



U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000
OFFICE OF HOUSING

November 24, 2014

Mr. Robert Faircloth
Housing Authority of Savannah
1407 Wheaton Street
Savannah, GA 31402

Re: Letter of November 10, 2014

Dear Mr. Faircloth:

We received a request from the Housing Authority of Savannah (“HAS”) to amend its RAD awards to a multiphase to accommodate the development scheduling of Fred Wessels Homes (“Wessels”) and Edgar C. Blackshear Homes (“Blackshear”), in order to accommodate LIHTC timing. HAS received a portfolio award as it intends to convert its entire public housing inventory to Section 8 via RAD.

We provided an outline of the multi-phase process, in accordance with Section 1.9.C of PIH Notice 2012-32. If a PHA has external timing factors that demand multi-phase, HUD will review to accept or deny the request. When a PHA is approved for a multi-phase award, the following occurs:

- Phase 1- continues under existing timing, milestones, etc.
- Phase 2- CHAP is “withdrawn”, but units remain reserved for the PHA. The PHA must submit a new RAD application no later than July 1, 2015 (PIH 2012-32, Section 1.9.C). HUD will review and accept/reject applications and issue a CHAP for Phase 2. Once a CHAP for Phase 2 is received, the PHA must meet the RAD milestones and timing requirements.

After discussing the above with HAS, HUD does not believe that a multi-phase award is appropriate at this time since the majority of Wessels and entirety of Blackshear is able to accomplish its existing CHAP’s timeframes. From the attachment HAS provided HUD dated November 10, 2014, Wessels Phase I and Blackshear Phase I both expect financing applications by January 2015 and closing by May/June 2015. Wessels Phase II and Blackshear Phase II expect financing applications by February 2015 and closing by July 2015.

In regards to Wessels Phase III, a multi-phase award might be an option for HAS. However, the timeline presented reflects a LIHTC application in June 2016, which is outside of the timing requirements for multiphase awards’ LIHTC application submission. If HAS would like HUD to move forward with a multi-phase for Wessels Phase III, HUD is able to upon request.

Secondly, HUD can amend CHAPs to reflect HAS’ final development plans. However, please keep in mind that each CHAP requires its own financing package, RAD approval memo, RAD Conversion Commitment, and closing. Therefore, HUD requires one CHAP per LIHTC award, as each LIHTC award should represent its unique ownership structure, financing plan, etc. We



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encourage the Housing Authority of Savannah to determine their CHAP amendment requests not only for tax credit construction and stabilization, but also on a long-term asset management basis.

Thirdly, HAS inquired about transferring Yamacraw Village's CHAP to Robert Hitch Village ("Hitch"). Hitch did not apply for RAD, although its larger AMP (001) did receive a partial award for Wessels. Yamacraw is in AMP 003. HUD cannot exchange Yamacraw's CHAP for Hitch, as they are different AMPs. RAD applications are received by AMP and CHAP rents are set by AMP funding levels, therefore, while HUD can amend within AMPs (as they are part of the same "whole") HUD cannot exchange between different AMPs as it would reflect an entirely new award.

Given HAS noting that Yamacraw could not access tax credits until 2016, Yamacraw has two options – withdrawal of its CHAP award and reapplication once the existing program cap is lifted (at which point it goes to the end of the queue), or request a multi-phase which would demand satisfying the multi-phase requirements stated in Section 1.9.C of PIH 2012-32, including submitting a new RAD application no later than July 1, 2015.

At this time, HUD requires the following no later than **Friday, December 5th**:

1. Housing Authority of Savannah to provide HUD with confirmation that Wessels Phase I and Phase II and Blackshear Phase I and Phase II will continue with its existing timing requirements.
 - a. Please confirm which CHAPs have applied for LIHTCs under a singular LIHTC application—as each LIHTC application/award must have its own CHAP. Per HAS' November 10th letter:
 - i. HUD's understanding is that Wessels Phase I and Blackshear Phase I are applying under (1) 4% application and therefore, must be combined into one CHAP.
 - ii. HUD's understanding is that Wessel's Phase II and Blackshear Phase II applied under (1) 9% credit application, with award notification expected in December 2014 and therefore, must be combined into one CHAP.
Reminder: Send tax credit award notification letter upon receipt to RAD Transaction Manager and upload to RAD RD under 180-day MS.
2. Housing Authority of Savannah to provide HUD with final decision (multiphase, retain existing CHAP, amend CHAP, or withdraw) of Wessels Phase III, as per HAS letter of November 10th, it currently states a June 2016 LIHTC application.
3. Housing Authority of Savannah to provide HUD with final direction (multiphase or withdraw) Yamacraw Village CHAP (AMP 006).

Once HAS confirms direction on CHAPs, HUD will provide a subsequent letter with amended



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milestone dates which must be met. At this time, the 90-day milestone is **significantly** overdue (11-months) for all of HAS' transactions. If HAS intends to keep their CHAPs in good standing and close the majority of Wessels and Blackshear by Summer 2015, progress on the RAD Resource Desk **must** be made.

Finally, please remember that the RAD Transaction Manager, Kenneth Casey, is HAS' primary and sole contact for any and all things RAD. If HAS would like to discuss RAD PBRA requirements with field office asset management or RAD PIC removal process with the public housing field office, please provide that request through the RAD Transaction Manager to ensure the Field Offices and the Office of Recap can work together on your RAD transactions and not duplicate efforts.

Sincerely,

A handwritten signature in black ink, appearing to read "Catalina J. Vielma".

Catalina J. Vielma
Branch Chief
Office of Recapitalization

Electronic cc:
Kenneth Casey, RAD Transaction Manager
Earline W. Davis, HAS Executive Director