

FACT SHEET #3

The RAD Conversion Process



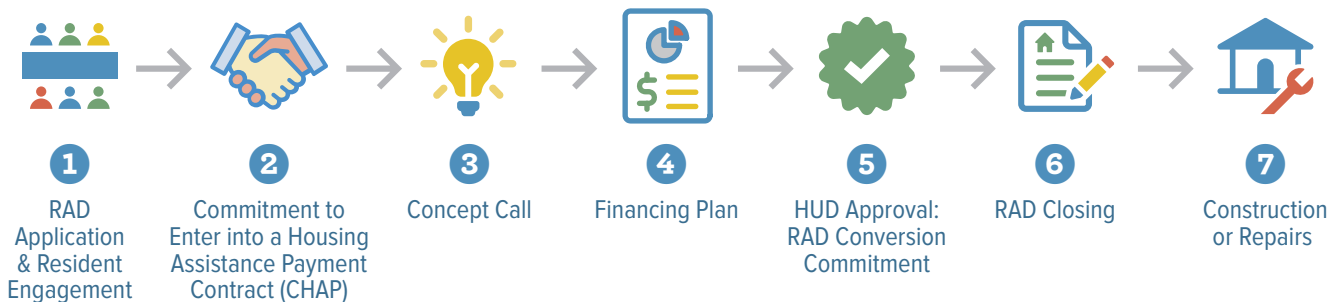
A typical RAD conversion takes between one and three years and includes multiple steps required by HUD. The major steps are discussed in this Fact Sheet.



What are the Steps in a RAD Conversion?

The RAD conversion process refers to all the steps for a property currently supported under the public housing program to move to “project-based” assistance under the Section 8 program. It includes the process of planning, financing, and carrying out repairs and renovations to ensure the building is in good physical condition. The total length of the RAD conversion process varies greatly between properties. Generally, properties that need less renovations and that do not require resident relocation will go through the process faster.

THE RAD CONVERSION PROCESS



1. RAD Application & Resident Engagement

When a PHA decides it is interested in using RAD to help preserve a property, one of the first things it needs to do is bring its ideas to the residents.

Before submitting a RAD application to HUD, a PHA delivers notices to residents and then holds at least two resident meetings. The notice called a “**RAD Information Notice**” provides information on

- residents’ rights,
- basic information about RAD, and

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- information about the PHA's RAD conversion plans, including any proposed change to the number or size of units and whether the PHA plans to partner with another affordable housing firm.

Residents may also receive a **“General Information Notice”** letting you know that you would be eligible for relocation assistance if temporary relocation ends up being necessary. At this stage the PHA will likely have little detail regarding relocation but will be able to provide more detail later in the process.

At the resident meetings the PHA will discuss the proposed conversion plans and ask for feedback. Because the PHA is engaging with residents very early in its planning process, the PHA will likely only have general plans and goals for the RAD conversion and details may change. It is a great opportunity to ask questions, help to shape the goals, and learn how you can remain informed and engaged in the process.

Only after a PHA has held these meetings and consulted with its Board may the PHA submit a RAD Application. This is the first submission the PHA makes to HUD and starts the RAD process. The PHA must include its responses to any resident comments or questions as part of the application. The PHA must also include information on its efforts to make meetings accessible to residents including accommodating resident schedules, and accommodating residents with disabilities and with Limited English Proficiency.



For more information on resident engagement throughout the RAD process, see [Fact Sheet #5: Resident Engagement and Consultation](#).



2. Commitment to Enter into a Housing Assistance Payment Contract (CHAP)

HUD reviews the PHA's application, including the resident comments, and provides an initial approval by issuing a “Commitment to enter into a Housing Assistance Payment” contract (a “CHAP”). Once a PHA receives a CHAP, it begins to focus on the details of its plans. The PHA will:

- get reports on the property's repair needs and environmental conditions,
- develop a strategy to obtain funding for repairs,
- identify affordable housing partners, if needed,
- develop a relocation plan, if needed

After receiving the CHAP, the PHA must have at least two more meetings with all residents of the property before it requests a “Concept Call” with HUD. The meetings must provide an update on conversion plans and solicit feedback on proposed improvements, management, and services. These two meetings should be spaced out to provide meaningful updates and solicit relevant feedback at each meeting. During this period, HUD encourages the PHA to hold quarterly meetings with residents. These meetings provide opportunities for residents to ask questions, provide comments, and collaborate with the PHA and its partners.



3. Concept Call

As specific plans are being finalized, the PHA will have a concept call with HUD to discuss its proposed plans and to show that it is on track to submit a Financing Plan to HUD. If the PHA seems prepared, then

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HUD will invite it to submit a Financing Plan. Before submitting the financing plan, the PHA must ensure that RAD plans are included in an approved Five-Year Plan, Annual Plan, MTW Plan or Significant Amendment. For more information, see [Fact Sheet #5: Resident Engagement and Consultation](#).



4. Financing Plan

In order for a property to convert, the PHA must show that it has a clear plan that meets HUD's requirements. The Financing Plan includes the following information:

- Type of conversion: Project-based vouchers (PBV) or Project-based Rental Assistance (PBRA)
- Capital Needs Assessment (CNA)
- Plans for rehabilitation or new construction
- Environmental Review
- Resident comments and PHA responses
- Fair housing and relocation documents
- Development budget
- Development team
- Operating and maintenance costs
- A HUD letter approving the Five-Year Plan, Annual Plan, MTW Plan or Significant Amendment that includes the planned RAD conversion(s).



For information on PBV and PBRA, see [Fact Sheet #4: The Difference Between Project-Based Vouchers and Project-Based Rental Assistance](#).



5. HUD Approval: RAD Conversion Commitment

After HUD reviews and approves the Financing Plan, it will issue a RAD Conversion Commitment (RCC) to the PHA. Receiving this commitment means that HUD has approved the PHA's RAD plans and that the property can prepare to complete the conversion process. The official RAD conversion ("closing") will usually happen 30-90 days after this point.

At this stage, the PHA must notify each household that the RAD conversion has been approved for closing and remind households of the specific rehabilitation or construction plans. Residents must be informed about the:

- timing of the conversion
- expected length of the work (if any)
- revised terms of the lease and house rules
- any expected relocation and when it is expected to begin,
- and opportunities to take advantage of the "choice-mobility" option.

This notification must be provided through both a written notification and then at a meeting.

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If there are substantial change to the conversion plan, additional resident meetings are required if one of the required meetings does not occur within three months following the change.

If the work that will be completed on the property requires residents to move temporarily from their apartment, the PHA may now begin to temporarily relocate residents in anticipation of the upcoming work, according to the relocation plan. Residents must be provided with advanced written notice of this relocation:

- at least 30 days' notice to residents who will be relocated for 12 months or less
- at least 90 days' notice to residents who will be relocated for more than 12 months



For more information on relocation, see [Fact Sheet #9: RAD and Relocation](#).



6. RAD Closing

At closing, the property converts from public housing to Section 8 with either a PBV or PBRA contract. A legal document called a RAD Use Agreement is attached to the property requiring the owner to use the property as affordable housing. The PHA and its partners close on any new financing and the property may in some cases change ownership.

As closing approaches, residents who are not relocating will be asked to sign a new lease with certain RAD-specific attachments (“addenda”) that HUD requires to ensure each resident’s rights. While residents cannot be re-screened for Section 8 rental assistance eligibility, in some cases residents may be asked to provide documentation to certify their income for other subsidy programs that are being used to repair the property, for example, the Low-Income Housing Tax Credit (LIHTC) program.

Residents will become participants in the Section 8 program either at closing, if they are not relocating, or when they return to the property and sign the new lease. **Residents cannot lose rental assistance or be involuntarily displaced due to the RAD conversion.**



For more information, see [Fact Sheet #4: The Difference Between Project-Based Vouchers and Project-Based Rental Assistance](#) and [Fact Sheet #13: RAD and Low Income Housing Tax Credits](#).



7. Construction or Repairs

Any construction or repairs will take place after the conversion has occurred. However, the PHA should know before conversion roughly how long the repairs will take, whether relocation will be needed, and other details of the construction. If any residents need to be temporarily relocated because of the construction or repairs, you will have a right to return to the property once construction is completed.



Accessibility

Throughout the RAD process, the PHA must promote tenant participation in meetings by working to ensure that meeting dates, times, and locations work for varied resident schedules and that other efforts are made to overcome barriers to participation. For example, if a meeting occurs during a traditional mealtime, the PHA may want to provide refreshments.

The PHA must ensure that meetings, written notifications and materials are accessible to people with disabilities. This includes providing written materials in accessible formats and sign language interpreters and assistive listening devices at meetings as needed.

The PHA must provide language assistance including translated notices and oral interpretation of meetings for Limited English Proficient residents.

For more information, see [**Fact Sheet #5: Resident Engagement**](#).



Lyman Terrace, Holyoke, MA: Lyman Terrace was originally built in 1939 and is one of the oldest public housing projects in the country. It covers three city blocks and has 160 affordable apartments.