

Repositioning of Public Housing: Demolition/Disposition, Voluntary Conversion to Vouchers, and Rental Assistance Demonstration (RAD)

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Administering Agency: HUD's Office of Public and Indian Housing (PIH) and its Special Applications Center (SAC)

Year Started: The term "repositioning" was introduced November 13, 2018, although components have been available for many years

See Also: For related information, refer to the *Public Housing*, *Rental Assistance Demonstration*, and *PHA Plan* sections of this guide.

HUD's Office of Public and Indian Housing (PIH) [sent a letter: https://bit.ly/2OMTr0Y](https://bit.ly/2OMTr0Y) to public housing agency (PHA) executive directors dated November 13, 2018. The term "repositioning" was used to describe HUD's intent to remove itself from public housing program administration. HUD's goal at the time was to "reposition" 105,000 public housing units before September 30, 2019.

Because Congress has failed to provide adequate appropriations for the public housing Capital Fund for many years, HUD pointed to a backlog in capital needs (major repairs) as the reason to provide PHAs with "additional flexibilities" so that PHAs can "reposition" public housing. There is no official estimate of public housing capital needs, however it has been estimated to be well over \$70 billion. PIH's [Repositioning website: https://www.hud.gov/program_offices/public_indian_housing/repositioning](https://www.hud.gov/program_offices/public_indian_housing/repositioning) contains a number of papers supporting repositioning, including "[Repositioning for Residents](https://www.hud.gov/sites/dfiles/PIH/documents/Repositioning_Residents_faqs.pdf)."": https://www.hud.gov/sites/dfiles/PIH/documents/Repositioning_Residents_faqs.pdf SAC's [Repositioning web-](#)

[page: https://bit.ly/4iABvoz/repositioning](https://bit.ly/4iABvoz/repositioning) also has a page devoted to "[Information for Public Housing Residents](https://bit.ly/4iABvoz)": <https://bit.ly/4iABvoz> covering a variety of repositioning topics.

Public housing can be "repositioned" via:

1. Demolishing or disposing of (selling) public housing (Section 18)
2. Voluntary conversion of public housing to vouchers (Section 22)
3. The Rental Assistance Demonstration (RAD)

While these were already available to PHAs before 2018, repositioning is meant to make things easier. Each strategy is discussed in this article.

Demolition/Disposition

BACKGROUND

Since 1983, PIH has authorized PHAs to apply for permission to demolish or dispose of (sell) public housing units under [Section 18 of the "Housing Act."](https://www.hud.gov/sites/documents/DEMODISPOPIHSECTION18.PDF): <https://www.hud.gov/sites/documents/DEMODISPOPIHSECTION18.PDF> This policy was made significantly more damaging in 1995 when Congress ended the requirement that PHAs replace, on a one-for-one basis, public housing lost through demolition or disposition. In 2016, PIH reported a net loss of more than 139,000 public housing units due to demolition or disposition since 2000, not including all of the public housing units lost as a result of HOPE VI.

A PHA must apply to PIH's [Special Applications Center \(SAC\): https://www.hud.gov/program_offices/public_indian_housing/centers/sac](https://www.hud.gov/program_offices/public_indian_housing/centers/sac) to

[demolish or dispose: https://www.hud.gov/program_offices/public_indian_housing/centers/sac/demo_dispo](https://www.hud.gov/program_offices/public_indian_housing/centers/sac/demo_dispo) of public housing under Section 18. The application must certify that the PHA has described the demolition or disposition in its Annual PHA Plan and that the description in the application is identical. (For more about the PHA Plan, see the *Public Housing Agency Plan* article in Chapter 8 of this *Advocates' Guide*.) Advocates should challenge an application that is significantly different. PHAs should not re-rent units when they turn over while SAC is considering an application. The information in this article is primarily from the regulations [24 CFR 970: https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-970?toc=1](https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-970?toc=1).

In 2012, after prodding from advocates, PIH under the Obama Administration clarified and strengthened its guidance ([Notice PIH 2012-7: https://bit.ly/4iABvF5](https://bit.ly/4iABvF5)) regarding demolition and disposition in an effort to curb the decades-long needless destruction or sale of the public housing stock. This guidance clarified the demolition and disposition process in a number of ways. For example, the guidance unequivocally stated that a proposed demolition or disposition must be identified in the PHA Plan or in a significant amendment to the PHA Plan, and that PHAs must comply with the existing regulations' strict resident consultation requirements for the PHA Plan process, the demolition or disposition application process, and the redevelopment plan. That guidance also reminded PHAs that HUD's Section 3 requirement to provide employment, training and economic opportunities to residents applied to properties in the demolition and disposition process. The review criteria for demolition applications had to meet clear HUD standards, and no demolition or disposition was permissible prior to HUD's approval, including any phase of the resident relocation process.

In 2018, the Trump Administration eliminated the modest improvements to PIH's demolition/

disposition guidance that advocates helped PIH to draft in 2012 (Notice PIH 2012-7) and replaced it with [Notice PIH 2018-04: https://bit.ly/3EG0WHb](https://bit.ly/3EG0WHb) in order to make it far easier to demolish public housing, and to do so without resident input and protections. In addition, the Trump Administration withdrew proposed regulation changes drafted in 2014 under the Obama Administration that would have reinforced those modest improvements. All of this was a part of the PIH's "repositioning" of public housing through demolition and voluntary conversion of public housing to vouchers. Its goal at the time was to reposition 105,000 public housing units in FY19 alone by streamlining the demolition application and approval process.

Although NLIHC and other advocates have urged PIH during the Biden Administration to restore key elements of Notice PIH 2012-7 as well as improve fair housing review before approving Section 18 demolition/disposition actions, PIH did not indicate an intent to issue improved demolition/disposition regulations similar to those proposed by the Obama Administration.

However, in the closing days of the Biden Administration (December 26, 2024), PIH issued [Notice PIH 2024-40: https://bit.ly/4iABxgb](https://bit.ly/4iABxgb), which made several changes suggested by NLIHC and the National Housing Law Project. There are major improvements regarding resident consultation and resident relocation, and consideration of the "commensurate public benefit" provision so that it better targets truly low-income people. The new Notice also adds references to vacant land which is also subject to Section 18 disposition.

RESIDENT PARTICIPATION

A PHA must prepare a demolition/disposition application "in consultation" with tenants and any tenant organization at a project, as well as with any PHA-wide tenant organization and the Resident Advisory Board (RAB). The application ([form HUD-52860: https://www.hud.gov/](https://www.hud.gov/form HUD-52860)

[sites/dfiles/OCHCO/documents/52860.pdf](https://www.hud.gov/sites/dfiles/OCHCO/documents/52860.pdf)) must include any written comments made by residents, resident organizations, or the RAB and indicate in writing how the PHA responded to comments. A September 2022 “[Section 18 Demo/Dispo Checklist](https://www.hud.gov/sites/dfiles/PIH/documents/S18_Checklist_9-16-2022_REVISED.pdf)”: https://www.hud.gov/sites/dfiles/PIH/documents/S18_Checklist_9-16-2022_REVISED.pdf instructs PHAs to attach documents demonstrating that affected residents have been consulted, documents such as meeting notices, agendas, sign-in sheets, minutes, etc. SAC can deny an application if tenants, resident councils, or RABs were not consulted, so residents should challenge an application if they were not consulted or if the “consultation” was grossly inadequate.

As introduced in [Notice PIH 2021-07: https://bit.ly/3YbxLIZ](https://bit.ly/3YbxLIZ) from January 19, 2021, SAC will not approve any application that is clearly inconsistent with a PHA Plan or any information and data available to or requested by HUD, or if an application was not developed in consultation with residents, resident groups, and local government officials. A PHA must discuss the demolition or disposition at a public hearing as required by the PHA Plan regulations. PIH replaced Notice PIH 2021-07 with [Notice PIH 2024-40: https://bit.ly/4iABxgb](https://bit.ly/4iABxgb) on December 26, 2024, which adds that a PHA must also comply with the resident consultation requirements of the PHA Plan, including discussing it with its Resident Advisory Board (RAB).

In addition to PHA Plan resident consultation provisions, the demolition/disposition regulations call for additional resident consultation specific to proposals to demolish or dispose of public housing ([24 CFR 970.9: https://www.federalregister.gov/documents/2024/12/26/2024-26442-24-CFR-970-9](https://www.federalregister.gov/documents/2024/12/26/2024-26442-24-CFR-970-9)). Notice PIH 2024-40 expands the previous Resident Consultation section in Notice PIH 2021-07 by adding that residents affected by a demolition/disposition include public housing residents living in other units not proposed for removal at the same project as the property proposed for removal (units or vacant land) and/

or residents living in any of a PHA's other public housing units.

Along with a narrative of its resident consultation process, a PHA must attach to its application, evidence of consultation, such as sign-in sheets, dates, and meeting agendas. A PHA must allow residents and their representatives to submit written comments regarding the PHA's proposed Section 18 Plan and must consider these comments. If a PHA proposes a demolition-only application, it must conduct a new consultation with residents if the PHA submits a disposition-only application for the same vacant land after demolishing a development. Notice PIH 2024-40 adds as a “best practice,” conducting two meetings with residents before submitting an application, two meetings with residents after SAC accepts the demolition/disposition, and one meeting before finally removing the property.

RESIDENT RELOCATION PROVISIONS

The demolition or disposition application must have a relocation plan stating:

- Demolition or disposition cannot start until all residents are relocated.
- Residents will receive 90 days' advance notice before being relocated.
- Each household must be offered comparable housing that meets housing quality standards (HQS) and that is in an area that is not less desirable. Comparable units might be other public housing, project-based vouchers (PBVs), or tenant-based Housing Choice Vouchers (HCVs). PHAs are responsible for applying for replacement Tenant Protection Vouchers (TPVs) for units that were occupied within the previous 24 months of SAC approval. The TPVs convert to PBVs or HCVs. Read more about TPVs in the Tenant Protection Vouchers section of this Advocates' Guide.
- Residents' actual relocation expenses will be reimbursed (but the “Uniform Relocation Act,” URA, does not apply).

PIH 2024-40 reminds PHAs of the Section 18 regulations (24 CFR 970.21: <https://bit.ly/3YdsAlv>) which requires a PHA to offer each household displaced by demolition or disposition comparable housing that meets housing quality standards (HQS) and is located in an area that is generally not less desirable than the location of the displaced persons. The housing must be offered on a nondiscriminatory basis, without regard to race, color, religion, creed, national origin, disability, age, familial status, or gender, in compliance with applicable federal and state laws. For people with disabilities displaced from a unit with reasonable accommodations, comparable housing should include similar accommodations. A PHA is required pay for actual and reasonable relocation expenses of each resident to be displaced, including residents requiring reasonable accommodations because of disabilities.

PIH has more information about demo/diso resident relocation [here: https://www.hud.gov/programdescription/phrr](https://www.hud.gov/programdescription/phrr) and [here: https://www.hud.gov/sites/documents/1378X33CPDH.PDF](https://www.hud.gov/sites/documents/1378X33CPDH.PDF).

DEMOLITION APPLICATIONS

Is the Public Housing Obsolete? PHAs must certify that a development is “obsolete,” either physically or in terms of location, and therefore no longer suitable as housing.

Physically obsolete means that there are structural deficiencies that cannot be corrected at a reasonable cost. Structural deficiencies include settlement of floors, severe erosion, and deficiencies in major systems such as the plumbing, electrical, heating and cooling, roofs, doors, and windows. “Reasonable” cost is defined as less than 62.5% of total development costs (TDC) for buildings with elevators and 57.14% for other buildings. SAC periodically updates TDC limits on its [Demolition/Disposition \(Section 18\) webpage: https://bit.ly/4iABvoz/demo_dispo](https://bit.ly/4iABvoz/demo_dispo); the 2023 TDC limits are [here: https://www.hud.gov/sites/dfiles/PIH/documents/2023_Units_TDC_Limits.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/2023_Units_TDC_Limits.pdf). To show that a development

is physically obsolete, a PHA must submit a detailed scope of work that should describe the major systems needing repair or replacement, the need to remove lead-based paint or asbestos hazards, or the need to make accessibility improvements (the last sentence is based on [Notice PIH 2021-07: https://bit.ly/3YbxLIZ](https://bit.ly/3YbxLIZ)).

An obsolete location means that the surrounding neighborhood is too deteriorated or has shifted from residential to commercial or industrial use. It can also mean environmental conditions make it unsuitable for residents.

“Other factors” can also be considered, such as things that “seriously affect the marketability or usefulness” of a development.

“De Minimus” Demolition. PHAs do not have to apply to SAC to demolish fewer than five units or 5% of all units over a five-year period. The units being demolished must either be beyond repair or make room for services such as a childcare facility, laundry, or community center. More information from SAC about de minimus demolition is [here: https://bit.ly/4iABvoz/dmd](https://bit.ly/4iABvoz/dmd).

DISPOSITION APPLICATIONS

A PHA must certify that keeping the development is not in the best interest of residents or the PHA for one of three reasons:

1. Conditions in the surrounding area, such as commercial or industrial activity, have a negative impact on the health and safety of residents or have a negative impact on a PHA’s operation of the project. A negative impact on the PHA’s operation of a project could mean a lack of demand for the units. If so, the PHA would have to show high long-term vacancy rates due to factors such as declining population in the area or due to the property being located in an isolated area cut off from transportation and access to community amenities such as stores and schools (This example of a negative impact is from [Notice PIH 2021-07: https://bit.ly/3YbxLIZ](https://bit.ly/3YbxLIZ)).

2. Sale or transfer of the property will allow a PHA to buy, develop, or rehab other properties that can be more efficiently operated as low-income housing. For example, the replacement units should be: energy efficient; in better locations for transportation, jobs, or schools; or reduce racial or ethnic concentrations of poverty.
3. Sale of the property is “appropriate” for reasons consistent with the PHA’s goals, the PHA Plan, and the purpose of the “Public Housing Act” (a vague option). [Notice PIH 2021-07: https://www.hud.gov/sites/dfiles/PIH/documents/PIH2021-07.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/PIH2021-07.pdf) provides five examples: units are obsolete (echoing the Demolition rule); the PHA has 50 or fewer public housing units; the public housing is scattered across multiple locations; the replacement units are on site and have improved efficiency because they are newly constructed or modernized; and a RAD conversion has 75% of the units converted under RAD and up to 25% of the units converted to vouchers via Section 18 (see the *Rental Assistance Demonstration* section of this guide).

More demo/dispo information is also on NLIHC’s public housing webpage, <https://nlihc.org/explore-issues/housing-programs/public-housing>, particularly “Demolition and Disposition,” <https://nlihc.org/sites/default/files/inline-files/REV4%20Demolition-Disposition%20Handout.pdf>.

SAC’s demo/dispo webpage is at https://bit.ly/4iABvoz/demo_dispo. PIH demo/dispo webinar slides are at <https://bit.ly/3TMS84j>.

RAD/SECTION 18 BLENDS

As part of public housing repositioning under the Rental Assistance Demonstration (RAD), a relatively new scheme called RAD/Section 18 Blends was added in 2018. PIH began allowing 25% of the units in a RAD project to convert to PBVs under Section 18 in [Notice PIH 2018-11: https://www.hud.gov/sites/dfiles/PIH/documents/pih2018-11.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/pih2018-11.pdf) on July 2, 2018,

the beginning of the “RAD/Section 18 Blend.” On January 19, 2021, PIH posted [Notice PIH 2021-07: https://bit.ly/3YbxLIZ](https://bit.ly/3YbxLIZ), which superseded Notice PIH 2018-04. The primary change was to the “RAD/Section 18 Blend,” allowing a PHA to apply to SAC for approval to dispose of public housing “because it is not in the best interests of the residents and the PHA” to keep the property as public housing. In short, the drastically changed provision allowed a PHA to convert anywhere from 40% to 80% 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 PBV units from 30% to 90%. The percentage of units eligible for disposition within a RAD project is based on the “hard construction costs” of the proposed rehabilitation or new construction. These RAD/Section 18 Blend Notices further accelerate PIH’s public housing “repositioning” policy.

RAD is briefly explained at the end of this article. See the *Rental Assistance Demonstration* entry in this *Advocates’ Guide* for more about RAD/Section 18 Blends.

HUD’s RAD/Section 18 Blends webpage is at https://www.hud.gov/program_offices/public_indian_housing/repositioning/rad_section18.

SAC’s RAD/Section 18 Blends webpage is at <https://bit.ly/3EDhQpS>.

Voluntary Conversion to Vouchers

A PHA may convert any public housing development to vouchers under Section 22 of the “Housing Act of 1937.” Voluntary conversion is a two-step process. First a PHA must send HUD a “conversion assessment” and then it must send a “conversion plan.” A special PIH office is in charge, the [Special Applications Center \(SAC\), which has a Voluntary Conversion \(Section 22\) webpage: https://bit.ly/3EDodth](https://bit.ly/3EDodth). The

regulations for voluntary conversions are [24 CFR 972 Subpart B: https://bit.ly/3S3uxNN](#).

(Section 33 is about “required” conversions of public housing that has high vacancy rates and would be too expensive to repair over the long run. *The Advocates’ Guide* does not discuss Section 33 required conversions because it is not a part of repositioning).

CONVERSION ASSESSMENT

The first step a PHA must take to voluntarily convert public housing to vouchers is to conduct an assessment that is sent to SAC as part of a PHA’s next Annual PHA Plan, except for two categories of PHAs:

- So-called “[Qualified PHAs](#)”: https://www.hud.gov/program_offices/public_indian_housing/pha/qualified do not have to submit a conversion assessment with their PHA Plan, but they do eventually have to submit one to SAC. Qualified PHAs have 550 or fewer public housing units and/or vouchers combined. PIH [lists Qualified PHAs: https://www.hud.gov/program_offices/public_indian_housing/pha/lists](#) based on the calendar quarter their program begins. There are nearly 2,700 Qualified PHAs, out of a total of approximately 3,300 PHAs.
- As of April 1, 2019, so-called “small PHAs” – those with fewer than 250 public units that want to convert all their units – do not have to conduct an assessment. See [Notice PIH 2019-05: https://bit.ly/3SbqBdP](#).

For the remaining PHAs, their conversion assessment must address five factors:

- 1. Cost.** What is the cost of providing vouchers compared to the cost of keeping units as public housing for the remainder of a property’s useful life?
- 2. Market Value.** What is the market value *before rehabilitation* if a property is kept as public housing, compared to conversion to vouchers, and what is the market value *after*

rehabilitation if a property is kept as public housing compared to conversion to vouchers?

- 3. Rental Market Conditions.** Will residents be able to use a voucher? A PHA must consider:
 - a. The availability of decent, safe, and sanitary homes renting at or less than the PHA’s voucher payment standard.
 - b. The recent rate of households’ ability to rent a home with a voucher (the “success rate”). Many landlords will not accept a voucher and in many areas market rents are greater than the Housing Choice Voucher payment standard, making a potential rental unit unaffordable to a household.
 - c. Residents’ characteristics that might affect their ability to find a home and use a voucher; for example, homes accessible to people with a disability, or the availability of homes large enough for families.
- 1. Neighborhood Impact.** How would conversion impact the availability of affordable housing in the neighborhood and what effect would conversion have on the concentration of poverty in the neighborhood?
- 2. Future Use of the Property.** How will the property be used after conversion?

Three Conditions for SAC Approval of Conversion Assessment

The assessment must show that converting to vouchers:

1. Will not cost more than continuing to use the development as public housing.
2. Will principally benefit the residents, the PHA, and the community. The PHA must consider the availability of landlords willing to accept vouchers, as well as access to schools, jobs, and transportation. The PHA must hold at least one public meeting with residents and the resident council at which the PHA explains the regulations and provides draft copies of the conversion assessment. Residents must be

given time to submit comments. The assessment sent to SAC must summarize residents' comments and the PHA's responses.

3. Will not have a harmful impact on the availability of affordable housing.

CONVERSION PLAN

The second step is for the PHA to prepare a conversion plan that has six parts:

1. Description of the conversion and future use of the property.
2. Analysis of the impact on the community.
3. Explanation showing how the conversion plan is consistent with the assessment.
4. Summary of resident comments during plan development and the PHA's response.
5. Explanation of how the conversion assessment met the three conditions needed for SAC approval (as listed above).
6. Relocation plan that:
 - a. Indicates the number of households to be relocated by bedroom size and by the number of accessible units.
 - b. Lists relocation resources needed, including:
 - i. The number of vouchers the PHA will request from PIH. PIH will give the PHA priority for "tenant protection vouchers" (see the Tenant Protection Vouchers section of this *Advocates' Guide*).
 - ii. Public housing units available elsewhere.
 - iii. The amount of money needed to pay residents' relocation costs.
 - c. Includes a relocation schedule.
 - d. Provides for a written notice to residents at least 90 days before displacement. The notice must inform residents that:
 - i. The development will no longer be used as public housing and that they might be displaced.
 - ii. They will be offered comparable housing that could be a tenant-based voucher (Housing Choice Voucher) or a project-based voucher (PBV), or other housing assisted by the PHA.
 - iii. The replacement housing offered will be affordable, decent, safe, and sanitary, and chosen by the household to the extent possible.
 - iv. If residents will be assisted with vouchers, the vouchers will be available at least 90 days before displacement.
 - v. Relocation and/or mobility counselling might be provided.
 - vi. Residents may choose to remain at the property with a voucher if the property is used for housing after the conversion.

RESIDENT PARTICIPATION

The conversion plan must be sent to SAC as part of a PHA's next Annual PHA Plan within one year after sending the conversion assessment. The conversion plan can be sent as a Significant Amendment to an Annual PHA Plan. A PHA can send the plan and assessment with the same Annual PHA Plan. (For more information about PHA Plans, see the *Public Housing Agency Plan* article in this *Advocates' Guide*.)

In addition to the public participation requirements for the Annual PHA Plan, a PHA must hold at least one meeting about the conversion plan with residents and resident council of the affected development. At the meeting the PHA must explain the regulations and provide draft copies of the conversion plan. In addition, residents must have time to submit comments and the PHA must summarize resident comments and the PHA's responses.

CONDITIONS NEEDED FOR SAC APPROVAL OF CONVERSION PLAN

A PHA cannot start converting until SAC approves a conversion plan. Conversion plan

approval is separate from PIH approval of an Annual PHA Plan. SAC will provide a PHA with a preliminary response within 90 days. SAC will not approve a conversion plan if the plan is “plainly inconsistent” with the conversion assessment, if there is information or data that contradicts the conversion assessment, or if the conversion plan is incomplete or fails to meet the requirements of the regulation. Residents should let SAC know if they think that the conversion plan is “plainly inconsistent” with the conversion assessment or if there is information that contradicts the assessment.

More voluntary conversion information is also on NLIHC’s public housing webpage, <https://nlihc.org/explore-issues/housing-programs/public-housing>, particularly “Voluntary Conversion of Public Housing to Vouchers,” <https://nlihc.org/sites/default/files/REV2%20Voluntary%20Conversion%20Handout.pdf>.

SAC’s voluntary conversion webpage is at: <https://bit.ly/3EDodth>.

Rental Assistance Demonstration (RAD)

More details are in the *Rental Assistance Demonstration* section of this *Advocates’ Guide*.

BEGINNINGS

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 established RAD through the “FY12 HUD Appropriations Act” to help preserve and improve low-income housing. 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, PIH Notice 2012-32 – updated currently by [H-2019-09/PIH 2019-23 \(REV4\): https://www.hud.gov/sites/dfiles/Housing/documents/RAD_Notice_Rev4_as_amended_by_Supplemental_4B.pdf](https://www.hud.gov/sites/dfiles/Housing/documents/RAD_Notice_Rev4_as_amended_by_Supplemental_4B.pdf) – and the relocation Notice, [Notice H 2016-17/PIH-2016-17: https://bit.ly/2YZVYvS](https://bit.ly/2YZVYvS).

WHAT IS RAD?

RAD allows PHAs to voluntarily convert public housing units to either Project-Based Vouchers (PBVs) or to Project-Based Rental Assistance (PBRA). Both are forms of project-based Section 8 rental contracts. At first only 60,000 units would be allowed to convert under the “demonstration,” but without demonstrating that RAD was realizing the resident protections won by the Resident Engagement Group, Congress approved increases to the cap three times. Currently, 455,000 public housing units are allowed to convert to PBVs or PBRAs. The Obama, first Trump, and Biden Administrations have all sought to remove the cap and allow all public housing units to convert through RAD – a position NLIHC opposes unless HUD’s Office of Recapitalization (Recap), which administers RAD, more rigorously monitors and enforces RAD’s resident rights and protections. As of the date this *Advocates’ Guide* was drafted, the cap remained at 455,000 units.

Once converted under RAD, the amount of public housing Capital Fund and Operating Fund formerly received by a specific public housing development is used instead as PBV or PBRA. PBVs are Housing Choice Vouchers tied to specific buildings; they do not move with tenants the way regular “tenant-based” vouchers do. If public housing units are converted to PBV, the initial contract must be for 15 years (20 years for projects pre-approved in 2017 and

thereafter) and must always be renewed. PIH continues to oversee the units and most of the current PBV rules (24 CFR 983) apply. If units are converted to PBRA, the initial contract must be for 20 years, must always be renewed, and HUD's Office of Multifamily Programs takes over monitoring. Most of the current PBRA rules (24 CFR 880 to 886) apply.

MIGHT CONVERTING SOME PUBLIC HOUSING TO SECTION 8 BE DESIRABLE?

Converting some public housing to Section 8 might be helpful since Congress continues to underfund public housing, resulting in deteriorating buildings and the loss of units through demolition. Congress is more likely to provide adequate funding for existing Section 8 contracts than for public housing, and 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. 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.

WHAT ARE THE RESIDENT PROTECTIONS IN RAD?

The language in the appropriations act and HUD's formal rules for RAD include most of the protections sought by the REG. However, it is up to residents to try to get Recap, PHAs, developers, and owners to comply, something resident leaders have identified as a problem from the very beginning of RAD that frequently continues today.

Displacement. Permanent involuntary displacement of current residents cannot take place. 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.

Right to Return. Residents temporarily relocated while rehabilitation is conducted have a

right to return once rehabilitation and/or new construction is completed.

Rescreening. Current residents cannot be rescreened.

Tenant Rent. Existing PBV and PBRA rules limit resident rent payment to 30% of adjusted income, or minimum rent, whichever is higher. Any rent increase of 10% or \$25 (whichever is greater) due to conversion is phased in over three to five years.

Good Cause Eviction. An owner must renew a resident's lease unless there is "good cause" not to.

Grievance Process. The RAD statute requires tenants to have the grievance and lease termination rights described under Section 6 of the "Housing Act of 1937." For instance, PHAs must notify a resident of the reason for a proposed adverse action and of their right to an informal hearing assisted by a resident representative. Legal aid advocates think that HUD has not adequately implemented this statutory requirement.

OTHER RESIDENT-ORIENTED PROVISIONS IN RAD

The \$25 per Unit for Tenant Participation Remains. Whether a property is converted to PBV or PBRA, the owner must provide \$25 per unit annually for resident participation. Of this amount, at least \$15 per unit must be provided to any "legitimate resident organization" to be used for resident education, organizing around tenancy issues, or training activities. The PHA may use the remaining \$10 per unit for resident participation activities.

Resident Participation Rights. Residents have the right to establish and operate a resident organization. If a property is converted to PBRA, then the current Section 8 Multifamily program's "Section 245" resident participation provisions apply.

If a property is converted to PBV, instead of using public housing’s “Section 964” provisions, the RAD Notice requires resident participation provisions similar to those of Section 245 used by the Section 8 Multifamily program. For example, PHAs must recognize legitimate resident organizations and allow residents to establish and operate resident organizations. Resident organizers must be allowed to distribute leaflets and post information on bulletin boards, contact residents, help residents participate in the organization’s activities, hold regular meetings, and respond to an owner’s request to increase rent, reduce utility allowances, or make major capital additions.

One-for-One Replacement. Although the RAD Notice does not use the term “one-for-one replacement,” HUD’s informal material describes one-for-one replacement. However, there are exceptions. PHAs can reduce the number of assisted units by up to 5% or by five units, whichever is greater, without seeking HUD approval. HUD calls this the “de minimus” exception. However, RAD does not count against the 5%/five unit de minimus: units that have been vacant for two or more years; any reconfigured units, such as combining two efficiency units into a one-bedroom unit; or any units converted for use by social services. Consequently, the loss of units can be greater than 5%.

TWO ADDITIONAL KEY FEATURES OF RAD

Resident Participation Features. The RAD Notice requires PHAs to provide residents with various information notices and at least five meetings with residents at different stages of the RAD process. Details are presented in the Rental Assistance Demonstration section of this guide.

Temporary or Permanent Relocation. Relocation requirements are described in separate HUD guidance, [Notice H 2016-17/PIH-2016-17](https://www.hud.gov/program_offices/public_indian_housing/notice/2016-17/PIH-2016-17): <https://bit.ly/2YZVYvS>. Details are presented in the Rental Assistance Demonstration section of this guide.

More RAD information is also on NLIHC’s public housing webpage, [https://nlihc.org/explore-issues/housing-programs/public-housing-particularly RAD: Key Features for Public Housing Residents](https://nlihc.org/explore-issues/housing-programs/public-housing-particularly-rad-key-features-for-public-housing-residents) (Modified August 2023) (.PDF).

HUD’s RAD website is at: <https://www.hud.gov/RAD>.

Funding

RAD, demolition or disposition, and voluntary conversion to vouchers do not have specific funding. However, PIH/SAC must estimate how much it should request from Congress for Tenant Protection Vouchers for demolition, disposition, or conversion.

Forecast for 2025

PIH continues to actively promote public housing repositioning as demonstrated by its [Repositioning website](https://www.hud.gov/program_offices/public_indian_housing/repositioning): https://www.hud.gov/program_offices/public_indian_housing/repositioning containing numerous papers supporting repositioning.

The 2024 election resulted in a sweep for Republicans, who will control the House, Senate, and White House in 2025 and 2026. Consequently, it is uncertain whether Congress or the Trump Administration will make policy changes related to public housing repositioning.

What to Say to Legislators

Urge legislators not to eliminate or raise the number of public housing units that can convert under RAD beyond the current cap of 455,000 units because RAD has yet to demonstrate Recap’s ability to monitor and enforce resident protections and rights. Work to reverse the features of Notice PIH 2018-04 and Notice PIH 2021-07 that make it far too easy to gain demolition/disposition approval from SAC, especially without more resident involvement. Monitor HUD’s repositioning activity to ensure that dem-

olition, disposition, and voluntary conversion of public housing to vouchers is only conducted in ways that truly benefit residents.

For More Information

NLIHC, 202-662-1530, <https://nlihc.org>.

NLIHC's public housing webpage, <https://bit.ly/2S0Z3Kn>.

PIH's Repositioning webpage, https://www.hud.gov/program_offices/public_indian_housing/repositioning, including a number of handouts and FAQs such as: [Repositioning for Residents: https://www.hud.gov/sites/dfiles/PIH/documents/Repositioning_Residents_faqs.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/Repositioning_Residents_faqs.pdf)

[Repositioning Options: Summary of Key Characteristics Information for Public Housing Residents: https://www.hud.gov/sites/dfiles/PIH/documents/Asset_Repositioning_Overview%283-21%29.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/Asset_Repositioning_Overview%283-21%29.pdf)

PIH's Special Applications Center (SAC) website https://www.hud.gov/program_offices/public_indian_housing/centers/sac.

SAC's Repositioning webpage https://www.hud.gov/program_offices/public_indian_housing/centers/sac/repositioning.

SAC's Demolition/Disposition webpage https://bit.ly/4iABvoz/demo_dispo.

SAC's Voluntary Conversion webpage <https://bit.ly/3EDodth>

HUD's RAD website <https://www.hud.gov/rad>.

HUD's RAD Notice H 2019-09/PIH 2019-23 (REV 4), including Supplemental Notice 4B [Attachment 1D – Part 880 Regulations Applicable to Covered Projects: https://www.hud.gov/sites/dfiles/Housing/documents/H-2019-09-PIH-2019-23_RAD_Notice%20Rev4_20190905.pdf](https://www.hud.gov/sites/dfiles/Housing/documents/H-2019-09-PIH-2019-23_RAD_Notice%20Rev4_20190905.pdf).

HUD's RAD Relocation Notice H 2016-17/PIH-2016-17 <https://bit.ly/3YelFsn>.