



Rental Assistance Demonstration RADBlast!



HUD Releases Revision 4 of the Rental Assistance Demonstration (RAD) Notice

New RAD provisions allow for numerous flexibilities to assist Housing Authorities in converting Public Housing units through RAD.

The revised Notice also establishes a conversion option to preserve affordable housing for the elderly under RAD 2nd Component.

Today, HUD published a newly revised Rental Assistance Demonstration (RAD) Notice ([H 2019-09/ PIH 2019-23](#)). This fourth revision of the RAD Notice further strengthens resident rights, expands flexibilities for Public Housing Authorities when converting Public Housing Units, and implements the conversion of affordable housing for the elderly supported by Section 202 Project Rental Assistance Contracts (PRACs).

To-date, 117,000 public housing units have converted to Section 8 assistance generating over \$7.5 billion for construction and rehabilitation. HUD has completed the conversion of all remaining Rent Supplement properties, and is nearing approval of conversion of the remaining Rental Assistance Payment properties. HUD continues to seek ways to make RAD more impactful. This revision builds on the program's success and lessons learned.

Key Changes

Today's joint [Housing/PIH Notice](#) provide additional details on the key changes discussed below. The RAD Notice published today:

- Implements recently enacted authority to preserve housing that serves the nation's most vulnerable elderly residents. The RAD Notice expands the benefits of a RAD conversion to properties assisted through Section 202 PRACs. The option to convert to long term Section 8 assistance under RAD provides an opportunity for the aging stock of 202 PRAC properties to be recapitalized while protecting residents, maintaining non-profit control, and extending the period the properties must remain affordable. Non-profit owners may make an initial submission of interest to undertake a conversion through the RAD Resource Desk at www.radresource.net
- Extends robust resident rights that protect residents of units converted under RAD to residents of other Project-Based Voucher (PBV) units at the same converting public housing property. PHAs have increasingly used PBVs in conjunction with RAD in order to secure additional financing to address capital needs. Extended resident protections ensures that all residents of the property benefit equally as a result of the conversion and any project improvements.
- Creates new flexibilities to increase revenue for certain public housing conversions. The Notice better allows PHAs to combine the use of RAD with provisions under Section 18 Demolition and Disposition of Public Housing where units will be replaced with standard PBV assistance. For PBRA conversions, the Notice permits limited contract rent increases in order to facilitate certain public housing conversions, particularly those located in Opportunity Zones.
- Allows greater flexibility for PHAs applying for Portfolio Awards in order to plan and execute the conversion of larger portfolios, as well as increased flexibility for PHAs to form partnerships and find mutually beneficial exchanges of resources and/or capacity in order to broaden the viability of public housing conversions.

- Proposes several changes for notice and comment, including priority selection of applications for properties located in designated Opportunity Zones if a waiting list for Public Housing conversions is established in the future.
- Winds down the conversion of the Rental Assistance Payment (RAP) program. HUD completed the conversion of all Rent Supplement properties in December of 2018, and there are a small number of remaining RAP properties, which will be converted this year.
- Provides clarification on the applicability of Section 3 low-income hiring requirements for public housing conversions, ensuring that public housing and Section 8 residents receive priority in hiring.

[This Notice](#) is effective immediately except with respect to changes in the project eligibility and selection criteria, which are subject to a 30-day comment period. Further, any new waivers or alternative requirements take effect 10 days after they are published in the Federal Register.

We will provide live webinars in the coming weeks covering different components of the Notice, including:

- Public housing conversions, September 19, 2019 2:00 PM EST [Register Here](#).
- Section 202 PRAC conversions, September 26, 2019 2:00 PM EST [Register Here](#).
- Mod Rehab conversions, October 3, 2019 2:00 PM EST [Register Here](#).
- Resident rights in Public housing conversions, October 10, 2019 2:00 PM EST [Register Here](#).
- Resident rights in Section 202 PRAC and Mod Rehab conversions October 17, 2019 2:00 PM EST [Register Here](#).

Thanks!
-The RAD Team

To join the RAD email list, please go [here](#).