

Affordable Housing Client Alert



December 2014

RAD Update

House and Senate negotiators have agreed to include an increase in the current Rental Assistance Demonstration (RAD) program cap of 60,000 units to 185,000 units in the upcoming federal omnibus spending bill. The RAD program is a Housing and Urban Development (HUD) program that allows public housing authorities to convert public housing to Section 8 properties and access private debt and equity. A vote for the federal spending bill is expected to happen over the next few days. A raise in this cap would serve as a big win for the affordable housing industry.

Jones Walker LLP played a lead role in the Lift the RAD Cap Coalition and was instrumental in reaching this agreement. It is estimated that this increase will translate to \$6 billion in private capital flowing into these transactions. Given that this impacts less than 15% of the total public housing stock, it is likely that this program will produce a robust preservation and rehabilitation transaction pipeline for years to come.

Jones Walker Affordable Housing Team

For more than four decades, Jones Walker has helped organizations and individuals acquire, develop, finance, and build a broad range of affordable housing; workforce, senior, student, and military housing; and mixed use projects across the country.

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