

Multifamily Housing Office of Recapitalization



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RAD Furthers Access to Opportunity through Transfers of Assistance

The ability under RAD to transfer assistance has proven to be a powerful tool for Public Housing Agencies (PHAs) to increase opportunities for low-income residents. With this tool, PHAs can transfer project-based assistance to homes in new locations, giving current and future residents access to better schools, jobs, infrastructure and other local amenities. Across 140 RAD transfers of assistance, the new rent-assisted sites have been located in neighborhoods with a poverty rate that is on average 24% lower than the poverty rate of the original public housing sites and in communities that provide low-income families a more diverse range of housing opportunities. Sixty percent (60%) of these conversions also feature new construction, which means that residents are able to move into brand new energy efficient units, with improved community facilities, access to broadband, and other amenities.

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Transfers of Assistance in Action – Deconcentration of Poverty in Fort Worth, TX

Built in the 1940s, Butler Place was the oldest remaining public housing property in Fort Worth, Texas. While near downtown Fort Worth, it was land-locked between three major highways, isolating residents from community services and retail. Fort Worth Housing Solution (FWHS) used RAD and the option to transfer assistance to replace the deep subsidy from Butler Place in new mixed-income communities across Fort Worth, deconcentrating poverty. The strategy placed the rent-assisted units in mixed-income communities within a variety of residential neighborhoods.

The Butler Place neighborhood had a rate of poverty of nearly 80%. Fort Worth Housing Solutions transferred the assistance to 13 different communities in neighborhoods with poverty rates that were between 35 and 75 percentage points lower.

Read more about the Butler Place transaction directly from the residents in our photo essay located [here](#).



“This is the perfect area for me and my daughter... To be able to move into something brand new and to start over again, I'm just really happy.”

-Resident of Butler Place

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RAD in the Budget

Fiscal Year 2022 Budget

On March 15th, the President signed into law the FY 2022 Appropriations Act, which included two provisions impacting the conversion of **Section 202 Project Rental Assistance Contracts (202 PRACs)**. The Appropriation Act:

- Provided \$6 million within the Housing for the Elderly Account to support higher contract rents for properties pursuing preservation transactions through RAD
- Gave HUD the authority to establish initial PBRA contract rents in excess of 120% of the Fair Market Rent (FMR) rent cap, if necessary to continue the provision and coordination of services for the elderly or to avoid a reduction in project subsidy

HUD expects to implement these provisions by Notice issued in the Summer of 2022.

The Appropriations Act also authorized the budget-neutral conversion of Section 811 PRAC properties under RAD. It will take a bit of time for HUD to develop the policies governing these RAD conversions and to publish implementation guidance.

Fiscal Year 2023 Budget

On March 28th, the President released a proposed budget for FY 2023. The proposed budget includes a number of requests that, if adopted by Congress, would enhance RAD by providing new funding for properties to convert that are currently unable to as well as including several provisions that would further protect residents' access to services, provide an affordable housing preservation strategy for an additional portfolio of at-risk properties, provide technical capacity to support small owners, and strengthen properties that are blending RAD and Section 18 strategies. Specifically, the FY 2023 President's Budget requests:

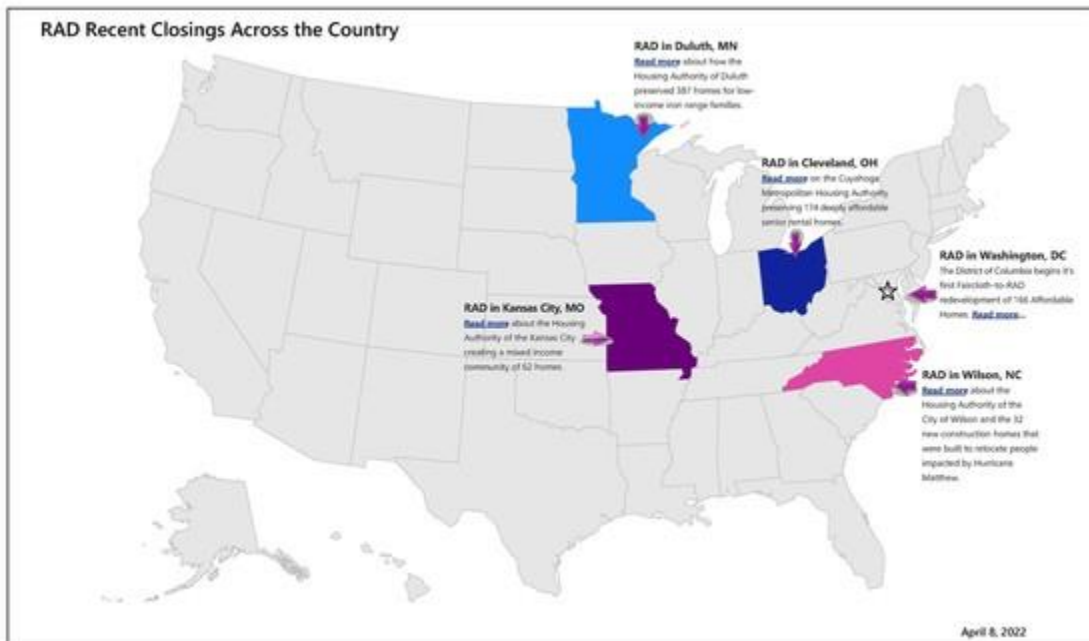
- \$100 million to support higher contract rents for public housing conversions that promote the energy efficiency or climate resilience of properties.
- \$10 million to support higher contract rents for the conversion of Section 202 Project Rental Assistance Contracts (PRACs)
- The elimination of the cap on public housing units that may convert under RAD and the sunset date by which applications must be received.
- Permitting PHAs that use RAD and Section 18 together towards the preservation or redevelopment of a property to convert Tenant Protection Vouchers (TPV) authorized following a Section 18 approval into a single RAD PBRA or PBV contract, and permitting previously converted properties that have both a PBV and a PBRA contract to combine those contracts into one platform (i.e. either PBRA or PBV).
- Ensuring continued availability of services for residents following a RAD conversion to PBRA or PBV under the first component. This will guarantee that resident services funding under the Jobs Plus, Resident Opportunities for Self-Sufficiency (ROSS), and Congregate Housing Services Program (CHSP) programs awarded to public housing properties prior to conversion may continue to operate fully and, as appropriate, be eligible for renewal at the completion of the grant term. Additionally, this would also permit the full implementation of the Jobs Plus Initiative program design following conversion of properties benefiting from Jobs Plus program grants.
- Authorizing the use of Participating Administrative Entities (PAEs) to reduce the administrative burden on small properties converting under RAD.
- Authorizing the budget-neutral conversion of properties assisted under Senior Preservation Rental Assistance Contracts (SPRACs) under RAD.

RAD's Recent Closings

This past month HUD highlighted numerous RAD closings across the country, preserving critical affordable housing for low-income tenants in Duluth, MN, Washington, DC, Kansas City, MO, Cleveland, OH, and Wilson, NC.

To learn more about how RAD impacts your community, take a look at the summaries below.

- Housing Authority of the City of [Wilson, NC](#) to Build 32 New Construction Affordable Rental Homes to Relocate People Impacted by Hurricane Matthew." (February 23, 2022)
- [Cuyahoga](#) Metropolitan Housing Authority to preserve 174 deeply affordable senior rental homes in Ohio. (March 1, 2022)
- Housing Authority of [Kansas City, Missouri](#) to create a mixed-income community of 62 homes at Sam Rodgers Place. (March 7, 2022)
- [District of Columbia](#) Housing Authority Begins Its First Faircloth-To-RAD Redevelopment of 166 Affordable Homes at Kenilworth Court. (March 18, 2022)
- Housing Authority of [Duluth, MN](#) to preserve 387 homes for low-income iron range families. (March 28, 2022)



Click on the map to view an enlarged PDF version.