

PM/CM Firm Navigates the Labyrinth of HUD’s Rental Assistance Demonstration

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Asking for help is a skill most people have to work at. It’s a strength of character often masked in weakness when we recognize our own limitations and seek assistance. For some, that means accepting help for housing.

Hill International, Inc., the global leader in managing construction risk, is a program, project, and construction management company that has experience managing government housing projects, such as the U.S. Department of Housing and Urban Development’s (HUD) Rental Assistance Demonstration (RAD). HUD’s website notes that this voluntary program “seeks to preserve public housing by providing Public Housing Agencies (PHAs) with access to more stable funding to make needed improvements to properties.” RAD allows agencies “to leverage public and private debt and equity in order to reinvest in the public housing stock,” which is “critical given the backlog of public housing capital needs estimated at over \$35 billion.”



Capital needs means repair costs, so the program assists with maintaining public housing, not just attaining it. Because the government hasn’t provided PHAs with enough funding to keep up with these repairs, PHAs are left with limited options: make repairs, or demolish the units. Instead of making such a tough choice, RAD allows PHAs to make repairs without requesting more money from Congress.

Currently, Hill International is providing owner’s representative services to the Brookline Housing Authority (BHA) in Massachusetts for the renovation of the 10-story Arthur O’Shea House. The O’Shea House is a federally funded development consisting of 100, 1-bedroom units with balconies, 5 of which are wheelchair accessible. BHA administers several state and federally funded housing and rental assistance programs for income-eligible families, seniors, and disabled individuals. The project was part of BHA’s strategic plan to redevelop selected properties to meet the needs of its aging public housing portfolio and explore financial growth opportunities. It also used RAD.

Although RAD was one of two unique components of the O’Shea project, the first notable element of the project was its execution. Renovations included hazmat abatement due to asbestos found in walls, ceilings, floors, and pipes and cabling systems upgrades. Due to the plumbing configuration, the

construction team repaired 4 units on 3 floors at the same time, allowing for 12 units to be renovated simultaneously.

Acting as BHA's agent and consultant, Hill supported the planning, design, and implementation of the contract. This included hiring an architect and general contractor and assisting with costs and estimates.

"The housing authority hired a consultant who specializes in this type of project to temporarily relocate and then move residents back into their renovated unit," says Hill Project Manager Matthew Harbour. "As upper floors were completed and residents moved in, lower floors become available for renovations. Utilizing existing unit vacancies ensures all residents are able to stay in the building during renovation. This is critical in successfully working with an aged and/or disabled population and allowed for continuous renovations to occur in an occupied building." Taking a total team approach with BHA, the designer, the move coordinator, the CM, and Hill, construction activities were coordinated with every aspect of residents' needs and day-to-day activities.



While the execution stage provided hurdles, the planning stage was the true challenge. Navigating through the process can be a labyrinth of paperwork and rules to understand, proving itself to be a puzzle some people don't know how to put together.

Despite the obstacles, Hill provided BHA with support through the RAD and refinancing process. "The RAD program is being rolled out across the country and, in particular, Massachusetts," says Peter Martini, Hill International Vice President, New England Manager. "Experience from this project has provided Hill with the 'boots on the ground' experience to provide the leadership required for these demanding projects."

According to HUD: An estimated 12 million renter and homeowner households now pay more than 50 percent of their annual incomes for housing. A family with one full-time worker earning the minimum wage cannot afford the local fair-market rent for a two-bedroom apartment anywhere in the United States.

Because of this, many low-income families are forced to turn to public housing programs for help. These programs help individuals and families secure an affordable place to live thanks to federal and state funding. The Center on Budget and Policy Priorities, a nonpartisan research and policy institute, estimates that more than 10 million people in over 5 million households "use federal rental assistance to afford modest housing." This assistance helps nearly 2 million American seniors "age in place," or live where they want for however long they want; almost "2.4 million people with disabilities to live independently;" and over 6 million "people in families with children... avoid homelessness."

HUD offers a variety of programs to assist families dealing with foreclosure, the aftermath of natural disasters, and homelessness. In addition, HUD offers rental, homebuyer, and homeowner assistance and

works with various organizations and agencies, including federal agencies, state and local governments, and non-profits to use public and private resources to help those living in HUD-assisted housing.

There are many programs available to qualified individuals seeking housing assistance. According to *The State of the Nation's Housing 2019* by the Joint Center for Housing Studies (JCHS) of Harvard University, "HUD's 2018 Picture of Subsidized Households data indicate that there were 955,000 occupied public housing units, 1.2 million occupied Section 8 project-based units, and 2.2 million Housing Choice Vouchers in use last year." In addition, the center came to the conclusion that "housing production still falls short of what is needed, which is keeping pressure on house prices and rents and eroding affordability."

While there are a variety of programs available to assist individuals with housing, most of these programs do not take into account a specific difficulty people face after they move in: housing upkeep.

Even though units undergo upgrades under RAD funding, tenants do not need to worry about their rental units increasing in value and therefore their rents increasing. Under RAD, HUD says that "units move to a Section 8 platform with a long-term contract that, by law, must be renewed in perpetuity. A Use Agreement is also recorded under RAD, further enforcing HUD's long-term interest. This ensures that the units remain permanently affordable to low-income households."

As stated in the JCHS's housing report, "new legislation in Massachusetts authorized \$1.8 billion in new capital spending for affordable housing, in addition to \$650 million for modernizing and redeveloping public housing." In Massachusetts, under the RAD program:

Public Housing Authorities have converted 19 projects covering 1,742 housing units under the RAD program. That means approximately 4,390 people have had their assisted housing secured and preserved for the long-term on the Section 8 platform. Under RAD, the physical condition of these properties will be improved and capital needs for the next 20 years will be accounted for, ensuring that these homes remain affordable in perpetuity.

Peter Martini believes that complex projects like this are the exact reason project managers are essential to successful execution.

"Hill's project management and field representation is instrumental in ensuring the safety and organized movement of residents during the renovation of their homes," he says. "Hill oversaw work in an aging structure, typical of affordable housing residences. We also assisted the design team and builder to alleviate existing condition surprises and helped achieve the timely delivery of all common and residential spaces."



Asking for help isn't a weakness. Individuals ask for help. Families ask for help. Even organizations and government agencies ask for help. And when there's a leader ready to answer the call—a leader like Hill—you can put your worries to rest and solve the puzzle, no matter how complex it is.

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About the Author:

Richard "Rick" Anderson serves as a program manager with the [Hill International](#) New England team. Rick has more than 35 years of project management experience in the planning, pre-construction, procurement, design, construction administration/owner's representation, commissioning and delivery of a wide variety of projects. Rick's projects include nearly \$3 billion in university, mission critical, life sciences, and semiconductor facilities, among others.