



Rental Assistance Demonstration RADBlast!



In this Issue:

- RAD & Section 18 Blend Expansion
- Spotlight on.... The Lansing Housing Commission

RAD & Section 18 Blend Expansion. HUD recently augmented PHAs' ability to improve or replace public housing assets by expanding the ways PHAs can use RAD and the Section 18 disposition authority together. The new RAD/Section 18 blends, in conjunction with other favorable conditions, such as strong [2020 RAD Rents](#) available to new and existing applicants, reforms to the 4% LIHTC program, and historically low interest rates, **make this an excellent time for PHAs to preserve, recapitalize and redevelop the critical public housing stock through RAD.** Housing authorities across the country – from [San Francisco](#) to Lansing, Michigan (please see below) – have demonstrated the potential in combining these tools to make substantial improvements to public housing assets.

Building on this successful strategy, HUD's recent [Notice PIH 2021-07](#) establishes two "RAD & Section 18 Blends":

- **Construction Blend** – Under this blend, which replaces the prior "75-25 blend," HUD has established a sliding scale where it will approve a greater proportion of units for conversion under Section 18 (between 20% and 80% of units) when greater levels of construction or rehabilitation will be performed at the property. The new blends encourage and enable higher levels of construction and preservation within the public housing portfolio and will allow PHAs to finance more extensive improvements to residents' homes.
- **Small PHA Blend** – Under this blend, HUD provides an opportunity for PHAs with 250 units or fewer public housing to preserve those homes under long-term project-based contracts through a mix of RAD and Section 18, regardless of the level of work needed at the property. This blend encourages and enables smaller housing authorities to move fully to the project-based Section 8 platform, enabling them to streamline their

management and operations and preserve their housing stock as affordable for the long-term.

Blending RAD and Section 18 leverages the best of both programs. PHAs can establish a stronger revenue base and generate more capital for renovations or redevelopment. At the same time, HUD ensures that the housing remains affordable and under public stewardship for the long-term, that the units are replaced one-for-one (with very limited exceptions), and that all residents benefit from the robust set of rights and protections provided through RAD.

Residents of properties that undertake a RAD/Section 18 blend, regardless of whether they occupy a “RAD unit” or a “Section 18 unit,” are guaranteed the opportunity to benefit from the improved housing, maintain key public housing rights, and gain new rights. For example, all assisted residents must be notified and consulted on plans prior to conversion; have a right to return to the property without re-screening after the rehab is done (if they moved off-site at all); benefit from enhanced relocation protections; maintain the right to organize with funding for organizing activities; are protected by established procedures for grievance and termination; and gain a new “choice-mobility” right to request a tenant-based voucher after a period of residency.

Want to know more? HUD will host a webinar on PIH 2021-07 and the RAD/Section 18 Blends on Feb 17th at 1:00 EST. [Register here.](#)

Spotlight on.... The Lansing Housing Commission. Located in Lansing, Michigan, Mount Vernon Park is comprised of 40 single-story apartment-style units and 100 two-story townhouse-style units. Home to both families and seniors, the site features many amenities including a community building with on-site management, a Head Start program for young children, community rooms, a basketball court and several tot lots. While the housing authority has maintained the property to the best of their ability over the years, the property has come to need major upgrades.

Using a prior version of the RAD/Section 18 blends, the housing authority and its partners were able to generate **\$12.8 million – more than five times the total funds the housing authority received for public housing improvements in 2020 for its entire public housing stock.** The housing authority made over \$92,000 in repairs and upgrades per home.

Residents of Mount Vernon Park will see the retrofitting of additional units to be accessible for persons with disabilities, roof and façade repairs, significant energy efficiency improvements, elevator modernization, kitchen and bathroom upgrades, and common area and parking lot improvements. Rehabilitation will be completed over 18 months, one floor at a time to minimize the disruption to

residents. Residents will move directly from their current unit to a newly renovated unit, so they only need to move once.

The Mount Vernon Park rehabilitation would not have been possible without a RAD/Section 18 Blend, and the new blend options make this tool available for many more public housing communities across the country.