

# REPOSITIONING OF PUBLIC HOUSING (DEMOLITION/DISPOSITION, VOLUNTARY CONVERSION TO VOUCHERS, AND 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 \(https://tr.ee/ip4o7Y\)](https://tr.ee/ip4o7Y) 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.

The PIH's Repositioning website (<https://tr.ee/mod9tX>) contains a number of papers supporting repositioning, including "Repositioning for Residents" (<https://tr.ee/ki4FdW>). The the SAC has a "Repositioning" webpage (<https://tr.ee/7TaFtp>) and a page devoted to

"Information for Public Housing Residents" (<https://tr.ee/uMNma4>) covering a variety of repositioning topics. Advocates should note that because of ongoing reorganization and removal of information from HUD's website, navigating to resources from the HUD home page can be extremely difficult without an existing direct link to a page or resource; additionally, links provided in this article may eventually become non-operational.

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

### HUD APPROVAL OF DEMOLITION AND/OR DISPOSITION APPLICATIONS

#### A Brief History

Since 1983, PIH has authorized PHAs to apply for permission to demolish or dispose of (sell) public housing units under [Section 18 \(https://tr.ee/YXncia\)](https://tr.ee/YXncia) of the "Housing Act." 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 the HOPE VI program (funded from 1993 to 2023).

The demolition/disposition law (Section 18) and regulations ([24 CFR 970](https://tr.ee/NG0JG9)) (<https://tr.ee/NG0JG9>) require a PHA to apply to PIH's Special Applications Center (SAC) for approval to demolish or dispose of (sell) public housing/and or vacant land.

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://tr.ee/NG0JG9) (<https://tr.ee/NG0JG9>) and [PIH Notice 2024-40](https://tr.ee/6jlmW8) (<https://tr.ee/6jlmW8>).

In 2012, after prodding from advocates, PIH under the Obama administration clarified and strengthened its guidance ([Notice PIH 2012-7](https://tr.ee/oc4hNj)) (<https://tr.ee/oc4hNj>) 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://tr.ee/W1iFDL) (<https://tr.ee/W1iFDL>) in order to make it far easier to demolish public housing and to do so without resident input or 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 fiscal year (FY)19 alone by streamlining the demolition application and approval process.

Although NLIHC and other advocates urged PIH during the Biden administration to restore key elements of Notice PIH 2012-7 as well as improve fair housing review prior to 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://tr.ee/G3QnRg) (<https://tr.ee/G3QnRg>), which made a number of changes that included several urged by NLIHC and the National Housing Law Project. The changes provide major improvements regarding resident consultation and resident relocation, as well as 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.

## Current HUD Approval Provisions

A PHA cannot take any action to demolish or dispose of public housing without HUD approval.

- No “material changes” may be made once SAC approves an application. Material changes require a new application. Material changes include:
  - » Modification of the method of a disposition
  - » A public bid sale for less than 80% of the appraised fair market value (FMV)
  - » Revised terms of “commensurate public benefit” (explained below) for dispositions less than FMV
- A PHA should not re-rent units when they turn over while SAC is considering an application.

An application must certify (promise) that the PHA has described the demolition or disposition in its Annual PHA Plan, that the action is consistent with the PHA Plan, and that the description in the application is identical to that in the PHA Plan. (For more about the PHA Plan, see the *Public Housing Agency Plan* article in Chapter 8 of this *Advocates’ Guide*.)

The application must also certify that the application was developed in consultation with residents, resident groups, and local government officials. A PHA must also comply with the resident consultation requirements in the PHA Plan regulations, including discussing with its Resident Advisory Board (RAB) the proposed repositioning or redevelopment. SAC will not approve an application that is not consistent with a PHA Plan or that was not developed in consultation with residents, resident groups, and officials. Advocates should challenge an application that is significantly different.

## 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). Consultation must also include public housing residents living in 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. A PHA must discuss the proposed demolition or disposition at a public hearing as required by the PHA Plan regulations. Communications and materials must be accessible to people with disabilities, and PHAs must take reasonable steps to provide meaningful access to people with Limited English Proficiency (LEP).

A PHA must allow residents and their representatives to submit written comments regarding the PHA’s proposed demolition/disposition and must consider these comments. The demolition/disposition application ([form HUD-52860](https://tr.ee/jA7q7j)) (<https://tr.ee/jA7q7j>) must include any written comments made by residents, resident organizations, or the RAB and indicate in writing how the PHA responded to comments.

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. 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), or other housing run by or assisted by the PHA that have rents comparable to the rent paid by a household at the public housing development.

- » The comparable 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 to pay for actual and reasonable relocation expenses of each resident to be displaced, including residents requiring reasonable accommodations because of disabilities.
- The PHA must pay for residents’ actual relocation expenses, however the “Uniform Relocation Act” (URA), does not apply.

Tenant Protection Vouchers (TPVs) are not automatically provided—a PHA must apply for TPVs. Read more about TPVs in the *Tenant Protection Vouchers* section of this *Advocates’ Guide*. Depending on how much Congress has appropriated for TPVs, and depending on PIH’s priorities for the year (indicated in a PIH Notice), there might not be enough TPVs for residents.

PIH Notice 2024-40 limited the maximum TPV awards to 25% of the units occupied in the last 24 months for disposition justified under the “efficiency or effectiveness” option (explained below).

A PHA must provide any necessary counseling for residents who are displaced. When a PHA is relocating families with Housing Choice Vouchers (HCVs), including TPVs, PIH encourages the PHA to provide households with mobility counseling.

If a PHA intends to build or otherwise provide affordable replacement housing for the public housing units proposed for removal, PIH recommends the PHA give the residents who are relocated from the public housing units the first right to occupy the new replacement units.

Advocates may find [“Section 8 Assistance for Public Housing Relocation/Replacement”](https://tr.ee/2rK1qk) (https://tr.ee/2rK1qk) helpful. A webpage entitled “Section 8 Assistance for Public Housing Relocation/Replacement” is no longer accessible on the HUD website but here is an archived

version (<https://tr.ee/RgqadA>) (archived March 13, 2025; note that this provided for historical purposes only and that information may not be current).

## DEMOLITION APPLICATIONS

**Is the public housing obsolete?** For demolition applications, PHAs must certify that a development is “obsolete,” either physically or in terms of location, and therefore no longer suitable as housing, and there is no cost-effective way to correct the obsolescence.

**Physically obsolete** means that there are structural deficiencies that cannot be corrected at a reasonable cost. Structural deficiencies include faulty structural design, settlement of floors, and severe erosion. “Reasonable” cost is defined as less than 62.5% of total development costs (TDC) for buildings with elevators and 57.14% for other buildings. If a project’s rehab costs are between the 62.5% or 57.14% thresholds and 90% of total development cost (TDC), a PHA can apply to demolish or dispose of public housing. If rehab costs exceed 90% TDC, the public housing must be demolished or disposed. SAC periodically updates TDC limits; however, the Trump administration deleted SAC’s Demolition/Disposition (Section 18) webpage, so it is difficult to know what the latest TDCs are.

To show that a development is physically obsolete, a PHA can submit a Physical Needs Assessment (PNA), government inspection, and/or an independent architect’s or engineer’s report. 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, which is no longer on PIH’s website).

**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. If the cost to address the harmful conditions exceeds the 62.5%/57.14% thresholds, a location makes the public housing obsolete.

**“Other factors”** can also be considered, such as things that “seriously affect the marketability or usefulness” of a development. If the cost to address the harmful conditions exceeds the 62.5%/57.14% thresholds, the “other factor” makes the public housing obsolete.

**“De Minimis” 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. The Trump administration removed information from SAC about *de minimis* demolition.

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.

Advocates should consider challenging the “location” factors and “other” factors because they are vague and leave the possibility for PHAs inappropriately relying on those factors.

## 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 area surrounding the public housing development, 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 a PHA’s operation of a project could mean a lack of demand for the units. If so, a 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. Advocates should consider challenging the accuracy of any claims that commercial or industrial activities cause significant harm to residents.
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. Low-income housing is limited to other public housing, project-based vouchers (PBVs), or Section 8 project-based rental assistance (PBRA) units. A PHA must demonstrate that sufficient replacement low-income housing units will be provided.

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 2024-40 provides four examples of situations for which disposition might be appropriate:
  - » Public housing is physically “obsolete” (see definition above).
  - » Very small PHAs with 50 or fewer public housing units that no longer want to operate public housing.
  - » A PHA demonstrates that it can redevelop low-income housing on-site to better meet the affordable housing needs of the community.
  - » For scattered site units, a PHA demonstrates that the distance between units and lack of uniformity of systems (e.g., utilities, HVAC) makes it challenging to operate and maintain units.

When a PHA disposes of public housing property it must receive fair market value (FMV). However, it is possible to dispose property at less than FMV if there is a “commensurate public benefit.” Commensurate public benefit generally means the disposed property is to be used or redeveloped as “low-income housing,” which is public housing and project-based Section 8 housing (including through a Faircloth to RAD transaction—see the RAD article in this *Advocates’ Guide*). If low-income housing is not feasible, disposition proceeds can be used for other “affordable” housing serving low-income households, those with income equal to or less than 80% of the area median income (AMI). PIH encourages PHAs to give public housing residents priority for occupying “affordable housing.” PIH also requires a “use restriction” to ensure compliance with the commensurate benefit obligation and provides criteria a use restriction must meet.

More demo/dispo information is also on [NLIHC's public housing \(https://tr.ee/mwKGKc\)](https://tr.ee/mwKGKc) webpage and "[Demolition and Disposition](https://tr.ee/dv82yU)" document (<https://tr.ee/dv82yU>).

### 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 \(https://tr.ee/Ju9JtV\)](https://tr.ee/Ju9JtV) on July 2, 2018, the beginning of the "RAD/Section 18 Blend." On January 19, 2021, PIH posted [Notice PIH 2021-07 \(https://tr.ee/vSIYY8\)](https://tr.ee/vSIYY8), 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 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.

The Trump administration removed HUD's RAD/Section 18 Blends webpage and SAC's RAD/Section 18 Blends webpage.

## 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 had a Voluntary Conversion (Section 22) webpage. The Trump administration deleted these resources. The regulations for voluntary conversions are [24 CFR 972 Subpart B. \(https://tr.ee/VjgQZ4\)](https://tr.ee/VjgQZ4). 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. *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://tr.ee/Hc4Nwp)" (<https://tr.ee/Hc4Nwp>) 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 \(https://tr.ee/JsdSLT\)](https://tr.ee/JsdSLT) 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 \(https://tr.ee/VN64bP\)](https://tr.ee/VN64bP).

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.
4. **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?
5. **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 \(https://tr.ee/SkwfB8\)](https://tr.ee/SkwfB8), particularly "[Voluntary Conversion of Public Housing to Vouchers](https://tr.ee/tF3jhW)" (<https://tr.ee/tF3jhW>).

## 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), including [Supplemental Notice 4C \(https://tr.ee/HMalyx\)](https://tr.ee/HMalyx)— and the relocation Notice, [Notice H 2016-17/PIH-2016-17 \(https://tr.ee/XNXM6q\)](https://tr.ee/XNXM6q).

## 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 PBRA. The Obama, first Trump, and Biden administrations 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 remains at 455,000 units, though there is legislation (discussed below) that seeks to lift the cap.

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 minimis” exception. However, RAD does not count against the 5%/five unit de minimis: 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 \(https://tr.ee/TtSRVr\)](https://tr.ee/TtSRVr). Details are presented in the Rental Assistance Demonstration section of this guide.

More RAD information is also on [NLIHC’s webpage \(https://tr.ee/w8pf67\)](https://tr.ee/w8pf67), particularly [RAD: Key Features for Public Housing Residents \(September 2025\) \(https://tr.ee/KEhJaR\)](https://tr.ee/KEhJaR).

Advocates can also visit [HUD’s RAD website \(https://tr.ee/BVs9gX\)](https://tr.ee/BVs9gX).

## 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 2026

PIH continues to actively promote public housing repositioning as demonstrated by its [Repositioning website \(https://tr.ee/1XvhYg\)](https://tr.ee/1XvhYg) containing a number of papers supporting repositioning. There is great uncertainty regarding whether Congress or the Trump administration will make policy changes related to public housing repositioning.

In 2025, a bipartisan housing bill, the “Renewing Opportunity in the American Dream (ROAD) to Housing Act of 2025” included a provision (Section 201) that would remove the cap for the number of public housing units that can convert under RAD. Currently, the cap is 450,000 units. While NLIHC endorsed ROAD for its

many other provisions, NLIHC opposes removing the cap on the number of public housing units that can undergo RAD conversions and worked closely with Congress and partners to mitigate potential harm to tenants from this provision. As of press time, the ROAD to Housing legislation has not become law. In 2026, advocates should continue to monitor legislative proposals that would eliminate the RAD cap.

HUD's RAD Notice H 2019-09/PIH 2019-23 (REV 4), including [Supplemental Notice 4C \(https://tr.ee/kWqzqZ\)](https://tr.ee/kWqzqZ)

HUD's RAD [Relocation Notice H 2016-17/PIH-2016-17 \(https://tr.ee/4kjDFD\)](https://tr.ee/4kjDFD)

## What to Say to Legislators

- Do not 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.
- Monitor HUD's repositioning activity to ensure that demolition, disposition, and voluntary conversion of public housing to vouchers is only conducted in ways that truly benefit residents.

## For More Information

NLIHC (<https://nlihc.org/>), 202-662-1530 NLIHC's public housing [webpage \(https://tr.ee/mYxich\)](https://tr.ee/mYxich)

PIH's Repositioning [webpage \(https://tr.ee/NcpPcP\)](https://tr.ee/NcpPcP) includes handouts and FAQs such as "Repositioning Options: Summary of Key Characteristics" (<https://tr.ee/3l346d>) and "Repositioning for Residents" (<https://tr.ee/cEqOjd>)

PIH's Special Applications Center (SAC) [webpage \(https://tr.ee/flMOKH\)](https://tr.ee/flMOKH)

SAC's Repositioning [webpage \(https://tr.ee/JmjNOU\)](https://tr.ee/JmjNOU)

SAC's Demolition/Disposition [webpage \(https://tr.ee/rFks0T\)](https://tr.ee/rFks0T)

SAC's Voluntary Conversion [webpage \(https://tr.ee/xo5k2j\)](https://tr.ee/xo5k2j)

HUD's RAD [website \(https://tr.ee/r3s98J\)](https://tr.ee/r3s98J)