

Rental Assistance Demonstration (RAD)

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Administering Agency: HUD's Office of Multi-family Housing Programs, Office of Recapitalization (Recap)

Year Started: 2012

Number of Persons/Households Served: Initially, 60,000 public housing units were allowed to convert. This number was expanded to 185,000 units in FY15, 225,000 units in FY17, and 455,000 units in FY18. The **first component** of the Rental Assistance Demonstration (RAD) involves public housing. As of November 1, 2024, 178,227 public housing units were converted, 52,431 units had preliminary approvals (CHAPs), and 142,458 units were in reserve (as part of a large "portfolio" of units to be converted over time), leaving 81,834 units available under the cap. The **second RAD component** involves private, HUD-assisted housing. As of November 1, 2024, 45,800 units were converted, 15,700 units were expecting conversion, and 993 units were undergoing conversion.

Funding: To date, RAD has received no appropriated funds.

See Also: For related information, refer to the *Public Housing, Project-Based Rental Assistance, Project-Based Vouchers*, and *Public Housing Agency Plan* sections of this guide.

As part of the "FY12 HUD Appropriations Act," Congress authorized the Rental Assistance Demonstration (RAD) to help preserve and improve low-income housing. RAD allows public housing agencies (PHAs) and owners of private, HUD-assisted housing to leverage Section 8 rental assistance contracts in order to raise private debt and equity for capital improvements. RAD has two components: the **first component** pertains to public housing and the Moderate Rehabilitation (Mod Rehab) Program, the **second component** pertains to the Rent

Supplement (Rent Supp), Rental Assistance Program (RAP), McKinney-Vento Single Room Occupancy (SRO), and Section 202 Supportive Housing for the Elderly Project-Rental Assistance Contract (PRAC) programs, as well as the Mod Rehab Program.

The intent of RAD is to help preserve and improve HUD-assisted low-income housing by enabling PHAs and owners of private, HUD-assisted housing to leverage Section 8 rental assistance contracts to raise private debt and equity for capital improvements. RAD has two components. RAD does not provide any new federal funds for public housing. There are no RAD regulations, but RAD conversions must comply with formal RAD Notices. For public housing, the current RAD Notice is [H-2019-09/PIH 2019-23 \(REV4\) as amended by RAD Supplemental Notice 4B: <https://bit.ly/3S561vH> and Supplemental Notice 4C: <https://bit.ly/3S6wkLc>](https://www.federalregister.gov/documents/2019/09/24/2019-09-PIH-2019-23), as well as [Notice H 2016-17/PIH 2016-17: <https://bit.ly/4iqhsZD>](https://www.federalregister.gov/documents/2016/17/PIH-2016-17). This article focuses on the public housing first component. However, a brief presentation of the key features of the second component precedes a deeper discussion of the first component.

History

Throughout 2010 and 2011, HUD consulted with public housing resident leaders through the Resident Engagement Group (REG). HUD sought to create a demonstration program that would bring in non-federal resources to address insufficient congressional funding for the public housing Capital Fund. HUD also wanted to avoid the many harmful effects the HOPE VI program had on residents. Over time, HUD presented three proposals to the REG, and each time the REG would point out a resident-oriented problem. In response, HUD went back to the drawing board to present a modified proposal. The final proposal, the Rental Assistance

Demonstration (RAD), addressed some of the REG's concerns.

Congress created RAD through the “FY12 HUD Appropriations Act”: <https://bit.ly/3EEue94> to help preserve and improve low-income housing. HUD's Office of Recapitalization (Recap) published PIH Notice 2012-32 implementing RAD on July 26, 2012. A set of revisions were made July 2, 2013, with technical corrections on February 4, 2014, and significant revisions on June 15, 2015 and again on January 12, 2017 (Notice PIH-2012-32/H-2017-03 REV3). Still more significant revisions were published September 5, 2019 with [Notice H-2019-09/PIH-2019-23 REV4](https://bit.ly/3EDodJN) (REV4): <https://bit.ly/3EDodJN>. On July 27, 2023 HUD issued [Notice H-2023-08/PIH-2023-19: https://bit.ly/444YJQ1](https://bit.ly/444YJQ1) “Supplemental Notice 4B,” supplementing REV4 with improved resident engagement provisions, new climate resiliency requirements, changes to RAD/Section 18 Blend provisions, and Faircloth-to-RAD features (all discussed below). On January 16, 2025 HUD posted joint [Notice H-2025-01/PIH-2025-03: https://bit.ly/3S6wkIc](https://bit.ly/3S6wkIc), “Supplemental Notice 4C” further amending REV4 by adding better resident-oriented lease requirements. HUD also issued [Notice H 2016-17/PIH 2016-17: https://bit.ly/3YelFsn](https://bit.ly/3YelFsn) on November 10, 2016, providing guidance regarding fair housing and civil rights as well as resident relocation statutory and regulatory requirements under RAD.

The “FY14 Appropriations Act” extended the time for second component conversions to December 31, 2014, from September 30, 2013, and the “FY15 Appropriations Act” removed the second component deadline altogether. The “FY15 Appropriations Act” raised the number of public housing units that could convert under the first component from 60,000 to 185,000 and extended the first component deadline to September 30, 2018. The “FY15 Appropriations Act” made several other changes that are explained in the rest of this article. The “FY17 Appropriations Act” further raised the cap to 225,000 units by

September 30, 2020. The “FY18 Appropriations Act” raised the demonstration's cap to 455,000 units with a deadline of September 30, 2024. The “FY24 Appropriations Act” extended the deadline to September 30, 2029. The Obama, first Trump, and Biden Administrations have sought to remove the cap and allow all public housing units to convert under RAD.

Brief Summary of the Second Component

The [second RAD component: https://www.hud.gov/RAD/rad2](https://www.hud.gov/RAD/rad2) allowed owners of properties previously assisted through the Rent Supplement (Rent Supp), Rental Assistance Program (RAP), Moderate Rehabilitation (Mod Rehab), McKinney-Vento Single Room Occupancy (SRO), and Section 202 Supportive Housing for the Elderly PRAC programs to convert to long-term Section 8 contracts – either project-based vouchers (PBVs) or project-based rental assistance (PBRA). There was no limit to the number of units that could be converted under the second component and there was no competitive selection process for it.

The “FY15 Appropriations Act” permanently extended the ability to convert under the second component. The “FY15 Appropriations Act” also allowed projects to convert to PBRA (before then the only option was PBV), and allowed projects assisted under the McKinney-Vento Single Room Occupancy (SRO) program to apply for RAD conversion. The “FY18 Appropriations Act” added the Section 202 Supportive Housing for the Elderly PRAC program. All 249 Rent Supp properties (with 13,670 units) closed at the end of 2018 and all 106 RAP properties (with 14,462 units) closed at the end of December 2019. As of November 1, 2024, 11,500 units of Section 8 Mod Rehab or Mod Rehab SRO had converted and 2,152 units were expecting conversion, while 5,450 PRAC units had converted, 832 units were undergoing conversion, and 13,560 units were expecting conversion.

Owners of properties with program contracts that had not expired or terminated could enter into a 20-year PBV housing assistance payment (HAP) contract with a public housing agency (PHA) or enter a 20-year PBRA HAP contract administered by HUD's Office of Multifamily Housing Programs. Owners with contracts that had already expired or terminated and whose residents started receiving tenant protection vouchers (TPVs) on or after October 1, 2006 could only enter a 20-year PBV HAP contract with a PHA (before April 2017, PBV contracts had a maximum term of 15 years).

Owners had to notify residents of an intent to convert, follow resident participation, and adhere to the resident protection provisions as described below pertaining to the first component.

Detailed Summary of the Public Housing First Component

Since the "FY18 Appropriations Act," RAD's [first component: https://www.hud.gov/RAD/providers](https://www.hud.gov/RAD/providers) has allowed up to 455,000 units of public housing and Mod Rehab Program units to compete for permission to convert their existing federal assistance to project-based Housing Choice Vouchers (PBVs) or to Section 8 Project-Based Rental Assistance (PBRA) by September 30, 2024 (the "FY24 Appropriations Act" extended the deadline to September 30, 2029). RAD is a voluntary demonstration program. There is no new funding for RAD. Once converted under RAD, the amount of the public housing Capital Fund and Operating Fund a specific development has been receiving is used instead as PBV or PBRA.

PHAs considering RAD can choose to convert public housing units to one of two types of long-term, project-based Section 8 rental assistance contracts:

1. Project-Based vouchers (PBV). These are Housing Choice Vouchers that are tied to specific buildings; they do not automatically move with tenants as regular "tenant-based" vouchers do. However, under RAD, if a RAD

resident chooses to move from the property after one year, the resident can request a regular tenant-based voucher and goes to the top of a PHA's voucher waiting list (see Choice Mobility below).

If public housing units are converted to PBV, the initial contract must be for 20 years (before April 2017 the minimum was 15 years and the maximum was 20 years) and must always be renewed. HUD's Office of Public and Indian Housing (PIH) would continue to oversee the units. Most of the current PBV rules ([24 CFR part 983: https://bit.ly/3EmkOu8](https://bit.ly/3EmkOu8)) would apply.

2. Project-Based Rental Assistance (PBRA).

If units are converted to PBRA, the initial contract must be for 20 years and must always be renewed. HUD's Office of Multifamily Programs would take over monitoring. Most of the current PBRA rules ([24 CFR parts 880 to 886: https://bit.ly/4jB0XeA](https://bit.ly/4jB0XeA)) would apply.

Unlike regular PBRA, under RAD, if a RAD resident chooses to move from the property after two years, the resident can request a regular tenant-based voucher and goes to the top of a PHA's voucher waiting list (see Choice Mobility below).

Supplemental Notice 4C added more explicit language to reinforce the requirement that PBV and PBRA contracts must be renewed and provided guidance for determining rents for the next HAP Contract.

As of November 1, 2024, 1,116 projects with 102,367 units have converted to PBV and 398 projects with 40,766 units are converting to PBV. Another 628 projects with 75,914 units have converted to PBRA, and 112 projects with 11,665 units are in the process of converting to PBRA. Overall (counting converted and converting units), 62% entail PBVs.

Voluntarily converting some public housing to Section 8 might be good because Congress continues to underfund public housing. That underfunding leads to deteriorating buildings

and the loss of units through demolition. HUD has estimated that 10,000 public housing units are lost each year. If a long-term rental assistance contract is tied to a property, private institutions might be more willing to lend money for critical building repairs (a 20-year Section 8 contract is a relatively reliable stream of revenue to pay back loans). Congress is more likely to provide adequate funding for existing Section 8 contracts (whether PBV or PBRA) than for public housing. Therefore, some units that were public housing before conversion are more likely to remain available and affordable to people with extremely low and very low incomes because of the long-term Section 8 contract.

Recap has 15 RAD Resident Fact Sheets in various languages explaining the Rental Assistance Demonstration [here: https://www.hud.gov/RAD/residents/ResidentFactSheets](https://www.hud.gov/RAD/residents/ResidentFactSheets).

RESIDENT PROTECTIONS AND RIGHTS

The RAD Notice implementing the statute includes the statutory resident protections sought by the Resident Engagement Group, as well as additional protections. However, it is up to residents to try to get Recap, PHAs, developers, and owners to comply. Some of the protections and rights for residents include (others are described later):

- **Displacement:** Permanent involuntary displacement of current residents may not occur as a result of a project's conversion. If a household does not want to transition to PBV or PBRA, they may move to other public housing if an appropriate unit is available.
- **Tenant Rent:** Existing PBV and PBRA rules limit resident rent payment to 30% of income, or minimum rent, whichever is higher. Any rent increase solely due to conversion that amounts to 10% or \$25, whichever is greater, is phased in over three to five years.
- **Rescreening:** Current residents cannot be rescreened when they return if they were temporarily relocated while their development

was rehabilitated or if their development was demolished and new units were built.

- **Right to Return:** Residents have a right to return if they were temporarily relocated while their development was rehabilitated or if their development was demolished and new units were built. If while they are temporarily relocated their income increases and they would otherwise be over-income, a resident household still has the right to return.
- **Renewing the Lease:** PHAs must renew a resident's lease, unless there is "good cause" not to do so.
- **Grievance Process:** The RAD statute requires tenants of converted properties to have the same grievance and lease termination rights they had under Section 6 of the "Housing Act of 1937" (public housing). For instance, PHAs must notify a resident of the PHA's reason for a proposed adverse action and of their right to an informal hearing assisted by a resident representative.

Advocates think that Recap has not adequately implemented this statutory requirement. The public housing regulations have long-established processes that residents can use to question a PHA's actions or failure to take action regarding a lease or any PHA regulation that adversely affects a resident's rights, welfare, or status. Recap's RAD provisions restrict residents' grievance rights because instead of using the well-developed public housing grievance process, residents will only have the limited grievance rights under either the PBV regulations or the PBRA regulations.

Supplemental Notice 4C (January 16, 2025) added tenant-friendly provisions. Notice 4C increased to 30 days (up from 14), the length of advance written notice that a PHA or owner must provide to a tenant for nonpayment of rent, consistent with a [new regulation: https://bit.ly/3GDtykT](https://bit.ly/3GDtykT) published December 13, 2024. It also added several lease-related provisions:

- Leases for residents who lived in a public housing development at the time it converted under RAD must not require a new security deposit.
- Leases for residents who lived in a public housing development at the time it converted under RAD must not prohibit residents from keeping their pets after RAD conversion.
- Lease-related materials must “Be reasonable, use plain language, and must not contain provisions that conflict with resident rights [provided in REV-4] or the requirements of the PBV or PBRA programs.”
- Lease must be available in multiple languages as needed and written in a manner accessible to people with disabilities.
- Leases and House Rules “should not be onerous or difficult for residents to understand and should not impose overly restrictive rules about what residents may or may not do in their homes.”
- The PHA’s intention to convert the units through RAD;
- A general description of the conversion (whether it will be rehab, new construction, etc.) that will be discussed at upcoming resident meetings;
- A way for residents to contact Recap;
- Resident relocation protections if relocation is involved; and
- Residents’ rights under RAD (including the right to remain in the project after conversion, the right to return to the project if there is temporary relocation, the right to relocation benefits, and the right to not be re-screened upon returning).

RINs must be:

- Delivered to each unit or by U.S. mail to each head of household;
- Posted in a conspicuous place at the converting property; and
- Available at the management office during normal business hours for residents and the general public to read and copy.

In addition, a General Information Notice (GIN: <https://www.radresource.net/output.cfm?id=samplegin>) must be provided informing each resident about “Uniform Relocation Act” (URA) protections if URA is triggered. A GIN might be provided at the same time as a RIN if a PHA knows RAD conversion will involve acquisition, rehabilitation, or demolition.

No less than one week after a RIN is issued and within the six months before a PHA applies for RAD, a PHA must conduct at least two meetings with residents of projects proposed for conversion. At these meetings the PHA must:

- Describe all RAD resident rights (including the right to remain in the project after conversion, the right to return to the project if there is temporary relocation, the right to relocation benefits, and the right to not be re-screened upon returning);

RESIDENT INVOLVEMENT

Before A PHA Applies to Recap to Convert Public Housing Under RAD

Notice to Residents and Required Meetings

Before submitting a RAD application to Recap, a PHA must notify in writing any “duly elected resident organizations” of a project proposed for conversion. (Many public housing developments do not have a duly elected resident council. The term “duly elected resident organization” is tied to Section 964 of the public housing regulations. See the Public Housing entry of this Advocates’ Guide.) Recap “encourages” PHAs to partner with “resident leaders” to inform all residents of a development planned for conversion. The PHA is not required to notify the Resident Advisory Board (RAB) or residents of other developments.

Since January 2017, the form of notice must be a written RAD Information Notice (RIN: <https://bit.ly/3S6XuZa>) that indicates, among other things:

- Discuss conversion plans, explaining;
 - ◀ Scope of work to be done and any potential relocation;
 - ◀ Estimated timeline for conversion;
 - ◀ The major differences between public housing and PBV or PBRA after conversion;
 - ◀ Any change in the number of units or unit sizes or any other change that might make it difficult for a household to re-occupy the property;
 - ◀ Any demolition of units that have been vacant for more than 24 months (see “One-for-One Replacement” below);
 - ◀ Any plans to partner with an entity other than an affiliate or instrumentality of the PHA, and if so, whether such a partner will have a general partner or managing member ownership interest in the proposed project owner; and
 - ◀ Any plans to transfer the PBV or PBRA to another property, meaning residents would have to permanently move to another location.
- Give residents a chance to comment;
- After these meetings the PHA must write responses to residents’ comments.
- ◀ Efforts to accommodate residents with limited English proficiency;
- ◀ The meeting format (in-person, electronic, both);
- ◀ The location of in-person meetings;
- ◀ Efforts to overcome resident technical barriers to participation on virtual meetings;
- ◀ Other efforts, such as providing childcare.
- Meeting agendas and copies of any hand-outs or presentation materials;
- A summary of residents’ questions and comments at meetings and submitted in writing;
- The PHA’s responses to residents’ questions and comments;
- Information about how residents who were unable to attend meetings could get materials and submit questions and comments;
- Materials provided to residents about RAD resident protections, such as Recap’s Residents’ Rights brochure, Recap’s resident fact sheets, Recap’s RAD video, and other materials;
- Contact information for at least one elected leader of a “duly elected resident organization” – if one exists.

PHA MUST SEND MATERIALS TO RECAP ALONG WITH RAD APPLICATION

A PHA must send the following to Recap with a RAD application:

- Certification (pledge) that the PHA provided all residents the RIN and meeting notices;
- A summary of who attended meetings (e.g., sign-in sheet, list of registrants or participants on calls or online meetings);
- A description of the PHA’s efforts to promote resident participation at meetings, including:
 - ◀ Dates and times of meetings “to accommodate a variety of [resident] schedules”;
 - ◀ Efforts to accommodate residents with disabilities;

If Your Development is Chosen for Conversion

RESIDENT ENGAGEMENT BEFORE A “CONCEPT CALL”

After a RAD application has received preliminary Recap approval, called a “CHAP” (Commitment to enter into a Housing Assistance Payment contract) but before a PHA requests a “Concept Call” with Recap (see below), the PHA must have at least two meetings with residents to discuss updated conversion plans and ask for feedback regarding the proposed improvements, management changes, services, or other items.

The two (at least) meetings should cover the topics listed above about the meetings after a RIN is issued and should be spaced to provide meaningful updates regarding the application's progress. Recap encourages PHAs to have these meetings every three months, and before each meeting PHAs should provide written progress descriptions. Residents should be able to provide input and raise questions or concerns. A summary of residents' questions and comments from the meetings, and the PHA's response provided to residents, must be submitted as part of the RAD Financing Plan. A Financing Plan is a document demonstrating that the project can be physically and financially sustained for the term of the Section 8 Housing Assistance Payment (HAP) contract.

Additional resident meetings might be required by Recap after the Concept Call if Recap determines they are needed to provide residents with up-to-date information.

The Concept Call is relatively new, first required after September 5, 2019. It requires a PHA to request a call with Recap before submitting a "Financing Plan," to show that the plan is far enough along for Recap to review it.

RESIDENT ENGAGEMENT BEFORE RAD "CLOSING"

After Recap has issued a RAD Conversion Commitment (RCC) and before project "closing," (closing is the final step in executing a real estate transaction) the PHA must notify residents in writing that the RAD application has been approved. The PHA must hold an additional resident meeting after residents have been notified. The written notice and meeting must address: the anticipated timing of the conversion; the anticipated duration of the rehab or new construction; the revised terms of the lease and "house rules" (allowable and prohibited activities in housing units and common areas listed in an attachment to a lease); procedures for signing a new lease; any anticipated reloca-

tion; and opportunities to and procedures for residents to exercise the RAD "choice mobility" option (discussed below). The PHA must provide access to or copies of the new lease form and any house rules. Recap requires evidence that notice was provided and the meeting was held.

ADDITIONAL RAD MEETINGS

The "required meetings" must discuss any "substantial change" to RAD conversion plans compared to key elements of the conversion plan from previous meetings. The required meetings are the two meetings after a RIN is issued, the two meetings after a PHA receives a CHAP and before the Concept Call, and the one meeting after Recap issues an RCC.

Additional meetings with residents are required if one of the "required meetings" does not take place within a reasonable time (about 3 months) after there is a substantial change to the RAD conversion plan. A substantial change includes: a change in the number of units or unit sizes that could make it difficult for a household to re-occupy the property; demolition of units that have been vacant for more than 24 months; if the PHA plans to partner with another entity that will have an ownership interest in the project; if RAD transfers the PBV or PBRA to another property, meaning residents would have to permanently move to another location.

PRACTICES TO IMPROVE RESIDENT PARTICIPATION AT MEETINGS

PHAs must provide adequate notice of meetings (Recap does not define "adequate"). PHAs should reduce barriers to resident participation in meetings. They should conduct meetings in places that foster participation and consider the timing of resident meetings (e.g., times of day, days of the week, including weekends) to encourage participation by residents who have a variety of schedules. PHAs should offer meetings in person, electronically (e.g., Zoom), and/or a hybrid of both. For virtual

meetings, PHAs should consider residents' computer and internet access and take reasonable measures to address technological barriers. PHAs must make meeting notices and meeting materials available in the management office and on their website. Relevant staff from the PHA or the project owner should be available at meetings to respond to residents' questions or comments. PHAs may not restrict attendance at the meetings.

ALL COMMUNICATIONS AND MEETINGS MUST BE ACCESSIBLE

The PHA must: use effective means of communication for people with hearing, visual, and other communication-related disabilities; hold meetings in places physically accessible for people with disabilities; and provide meaningful access to its programs and activities for people who have a limited ability to read, speak, or understand English.

Recap Considers RAD Conversion a “Significant Amendment” to the PHA Plan

A Significant Amendment to the PHA Plan requires Resident Advisory Board (RAB) involvement, PHA-wide notice, broad public outreach, and a public hearing. A RAD conversion Significant Amendment must describe the units to be converted, including the number of units, the number of units by bedroom size, and type of units (e.g., family, elderly, etc.). It must also indicate any waiting list preferences and indicate any change in the number of units or units with different numbers of bedrooms, as well as any change in policies regarding eligibility, admission, selection, and occupancy of units.

Although Recap considers RAD conversion to be a Significant Amendment, Recap does not require a Significant Amendment process to begin until late in the RAD conversion application process, which could be as late as five months after Recap has issued a preliminary

approval (CHAP) for RAD conversion of a specific development. (See Chapter 8 of this *Advocates' Guide* for information about the *Public Housing Agency (PHA) Plan*.)

A PHA only has to have the RAD Significant Amendment completed in time for a PHA to submit its RAD Financing Plan, which is a document sent to Recap showing that a PHA has buttoned down all the necessary financing. The RAD Financing Plan must include a letter from Recap approving the Significant Amendment. Financing Plans are due six months after Recap has issued a “CHAP” – a preliminary approval for RAD conversion.

By this time a PHA will have invested too much effort to respond to resident and community input. Decisions about whether to apply for RAD conversion, and if so which developments should be converted, ought to be discussed as a Significant Amendment by all PHA residents and the surrounding community before a RAD application is sent to Recap – not close to the time when a PHA has all of its financing and construction plans approved and is ready to get started with the RAD conversion.

\$25 Per Unit for Resident Participation

Whether a property is converted to PBV or PBRA, each year a PHA or owner must provide \$25 per occupied unit at the property for resident participation. Of this amount, at least \$15 per unit must be provided to the legitimate resident organization to be used for resident education, organizing around tenancy issues, and training activities. If there is no legitimate resident organization, residents and PHAs/owners are encouraged to form one. A PHA may use the remaining \$10 per unit for resident participation activities; however, some PHAs distribute the entire \$25 per unit to the resident organization.

Resident Participation Provisions

Residents have the right to establish and operate a resident organization. If a property is converted

to PBRA, then the current multifamily program's resident participation provisions apply, the so-called "[Section 245](https://bit.ly/4iABzoi)": <https://bit.ly/4iABzoi> provisions. If a property is converted to PBV, instead of using public housing's so-called "[Section 964](https://bit.ly/4jprOu3)": <https://bit.ly/4jprOu3> provisions, the RAD Notice requires resident participation provisions similar to those of Section 245.

Section 245-like RAD Resident Participation Rights – Legitimate Resident Organizations

PHAs/owners must recognize legitimate resident organizations, which are established by residents, representative of a development's residents, meet regularly, operate democratically, and are completely independent of the owner. Owners must allow residents and resident organizers to assist residents in establishing and operating resident organizations. A resident organizer is a resident or non-resident but is not an employee or representative of the owner.

Section 245-like RAD Resident Participation Rights – Protected Activities

Owners must allow residents and resident organizers to conduct reasonable activities related to the establishment or operation of a resident organization. Owners must allow residents and resident organizers to distribute leaflets in lobbies and common areas and place leaflets at or under residents' doors, as well as post information on bulletin boards. They must be able to contact residents and conduct door-to-door surveys, help residents participate in the organization's activities, hold regular meetings on-site, and respond to a PHA's request to increase rent, reduce utility allowances, or make major capital additions. Management staff may not attend resident meetings unless invited.

Properties converted to PBRA are no longer required to meet PHA Plan requirements. In addition, PBRA residents can no longer be on the RAB, be a PHA commissioner, or be on a jurisdiction-wide resident council unless the PHA voluntarily agrees.

Recap used to have on its website, a [slide deck: https://www.hud.gov/sites/documents/TENANTORGANIZINGAFTERRAD.PDF](https://www.hud.gov/sites/documents/TENANTORGANIZINGAFTERRAD.PDF) about resident organization after RAD conversion and still has [Fact Sheet #8, Resident Organizing and Funding: https://www.hud.gov/sites/dfiles/Housing/documents/RADResidentFactSheet_8_ResidentOrganizingAndFunding.pdf](https://www.hud.gov/sites/dfiles/Housing/documents/RADResidentFactSheet_8_ResidentOrganizingAndFunding.pdf).

ONE-FOR-ONE REPLACEMENT

Although the RAD Notice does not use the term "one-for-one replacement," Recap's informal material says there will be one-for-one replacement. However, there are exceptions. PHAs can reduce the number of assisted units by up to 5% or five units, whichever is greater, without seeking HUD approval (known as Section 18). Recap calls this the *de minimus* exception. Furthermore, RAD does not count against the 5% or five unit *de minimus*: any unit that has been vacant for two or more years; any reconfigured units, such as efficiency units made into one-bedroom units; or any units converted to use for social services. Consequently, the loss of units can be greater than 5%. NLHC has long been concerned about not counting units that have been vacant for two or more years because PHAs have been known to purposefully keep units vacant for years, which could enable them to minimize the need to comply with the one-for-one replacement provision.

A PHA must demonstrate that any reduction of units better serves residents, will not result in involuntary permanent displacement, and will not discriminate. If a PHA proposes changes that will result in, for example, fewer three-bedroom units, the PHA must demonstrate that it will not result in involuntary displacement or discrimination.

CHOICE MOBILITY

Recap states that one of the major objectives of RAD is to test the extent to which residents have greater housing choice after conversion. PHAs must provide all residents of converted

units with the option to move with a regular Housing Choice Voucher (HCV). For PBV conversions, after one year of residency, a tenant can request a HCV, and one must be provided if available; if a voucher is not available, the resident gets priority on the waiting list. If because of RAD, a PHA's total number of PBV units (regular PBVs and RAD PBVs) is greater than 20% of the PHA's authorized number of HCVs, the PHA would not be required to provide more than 75% of its turnover HCVs in any single year to residents of RAD projects.

For PBRA conversions, a resident has the right to move with an HCV after two years if one is available. A PHA could limit Choice-Mobility moves in a PBRA property to one-third of the PHA's turnover vouchers, or to 15% of the assisted units in a property.

Recap posted [RAD Choice Mobility Guidebook: Effective Implementation of Residents' Choice-Mobility Rights in RAD Conversions](https://www.radchoicebook.org/effective-implementation-of-residents-choice-mobility-rights-in-rad-conversions), [A Best Practices Guide for PHAs and Owners](https://www.radchoicebook.org/a-best-practices-guide-for-phas-and-owners): <https://bit.ly/3YfgloA>, written by the Policy & Race Research Action Council (PRRAC). Recap also has [Fact Sheet #12, Choice Mobility](https://bit.ly/4iQ2P2h): <https://bit.ly/4iQ2P2h>.

RELOCATION AND CIVIL RIGHTS REVIEW GUIDANCE

HUD issued [Notice H 2016-17/PIH 2016-17](https://www.federalregister.gov/documents/2016/11/10/notice-h-2016-17-pih-2016-17): <https://bit.ly/3YelFsn> on November 10, 2016, providing guidance regarding resident relocation and fair housing and civil rights statutory and regulatory requirements under RAD.

Relocation Provisions

Regarding relocation provisions, this Notice added several new features, some in response to advocates. The Notice requires PHAs or project owners to prepare a written relocation plan for all transactions that involve permanent relocation or that involve temporary relocation expected to be longer than 12 months.

Notices

For any temporary or permanent relocation, public housing residents must receive a RAD Information Notice (RIN: <https://bit.ly/3S6XuZa>) before the first required resident meetings to tell residents that the PHA intends to convert through RAD, and to describe project plans (such as new construction or rehabilitation) and residents' rights under RAD (see discussion earlier in this article). In addition, residents must receive a General Information Notice (GIN: <https://www.radresource.net/output.cfm?id=samplengin>) within 30 days after a CHAP is issued. The GIN must inform residents that they might be displaced, and if so that they will receive relocation assistance and 90 days' advance notice before having to move. Owners must provide a Notification of Return to the Covered Project indicating: a date or estimated date of return, whether the PHA or some other entity will be responsible for managing the return, that out-of-pocket expenses will be covered, that the PHA or another entity will give residents 90 days' advance notice of return, and options available to residents who decide not to return.

Temporary Relocation

For moves within the same building or complex, or for moves elsewhere for *one year or less*, a PHA must give residents 30 days' notice and reimburse residents for out-of-pocket expenses.

If temporary relocation is expected to be for more than one year, a PHA must give residents 90 days' notice and offer residents the choice of temporary housing and reimbursement for out-of-pocket expenses related to the temporary relocation, or permanent relocation assistance and payments at "[Uniform Relocation Act](https://www.federalregister.gov/documents/2016/11/10/uniform-relocation-act)": <https://bit.ly/3RzIZwT> levels. Residents must have at least 30 days to decide between temporary and permanent relocation assistance. A PHA cannot use any tactics to pressure residents to give up their right to return or to accept permanent relocation assistance and payments.

PHAs must maintain a “Resident Log” that tracks resident status through completion of rehabilitation or new construction, including re-occupancy after temporary relocation. The Resident Log must have detailed data regarding each household that will be relocated, including the address of temporary housing and key dates of notices and moves. Unfortunately, Recap will not make a redacted or aggregate summary of the Resident Log available to advocates wishing to monitor the relocation process.

Permanent Relocation

If proposed plans for a project would prevent a resident from returning to a RAD project, the resident must be given an opportunity to comment and/or object to such plans. If the resident objects to such plans, the PHA must alter project plans to accommodate the resident in the converted project. Advocates are not aware that any RAD project has been altered as a result of resident objections.

If a resident voluntarily agrees to permanent relocation, a PHA must obtain informed written consent from the resident that also confirms that the resident agrees to end the right to return and that confirms that the resident understands permanent relocation assistance and payments will be provided consistent with the “Uniform Relocation Act.” Replacement housing options for residents who voluntarily relocate permanently include providing other public housing, a project-based voucher, a regular tenant-based voucher, and homeownership housing.

Fair Housing and Civil Rights Provisions

Notice H 2016-17/PIH 2016-17: https://www.hud.gov/sites/documents/16-17hsgn_16-17_pihn.pdf provides:

- An outline of conditions under which HUD will conduct a front-end review to determine whether a site is in an area of minority concentration relative to the site’s housing market area;

- Guidance on the concepts of “area of minority concentration” and “housing market area” that are reviewed when determining whether a site is in an area of minority concentration; and
- Information about what HUD will consider and what PHAs should provide evidence of in order for a proposed site to meet exceptions that permit new construction in an area of minority concentration. This includes:
 - ◀ An explanation of the presumptions necessary for meeting the “sufficient comparable opportunities” exception; and
 - ◀ A description of the factors that HUD may consider in evaluating the “overriding housing needs” exception.

WHO WILL OWN THE CONVERTED PROPERTIES?

Many residents worry about their developments becoming “privatized.” Theoretically, this potential problem is covered by the RAD statute requiring ownership or control by a public or nonprofit entity. However, legal services attorneys worry that there could be loopholes. Legal services attorneys recommend that if a PHA does not directly keep ownership that the PHA at least has a long-term ground lease ensuring direct control.

The June 15, 2015, revision of the RAD Notice (PIH-2012-32 REV-2) refined the meaning of “ownership and control” of post-conversion projects.

For conversions that do not involve the Low-Income Housing Tax Credit (LIHTC), a public or nonprofit entity must meet one of the following:

- Hold fee simple interest in the real property (holding title to the land and any improvements, such as buildings).
- Have direct or indirect legal authority to direct the financial and legal interests of the project owner (through a contract, partner-

ship share, agreement of an equity partnership, voting rights, or other means).

- Own 51% or more of the general partner interests in a limited partnership, or own 51% or more of the managing member interests in a Limited Liability Company (LLC).

As of January 19, 2017, due to the REV 3 RAD Notice, the following options were added:

- Lease the ground to a project owner (but the Notice doesn't indicate how long the lease should last).
- Own a lesser percentage of the general partner or managing member interests and hold certain control rights approved by Recap.
- Own 51% or more of all ownership interests in a limited partnership or LLC and hold certain control rights approved by Recap.

Recap may allow ownership of a project to be transferred to a LIHTC entity controlled by a for-profit entity (or since the FY18 appropriations act, a nonprofit) to enable the use of LIHTC assistance, but only if Recap determines that the PHA preserves sufficient interest in the property. Preservation of a PHA's sufficient interest in a project using LIHTCs could include:

- The PHA, or an affiliate under its sole control, is the sole general partner or managing member.
- The PHA retains fee ownership, leasing the real estate to the LIHTC entity as part of a long-term ground lease.
- The PHA retains control over project leasing, such as exclusively maintaining and administering the wait list for the project, including performing eligibility determinations that comply with the PHA Plan.
- The PHA enters into a Control Agreement by which the PHA retains consent rights over certain acts of the owner (for example, leasing, selecting the management agent, setting the operating budget, making withdrawals from the reserves, and disposition of the

project), and retaining certain rights over the project, such as administering the waiting list.

Whether or not the property is owned by a LIHTC entity, the National Housing Law Project asserts that only two options will preserve the long-term affordability of a property:

- The PHA or an affiliate under its sole control is the general partner or managing member.
- The PHA retains fee ownership and leases the real estate through a long-term ground lease.

If there is a foreclosure, then ownership or control of the property will go first to a public entity, and if there is not a public entity willing to own the property, then to a private entity that could be a for-profit.

BREACH OF CONTRACT

HUD can remove a PBV or PBRA Housing Assistance Payment (HAP) contract if an owner is in serious noncompliance. In such a situation, the RAD Notice states that new tenants would be allowed to have income greater than the income of most public housing residents – 80% of the area median income (for example, \$89,700 for a four-person household in Chicago in 2024). Rents could be higher – 30% of 80% of AMI (for example, \$2,243 per month for a four-person household in Chicago).

LIMITS ON PBVS PER DEVELOPMENT

For projects that closed after January 19, 2017, there is no limit on the number of PBVs that can be attached to a property.

RAD Supplemental Notice 4B from July 2023 clarifies that PBVs in a RAD-converted property (including for example "regular" RAD PBVs and RAD/Section 18 Blend PBVs, described below) that replace public housing units that existed at the time of RAD conversion do not count against the 20% cap on the number of vouchers a PHA can project base.

Pre-January 2017 RAD Projects

For projects that closed before changes were made on January 19, 2017, RAD limited to 50% the number of units in a public housing development that could be converted to PBVs. However, the 50% cap could be exceeded if the other units were “exception units,” those occupied by an elderly head of household or spouse, a disabled head of household or spouse, or a household with at least one member participating in a supportive service program.

For those pre-2017 RAD projects, a public housing household whose development was converted could not be involuntarily displaced as a result of this 50% cap. In other words, any household living in a development at the time of RAD conversion (pre-2017) that did not meet one of the exception criteria (e.g., elderly, disabled, supportive service) and did not want to move, could not be terminated from PBV and could not be required to move, even if they caused the development to exceed the 50% PBV + exception unit cap. However, once one of those original households (non-elderly, non-disabled, non-supportive services) left, causing the property to exceed the 50% PBV + exception unit cap, that unit could only be assisted with PBV if it was rented to a household that met one of the three exception categories (elderly, disabled, or supportive services). What this means is that some PHAs might have urged half of the households to move to other developments, if available, but a resident’s decision to relocate must be voluntary.

MIXING RAD AND “SECTION 18” DISPOSITION

A new provision was added on July 3, 2018 through [Notice PIH 2018-04: https://www.hud.gov/sites/dfiles/PIH/documents/PIH-2018-04-Demo-Dispo-Notice-12-14-18.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/PIH-2018-04-Demo-Dispo-Notice-12-14-18.pdf), which was primarily about Section 18 demolition and disposition applications, and was added to the RAD Notice REV-4 (September 5, 2019). Up to

25% of the public housing units at a RAD project could be “disposed” (sold or transferred) under Option (c) of the “Section 18” Disposition regulations option that requires the disposition to be in the “best interest of residents and the PHA.” This is termed the “RAD/Section 18 Blend.” (PIH’s Special Applications Center (SAC) has a [RAD/Section 18 Blend webpage: https://bit.ly/3EDhQpS](https://bit.ly/3EDhQpS). For more information about Section 18 disposition, see the “*Repositioning of Public Housing*” entry in this chapter of the *Advocates’ Guide*.

The purpose of RAD/Section 18 Blends is to allow a public housing property to undergo RAD conversion for one portion of a property’s units while remaining units use the Section 18 Disposition program’s Tenant Protection Vouchers (TPVs) that are converted to PBVs. The primary reason for using the RAD/Section 18 Blend is to improve a project’s financing – PBVs generally provide greater rent revenue than RAD formula rent amounts. The PBV HAP contract at a RAD/Section 18 Blend project may be renewed as many times as necessary in order to keep the PBV units in the RAD project affordable (according to PIH Special Application Center emails to NLIHC).

For RAD/Section 18 Blend projects, Supplemental Notice 4C (January 16, 2025) stated that HUD will automatically convert TPVs issued for the Section 18 units to PBVs or PBRAs, depending on which program a PHA chose to convert to under RAD. The project will then have a single RAD form of HAP Contract that is subject to a single RAD Use Agreement. Supplemental Notice 4C also stated that the units in a RAD/Section 18 Blend that generate TPVs will not reduce a PHA’s Faircloth Limit.

The Faircloth Amendment to the “Housing Act of 1937” states that HUD cannot fund the construction or operation of new public housing units with Capital or Operating Funds if the construction of those units would result in a net increase in the number of public housing units

a PHA owned, assisted, or operated as of October 1, 1999.

A PHA may not provide different relocation rights and benefits to residents of a project on the basis of whether they live in a RAD unit or a RAD/Section 18 Blend unit. All RAD resident protection provisions must apply to residents of RAD/Section 18 Blend units, including: resident notice and meeting requirements, right to return, no rescreening, no denial based on income eligibility or income targeting, relocation assistance, grievance and lease provisions, right to establish and operate a resident organization, and \$25 per unit to be used for resident participation activities. These protections were most clearly laid out in a document (no longer listed on the SAC RAD/Section 18 Blend webpage), “[RAD-Section 18 \(75/25\) Blend FAQs](https://bit.ly/4iHtCxG),”: <https://bit.ly/4iHtCxG> see FAQs #7, #8, and #9 on page 9. [Notice PIH 2024-40: https://bit.ly/4iABxgb](https://bit.ly/4iABxgb) issued on December 26, 2024 reinforced the above stating, “All residents shall be treated uniformly and in accordance with RAD requirements, including the civil rights requirements and reviews described in the RAD Fair Housing, Civil Rights, and Relocation [Notice PIH 2016-17](https://bit.ly/3YelFsn).”: <https://bit.ly/3YelFsn>

Another Section 18 notice, [Notice PIH 2021-07 issued on January 19, 2021 replaced Notice PIH 2018-04: https://bit.ly/3YbxLIZ](https://bit.ly/3YbxLIZ). The percentage of units eligible for disposition within a RAD project as a result of Notice PIH 2021-07 could then be based on the “hard construction costs” of a proposed rehabilitation or new construction. Hard construction costs include overhead and profit, payment and performance bonds, and “general requirements.”

- For high-cost areas, defined as those where Hard Construction Costs exceed 120% of the national average, a PHA may convert up to 80% of the units in a RAD project to PBVs under Section 18.
- If hard construction costs are equal to or greater than 90% of Housing Construction Costs published by HUD for the given market

area, a PHA may convert up to 60% of the units in a RAD project to PBVs under Section 18.

- If hard construction costs are equal to or greater than 60% but less than 90% of Housing Construction Costs published by HUD for the given market area, a PHA may convert up to 40% of the units in a RAD project to PBVs under Section 18.
- If hard construction costs are equal to or greater than 30% but less than 60% of Housing Construction Costs published by HUD for the given market area, a PHA may convert up to 20% of the units in a RAD project to PBVs under Section 18.

[Notice PIH 2024-40: https://bit.ly/4iABxgb](https://bit.ly/4iABxgb) issued on December 26, 2024 replaced Notice PIH 2021-07, modifying the percentage of units in a RAD/Section 18 Blend project that could be Section 18 units, increasing the percentage to 90% (with only 10% of the units being straight RAD units) if the project entailed:

- Rehabilitation with hard construction costs exceeding 90% of the area’s Housing Construction Costs (HCC), as determined by PIH), or
- Demolition and redevelopment, or
- The transfer of public assistance to a new site under RAD.

If rehabilitation with hard construction costs exceeded 60% of the area’s HHC, then 60% of the units could be Section 18 units (with 40% of the units being straight RAD units). And if rehabilitation with hard construction costs exceeded 30% of the area’s HHC, then 30% of the units could be Section 18 units (with 70% of the units being straight RAD units).

Notice PIH 2021-07 also provides that Small PHAs, those with 250 or fewer public housing units, may convert up to 80% of the units in a RAD project to PBVs under Section 18. However, to be eligible for the Small PHA RAD/Section 18 Blend, a PHA must submit a feasible repositioning plan that removes all of a PHA’s public housing Annual Contributions Contract (ACC)

units, reflecting that the PHA will not develop additional public housing units under otherwise available Faircloth authority, and will not transfer that Faircloth authority to another PHA.

Units in a RAD/Section 18 Blend property must be substantially rehabbed or be newly constructed, and the project must not use 9% Low Income Housing Tax Credit (LIHTC) financing (see Chapter 5 of this *Advocates' Guide* for information about LIHTC). The PHA must show that disposition is necessary so that all the units in a development can use PBVs. HUD will provide Tenant Protection Vouchers that will convert to PBVs for these units.

HUD will not approve a RAD conversion that would include disposition under Section 18 regulations option (b) or (c) if the Section 18 units would not be replaced one-for-one. Option (b) is disposition that will allow a PHA to buy, rehab, or build other properties that will be “more efficient or effective”.

HUD reports that as of September 17, 2024, 189 projects with 9,413 units used RAD-Section 18 blends at

Section 3 Applies

Section 3 preferences for resident training, employment, and contracting opportunities have always been required until a public housing development had completed RAD conversion.

The September 2019 RAD Notice (REV-4) elaborated on the earlier notices by stating that pre-development conversion costs remain subject to regular Section 3 public housing provisions. After RAD Closing (which takes place before final conversion), any housing rehabilitation or new construction required by the conversion is subject to the Section 3 provisions for housing and community development activities – except that first priority for employment and other economic opportunities must be given to residents of public housing or Section 8-assisted housing. If funding comes from CDBG or

HOME, then first priority is to low-income residents in the project's neighborhood.

In response to an inquiry by NLIHC, Recap clarified in an email that Section 3 applies to the entire RAD scope of work. That is, under RAD, related non-housing work such as a parking lot, sidewalks, landscaping, etc., are considered a part of “housing construction” and is covered by Section 3.

Recap continues to avoid extending RAD employment opportunities after conversion for PHA staff who had performed various tasks at the public housing development, such as central office employees, painters, grounds crews, etc.

OTHER KEY FEATURES IN REV 4

Projects Needing Significant Renovations No Longer Prioritized

RAD Notice REV-4 deleted the priority categories for approving RAD applications. Instead, HUD accepts applications on a first-come, first-served basis. This formalized actual HUD practice in which HUD approved RAD applications that entailed little or no rehabilitation for 27% of completed RAD conversions and 36% of projects undergoing rehabilitation, according to the [Government Accountability Office: https://www.gao.gov/products/gao-18-123](https://www.gao.gov/products/gao-18-123). The original intent of RAD was to address Congress' underfunding of public housing capital needs that resulted in accelerated deterioration of properties. The appropriations act establishing RAD stated that the purpose is to “preserve and improve” public housing. The initial RAD Notice and each subsequent revision prior to REV-4 reiterated this intent and added that the goal is to “address immediate and long-term capital needs.”

RAD Projects in Opportunity Zones

HUD will provide extra rent revenue of up to \$100 per unit per month to a public housing project located in an Opportunity Zone that converts to Section 8 project-based rental

assistance (PBRA) – not Project-Based Vouchers (PBV) – provided the project needs extra revenue to be financially viable. The RAD conversion must entail either new construction or substantial rehabilitation. HUD will approve requests on a first-come-first-served basis. A HUD [FAQ](#) defines “substantial rehabilitation” and describes how HUD will determine whether an infusion of additional rent revenue is necessary.

Two New Items Added in 2021

RAD COMPLAINT PROCESS FOR RESIDENTS

Recap has an [online RAD complaint form: https://www.hud.gov/RAD/Submit_Resident_Inquiries-or-Complaints](https://www.hud.gov/RAD/Submit_Resident_Inquiries-or-Complaints) for residents of public housing properties undergoing conversion or that have converted under RAD to either the PBV or PBRA programs. A one-page [RAD Complaint Process: https://www.hud.gov/sites/dfiles/Housing/documents/RAD_Resident_Complaint_Process.pdf](https://www.hud.gov/sites/dfiles/Housing/documents/RAD_Resident_Complaint_Process.pdf) PDF form is no longer on the “[RAD Public Housing Residents](https://www.hud.gov/RAD/residents/PublicHousingResidents)”: <https://www.hud.gov/RAD/residents/PublicHousingResidents> webpage. The PDF form listed steps that Recap staff will take when they receive a complaint, including:

- Communicating with residents to obtain additional information.
- Gathering information from the PHA, property manager, and RAD Transition Manager (the process does not explicitly include talking with legal services or other resident-oriented third parties).
- Determining whether Recap or another HUD office could facilitate communication between residents and the other party.
- Providing residents with a written response that includes actions taken and recommended next steps.

The PDF form stated that residents should direct follow-up questions to the [Recap office:](#)

https://www.hud.gov/program_offices/housing/office_recapitalization_staff_directory.

The complaint process does not include an appeal process if residents are unhappy with Recap’s written response, nor does it indicate that Recap will undertake ongoing monitoring to ensure that suggested actions are carried out.

FAIRCLOTH-TO-RAD/RESTOREREBUILD

Recap formally announced in April, 2021, a new “Faircloth-to-RAD” option for PHAs to create deeply affordable homes. Faircloth refers to a congressional limit on the number of public housing units a PHA can own, assist, or operate. The Faircloth-to RAD option is designed to establish a long-term, reliable rental subsidy contract to help PHAs and their development partners more readily finance the construction of new deeply affordable units. In November 2024 Recap rebranded “Faircloth-to-RAD” as “RestoreREBUILD” and created a [RestoreREBUILD webpage: https://www.hud.gov/rad/restorerebuild](https://www.hud.gov/rad/restorerebuild).

When first introduced in 2021, Recap indicated that many PHAs operate fewer public housing units than their Faircloth limit. According to a [list : https://bit.ly/3Yf8qrr](https://bit.ly/3Yf8qrr) maintained on the RestoreREBUILD webpage as well as on PIH’s [Office of Capital Improvements webpage: https://bit.ly/4ivdzC](https://bit.ly/4ivdzC) as of December 31, 2023, 258,749 units of public housing could be developed and 171,473 had already converted through the Faircloth-to-RAD process.

Congress established a limit on the number of public housing units the federal government would support in 1998. The Faircloth Amendment to the “Housing Act of 1937” prohibits HUD from funding the construction or operation of new public housing units with Capital or Operating funds if construction would result in a net increase in the number of public housing units a PHA owned, assisted, or operated as of October 1, 1999. This is referred to as the “Faircloth

Limit,” named after Lauch Faircloth, a North Carolina senator who championed the limit.

One reason PHAs with available Faircloth units have been unable to construct new public housing units is because there is no new federal funding for their initial construction. The new option is intended to enable PHAs with Faircloth unit availability to develop public housing units on a temporary basis using HUD’s public housing [Mixed-Finance program: https://www.hud.gov/mixedfinance](https://www.hud.gov/mixedfinance) with pre-approval to convert the property under RAD to a long-term Section 8 contract once construction is complete. By providing early-stage RAD conversion approvals, specifically the revenue certainty and the market-familiarity of a Section 8 contract that these RAD approvals represent, HUD gives lenders and investors the information they need to underwrite the construction of new public housing.

Recap posted an updated [RestoreREBUILD Guide: https://bit.ly/4ILflx5](https://bit.ly/4ILflx5) replacing the former *Faircloth-to-RAD Guide*. On September 20, 2023 Recap hosted a webinar on Faircloth-to-RAD; the webinar slides are [here: https://www.hud.gov/sites/dfiles/Housing/documents/Faircloth-to-RAD_Webinar_Slides.pdf](https://www.hud.gov/sites/dfiles/Housing/documents/Faircloth-to-RAD_Webinar_Slides.pdf) and a Q&A from the webinar are [here: https://www.hud.gov/sites/dfiles/Housing/documents/Faircloth-to-RAD_Webinar_FAQs_9-20-2023.pdf](https://www.hud.gov/sites/dfiles/Housing/documents/Faircloth-to-RAD_Webinar_FAQs_9-20-2023.pdf).

Resident Engagement Requirements in a Faircloth-to-RAD Conversion

RAD Supplement Notice 4B (Notice H-2023-08/PIH-2023-19) introduced special resident engagement requirements for PHAs undertaking a Faircloth-to-RAD Conversions. These resident engagement requirements follow those of regular RAD conversions, except some technical terms used in the Faircloth-to-RAD process are substituted.

In addition, if tenants are admitted to a property in the period after an RCC is issued and before “Closing,” a PHA must, before executing a lease: give residents a RIN so that they know

the PHA intends a RAD conversion and so that they are aware of their rights under RAD; give residents a written explanation of leasing and occupancy changes that come with conversion to PBV or PBRA; and meet with each household to discuss the conversion, explain the written materials, and enable them to ask questions.

The main RAD Notice REV-4 includes Attachment 1A, “Financial Plan Requirements.” Existing paragraph R required a PHA to submit dates of meetings held with residents after a CHAP was issued. It also required PHAs to include responses to comments made by residents at the meetings. Supplement 4B expanded paragraph R to require a PHA to send to Recap along with its RAD application, the materials mentioned in the “PHA Must Send Materials to Recap Along with RAD Application” portion of this article.

Tips for Local Success

For residents of developments given preliminary or final RAD approval, make sure that the PHA or private, HUD-assisted housing owner is complying with all resident participation and protection provisions. Once HUD issues a formal RCC, a PHA must notify each household that the conversion has been approved, inform households of the specific rehabilitation or construction plan, and describe any impact conversion will have on them.

Be on the lookout for any substantial change in a conversion plan. A substantial change includes: a change in the number of assisted units, a major change in the scope of work, a transfer of assistance to a different property or owner, or a change in the eligibility or preferences for people applying to live at the property. If there is a substantial change in the conversion plan, the PHA must have additional meetings with the residents of the converting property and carry out the PHA Plan Significant Amendment process with the RAB, all PHA residents, and hold a public hearing.

For public housing residents at PHAs with RAD projects that are still in process or for those with projects on the Applications Under Review list, seek commitments from the PHA and any developers working with the PHA to keep residents fully informed throughout the process. Reports from residents at PHAs indicate that their PHAs, developers, and local HUD offices do not provide residents with sufficient information. Make sure to fully understand the differences between PBVs and PBRAs so that you can influence the best option for residents.

Use the online [RAD Complaint form: https://www.hud.gov/RAD/Submit_Resident_Inquiries-or-Complaints](https://www.hud.gov/RAD/Submit_Resident_Inquiries-or-Complaints) and be persistent if you are not happy with initial responses. Contact HUD's Office of Recapitalization with problems; see the resident engagement and protections branch staff at https://www.hud.gov/program_offices/housing/office_recapitalization_staff_directory

Funding

To date, RAD has not had any appropriated funds. HUD's proposed budget for FY25 sought \$100 million conversion subsidy to support conversion 30,000 public housing properties unable to convert using only the funds RAD conversion provides through a transfer from their public housing Capital Fund and Operating Fund. The HUD FY25 budget proposal also sought an additional \$10 million in RAD conversion subsidy to enable 3,000 Section 202 PRACs to convert that could not otherwise financially succeed. Neither the Senate nor the House appropriations bills propose providing this funding for RAD.

FORECAST FOR 2025

HUD's budget request proposed removing the current cap of 455,000 public housing units that can convert through RAD, eliminating the cap and would also remove the former "sunset" date for making conversions. NLIHC strongly opposes increasing or eliminating the cap. HUD's budget request would allow Section 18

units in a RAD/Section 18 Blend project to not only convert to PBVs but to PBRAs if a PHA chooses to do so.

HUD's budget request proposed allowing RAD-converted properties to be eligible for the Jobs Plus program, which is currently only available to public housing residents. HUD also proposed allowing public housing properties with an existing Resident Opportunities for Self-Sufficiency (ROSS) grant before RAD conversion to complete the grant term and also apply to renew the grant. HUD also sought approval to allow grantees receiving renewal Congregate Housing Services Program (CHSP) grants for properties that housed elderly people before RAD conversion to remain eligible for renewals post conversion.

The 2024 election resulted in a sweep for Republicans, who will control the House, Senate, and White House in 2025 and 2026. Consequently there is great uncertainty regarding whether Congress or the Trump Administration will make policy changes related to RAD.

What to Say to Legislators

Tell Members of Congress not to lift the cap on the number of public housing units that may convert until this "demonstration" has convincingly shown that Recap will rigorously monitor PHA and owner compliance with all tenant protections written into the RAD statute and RAD Notice. Ask members of Congress to ensure that Recap, as required by statute, prepares, conducts, and publishes a detailed assessment of the impact of conversion on public housing residents to ensure that further conversions do not adversely impact residents. Such an assessment should ask whether residents had a genuine role during and after conversion, were evicted just prior to conversion, were able to remain after conversion if that is what they wanted or were inappropriately re-screened. An assessment should also determine whether Section 6 resident protections, such as grievance

procedures, were fully honored and whether residents of converted properties were able to participate on resident councils and RABs. Was there compliance with the one-for-one replacement requirement? Are PHAs truly owning or controlling converted properties? Are conversions to PBRA consuming too many scarce tenant protection vouchers at the expense of other tenant protection voucher needs?

Congress must prioritize funding for public housing preservation programs and activities while guiding HUD on how best to spend such investments by strengthening HUD's oversight and proper implementation of RAD and by eliminating health and safety hazards.

For instances requiring public housing demolition, disposition, or voluntary conversion to vouchers, Congress should direct HUD to require a market analysis and civil rights assessment to determine whether there are other affordable housing units available in the community, and whether residents will be able to use issued vouchers in opportunity neighborhoods.

For More Information

National Low Income Housing Coalition, 202-662-1530, www.nlihc.org.

National Housing Law Project's RAD resource webpage, <http://nhlp.org/RAD>.

NLIHC's RAD: *Key Features for Public Housing Residents*, <https://nlihc.org/sites/default/files/RAD-Outline-Updated-August-2023.pdf>, is on NLIHC's Public Housing webpage, <https://nlihc.org/explore-issues/housing-programs/public-housing>.

HUD's RAD pages for residents, <https://www.hud.gov/RAD/residents>.

RAD Notice H-2019-09 PIH-2019-23 (REV4) as amended by Supplemental Notice 4B (Supplemental Notice 4C had not been integrated as of January 23, 2025), <https://bit.ly/3S561vH>.

RAD Supplemental Notice 4C, <https://bit.ly/3S6wklc>.

RAD Fair Housing, Civil Rights, and Relocation Notice H 2016-17/PIH 2016-17 https://www.hud.gov/sites/documents/16-17hsgn_16-17pihn.pdf.

HUD's RAD website, <http://portal.hud.gov/hud-portal/HUD?src=/RAD>.

RAD Complaint form, https://www.hud.gov/RAD/Submit_Resident_Inquiries-or-Complaints.

HUD's 15 RAD Fact Sheets for residents, <https://www.hud.gov/RAD/residents/ResidentFactSheets>.

HUD's "RAD Residents' Rights in Public Housing" YouTube video, https://www.radresource.net/webinar_show.cfm?vid=113.

Notice PIH 2018-04 about RAD/Section 18 Blended Projects, <https://www.hud.gov/sites/dfiles/PIH/documents/PIH-2018-04-Demo-Dispo-Notice-12-14-18.pdf>.

Notice PIH 2021-07 on Demolition and Disposition of Public Housing under Section 18, <https://www.hud.gov/sites/dfiles/PIH/documents/PIH2021-07.pdf>.

SAC's RAD/Section 18 Blend webpage, https://www.hud.gov/program_offices/public_indian_housing/centers/sac/rad.

Recap's RestoreREBUILD webpage, <https://www.hud.gov/rad/restorerebuild>.