guidance on public health orders, but also the PHA's understanding of its residents' needs, such as ensuring access to meals and transportation.
- **Additional Funding (9.6 percent).** Although most PHAs cited the Coronavirus Aid, Relief, and Economic Security, or CARES, Act in general, a few mentioned specific uses of additional funding. One described using additional funds to expand access to housing for low-income families during the pandemic, and another cited direct assistance to residents that had lost their job due to the pandemic.

F.3. Missing Factors in the Response to COVID-19

Finally, PHAs were asked to name or describe one thing that, as an asset manager, they did not have that would have helped the PHA in responding to COVID-19. Responses ranged widely, reduced to the eight categories in exhibit F-3.

Exhibit F-3. What Did You Not Have That Most Affected Your PHA's Response to COVID-19?

Category	Number of PHAs	Percent of PHAs (%)
Lack of Tech/Unable to Work Remotely	18	15.7
Insufficient Funding or Access to Funds	10	8.7
Lack of Emergency Preparation	9	7.8
Physical Facilities Deficiencies	8	7.0
Lack of Public Health Information	7	6.1
Poor Resident Relations	6	5.2
Lack of Staffing	2	1.7
Regulatory Waivers	1	0.9
No Answer	54	47.0

PHA = public housing agency.

Source: Census of Rental Assistance Demonstration PHAs, August to November 2021

Almost half of the PHAs did not answer this question or implied that they could not identify anything specific, which is another indication of the level of preparation for the pandemic, although it could also be a product of being in a stable position 16 months into the pandemic, or pandemic fatigue.

A total of 39.1 percent of respondents described something that fit into one of four categories.

- **Lack of Technology/Unable to Work Remotely (15.7 percent).** Respondents in this category focused on the lack of digitization, particularly requirements for paper forms and "wet" signatures. Anecdotally, many PHAs appear to be investing COVID-19 relief funds in addressing this operations deficiency.
- **Insufficient Funding or Access to Funds (8.7 percent).** These respondents acknowledged the help provided by CARES Act and other funding but stated that their needs extended beyond available emergency funds. One respondent mentioned financial constraints related to late or canceled rent payments from market rate units, and another mentioned that their project-based rental assistance and RAD properties were not eligible

for some HUD funding. Two respondents stated their desire for a larger property budget or emergency fund so that needs could be met without waiting for federal emergency assistance.

- **Lack of Emergency Preparation (7.8 percent).** These responses were split between a lack of supplies and not having an emergency plan. It can be difficult to procure and store supplies in advance, and when the emergency has a long duration, but emergency planning can be addressed as part of a PHA's operations or strategic planning efforts.
- **Physical Facilities Deficiencies (7.0 percent).** Respondents in this category described challenges specific to an airborne disease, such as the lack of open spaces, office layout, and air filtration. Five PHAs mentioned the lack of broadband internet infrastructure and access for residents, with one specifying the need to support school-aged residents with remote learning.

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