



## Request for Public Comment

The Housing Authority is seeking comments on a Significant Amendment to its Annual Plan regarding Villa Del Sol's utilization of the RAD/Section 18 Blend in its conversion from Public Housing to Section 8 Project-Based Vouchers. The proposed Amendment is available for review by the public during normal business hours at 920 Main Street, Suite 701, Kansas City, Missouri, and the Villa Del Sol management office at 2015 W. Pennway Terrace, Kansas City, Missouri. Visits to each location are subject to COVID-19 safety protocols. And a correction Section A1 of the Plan. The Amendment is also available on the Housing Authority's website at [www.hakc.org](http://www.hakc.org).

A public hearing will be held at 5:30 p.m. Wednesday, **August 4, 2021** at the address below. Written comments must be received on or before noon **August 4, 2021** at:

**The Housing Authority of Kansas City,  
Missouri Attn: Executive Director  
920 Main, Suite 701  
Kansas City, Missouri 64105  
Or emailed to:  
[hakc@hakc.org](mailto:hakc@hakc.org)**

Edwin T. Lowndes  
Executive Director

**Significant Amendment to the Annual PHA Plan for Fiscal Year 2021**  
Villa Del Sol Utilization of the RAD/Section 18 Blend

In accordance with 24 CFR 903.7(h)(1), *Plan for Demolition/Disposition*, the Housing Authority of Kansas City, Missouri (HAKC) is seeking approval from the U.S. Department of Housing and Urban Development (“HUD”) to amend its 2021 Annual PHA Plan to include the utilization of the new RAD/Section 18 Construction Blend in Villa Del Sol’s conversion from Public Housing to Project-Based Section 8 Vouchers.

**Background**

Villa Del Sol, located at 2015 W. Pennway Terrace, is a mixed-finance development that was constructed in 1999 and funded in part by Low-Income Housing Tax Credits and an HAKC loan. Of the 120-unit development total, 65 are public housing units with the balance including income-restricted affordable units, and unrestricted market rate units.

The Rental Assistance Demonstration (“RAD”) was designed by HUD to assist in addressing the capital needs of public housing by providing Public Housing Authorities such as HAKC, with access to private sources of funding to repair and preserve its affordable housing assets. With Villa Del Sol approaching 22 years of age and 54% of the development being public housing unable to contribute to debt service, developer and property owner – McCormack Baron Salazar (“MBS”), and HAKC, mutually agreed to pursue a RAD Conversion to Project-Based Vouchers (“PBV”) for its debt-leveraging opportunity to address physical needs and improvements.

HAKC previously met the requirements necessary to initiate the RAD conversion process, receiving a RAD Commitment to enter into Housing Assistance Payments (“CHAP”) in December 2018. A year later in December 2019, MBS was awarded an allocation of 4% Low-Income Housing Tax Credits. Since that date, the development team has been working towards the next financing and public housing conversion milestones in order to refinance and rehabilitate the development.

**Rationale for Amendment**

The 2021 Annual PHA Plan, included as Attachment A, previously only considered the RAD Conversion of Villa Del Sol’s 65 public housing units. In January 2021, HUD released PIH Notice 2021-07 (HA), included as Attachment B, introducing the RAD/Section 18 Construction Blend (the “Blend”). The Blend presents more options for a portion of the RAD-Converting Project to be disposed of through Section 18 of the U.S. Housing Act of 1937. The benefit of the Section 18 authority is the issuance of Tenant-Protection Vouchers (TPV) for the disposed of units. The TPV subsidy under the Blend is required to be project-based at the development up to Fair Market Rent amounts instead of the typically lower RAD contract rents.

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The percentage of units eligible for disposition within the Converting Project is based on the hard construction costs proposed under the development’s rehabilitation. It was determined that Villa Del Sol qualifies for an 80% RAD/20% Section 18 Blend under the new Notice.

**The Significant Amendment is comprised of the following:**

Up to 13 of Villa Del Sol’s public housing units will be disposed of under the authority of Section 18 and replaced as PBV units on-site with rents set at HAKC’s payment standards. The remaining 52 public housing units will convert to PBV under RAD at the pre-determined RAD rents. With the 13 units set at the higher Fair Market Rent/HAKC payment standard amounts, Villa Del Sol’s rent potential will be maximized, generating an additional \$30,000 in annual revenue and ability to support an additional \$107,000 in debt for added improvements or reserves.

To facilitate the uniform treatment of residents, households living in either RAD PBV units or “Section 18” non-RAD PBV units at Villa Del Sol will be entitled to the same resident rights, participation, waiting list and grievance procedures listed in Section 1.6.C and 1.6.D of Notice H-2019-09 PIH-2019-23 (the “RAD Notice”), and Joint Housing Notice H-2016-17/PIH-2016-17, and as identified in the appended pages 23-29 of Attachment A.

**Updated RAD/Section 18 Blend Conversion Summary:**

<b>Name of Public Housing Project:</b>	<b>PIC Development ID:</b>	<b>Conversion type (i.e., PBV or PBRA):</b>	<b>Transfer of Assistance: (if yes, please put the location if known, and # of units transferring)</b>
Villa Del Sol	MO002000034	PBV	No
<b>Total Units:</b> Public Housing Units: 65 Non-Public Housing Units: 55 Total Units: 120	<b>Pre- RAD Unit Type (i.e., Family, Senior, etc.):</b> Family	<b>Post-RAD Unit Type if different (i.e., Family, Senior, etc.)</b> Family	<b>Capital Fund allocation of Development: (Annual Capital Fund Grant attributable to the Project, if known):</b> \$94,855
<b>Bedroom Type</b>	<b>Number of Units Pre-Conversion</b>	<b>Number of RAD PBV Units Post-Conversion</b>	<b>Number of Non-RAD PBV Units (“Section 18”) Post-Conversion</b>
One Bedroom	2	2	0
Two Bedroom	43	43	0
Three Bedroom	20	7	13
<b>Total</b>	<b>65</b>	<b>52</b>	<b>13</b>
<b>There will be no change in number of units per bedroom type, no De Minimis Reduction, no Transfer of Assistance, and no unit reconfigurations.</b>			

HAKC maintains its certification that the proposed RAD conversion will comply with all applicable site and neighborhood standards, and the site will be suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, Executive Order 11063, and HUD

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regulations issued pursuant thereto. Reviews have been completed with respect to accessibility for persons with disabilities and the design of any proposed improvements will be consistent with applicable accessibility standards under the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, including implementing regulations at 24 C.F.R. 8.4(b)(5), and the American with Disabilities Act.

In addition, Section A1 is amended to show:  
PHA Plan for Fiscal Year Beginning: (MM/YYYY): 01/2021

Attachment A: 2021 Annual PHA Plan, Form HUD-50075-ST

Attachment B: HUD Notice PIH 2021-07 (HA)