













































































### **Recommended Option: RAD/Section 18 Blend**

Section 18 of the United States Housing Act of 1937 (USHA) provides that public housing agencies (PHAs) may demolish or dispose of public housing with approval from the Department of Housing and Urban Development (HUD).

The recommended option provides for a RAD/Section 18 blending scenario for small PHAs with 250 or fewer public housing units under which up to 80% of the PHA's units will be removed from public housing under the Section 18 Disposition program and up to 20% of the PHA's units will be removed from public housing under the RAD program. The RAD/Section 18 blend will preserve the Lomita Manor units as affordable housing into perpetuity under a Project-Based Voucher Section 8 HAP contract.

Under this type of conversion, the Housing Authority would partner with a tax credit investor and management partner to obtain various funding sources in order to complete much-needed upgrades to Lomita Manor. There would also be a transition of day-to-day management of Lomita Manor to HumanGood with residents being under PBVs (Section 8 contracts) going forward.

A presentation by the consultant team this evening (Recap Advisors and Beacon Development Group/HumanGood) will provide an overview of a potential RAD repositioning which includes the ownership scenario post RAD, a hypothetical financing structure (with 4% tax credits) and an overview of the steps to complete the RAD process.

### **OPTIONS:**

1. Move staff recommendation.
2. Maintain status quo. Receive and file the staff report.
3. Provide staff alternative direction.

### **FISCAL IMPACT**

None at this time. As partner agreements are drafted, specific financial details will be finalized and presented to the Housing Authority Board for future consideration.

### **ATTACHMENTS:**

None.

Prepared by:



---

Gary Y. Sugano  
Assistant City Manager

Approved by:



---

Ryan Smoot  
Executive Director