



2013 Legal Seminar





LIHTCs for PHAs:

Items to Consider





▪ **Partnership Structure**

- How much “Control” for the PHA and how much risk?
- PHA as General Partner/member of General Partner



- **Developer**
 - PHA as developer
 - PHA as co-developer
 - Third party developer
- **PHA as property manager**



▪ **Guaranties**

- Construction Completion Guaranty
- Operating Deficit Guaranty
- Payment Guaranty
- Tax Credits recapture/repurchase Guaranty

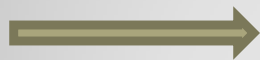


- PHA loans to the project
- Each LIHTC project stands on its own



Asset Management and Compliance

- Experience
- Reports to Investor
- Accounting



Address this issue early with your staff



RAD Challenges and Policy Implications





- RAD may not work for all public housing units
- Units NOT converted to RAD
 - ➔ Inability to cross-subsidize projects



- Change in Mission?
 - Move away from public housing?

- Apply for RAD -
 - or Hope Funding Comes Back?



- PHA Staff/Cross-training
- RAD does not address the lack of funding for operating costs



- RAD can help pay for renovations, but it will not fix the operating shortfall.
- Substantial backlog of capital needs.
 - RAD will not address all of it.
- Do PHAs have to become leaner and meaner?



RAD may not be a great tool -

➔ but it may be one of the only tools left in the toolbox

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