Rental Assistance Demonstration (RAD)

FACT SHEET #4

The Difference Between Project-Based Vouchers (PBV) and Project-Based Rental Assistance (PBRA)

Under the Rental Assistance Demonstration (RAD), a public housing authority (PHA) may convert assistance from the public housing program to long-term, project-based Section 8 assistance. A PHA must choose between two forms of project-based Section 8 assistance: ***Project-Based Vouchers (PBVs)*** *and* ***Project-Based Rental Assistance (PBRA)****. This Fact Sheet discusses these two forms of project-based Section 8 assistance.*

What Is Project Based Section 8?

Under Section 8, a family pays 30% of their adjusted income in rent. The owner then receives a subsidy from HUD or from a housing authority to cover the rest of the rent. Section 8 assistance may be project-based or tenant-based.

Any assistance that is project-based is attached to specific units in a building (often all the units in the building). The unit can only be rented to a very low or low-income family who will pay 30% of their adjusted income towards rent. If the family moves out, the unit must be leased to a new family in need of rental assistance.

Under RAD, a public housing property can convert to one of two types of project-based Section 8 programs: **Project-based Vouchers (PBV)** and **Project-based Rental Assistance (PBRA)**.

Project-Based vs. Tenant-Based Section 8

When most people hear Section 8, they likely think about a "tenant-based" voucher that allows a family to find privately owned housing and use the voucher to subsidize their rent. In project-based Section 8, the HUD subsidy is connected to the property for the benefit of current and future residents.

What Is the Project-Based Voucher (PBV) Program?

PBV is part of the **Housing Choice Voucher (HCV)** program, which is operated by the local public housing authority (PHA). PHAs use some of their HCV funding for long-term contracts that tie funding to a specific building ("project-based"). These "project-based" contracts make up the PBV program and operate under regulations at 24 CFR 983.

What Is the Project-Based Rental Assistance (PBRA) Program?

PBRA is another form of a project-based Section 8 contract and is operated by HUD's Office of Multifamily Housing Programs. Under PBRA, the contract is between HUD and the property owner. The projects operate under the regulations at 24 CFR 880.

Will My Property Remain Affordable?

The PBV and PBRA programs use a **Housing Assistance Payment (HAP) Contract** that sets the terms and conditions that the owner is agreeing to in order to receive subsidy.

PBV For PBV, the initial HAP Contract term will be at least 15 years (or up to 20 years with the PHA's approval) and must be renewed at the end of that term and each renewal term.

PBRA For PBRA, the initial HAP Contract term will be 20 years and must be renewed at the end of that term and each renewal term.

Who Will I Sign a Lease With? Who Will Conduct Recertifications?

PBV For PBV, you will execute a lease with the Project Owner or the property manager acting on their behalf. The PHA will conduct your annual and interim income recertifications.

PBRA For PBRA, you will execute a lease with the Project Owner or the property manager acting on their behalf. The project manager will also conduct the annual and interim income recertification.

Philadelphia, PA: *Using Project Based Vouchers, the PHA was able to "transfer assistance" from several existing projects to new, better located affordable housing sites.*

Will I Be Able to Choose Where I Live Through RAD?

If your property converts through RAD, after a certain amount of time, you may request a **tenant-based voucher** through the "choice-mobility" option. A tenant-based voucher allows you to rent housing in the private rental market. (For more information, see **Fact Sheet #12: Choice Mobility**)

PBV For PBV, you may request a tenant-based voucher after living in a RAD property for one year.

PBRA For PBRA, you may request a tenant-based voucher after living in a RAD property for two years.

Project-Based Voucher	Project-Based Rental Assistance
Affordability stays with the property	Affordability stays with the property
Initial rental assistance contract is for 15 or 20 years and must be renewed	Initial rental assistance contract is for 20 years and must be renewed
Lease signed with property owner / manager	Lease signed with property owner / manager
PHA conducts recertifications	Property manager conducts recertifications
You may request a tenant-based voucher after 1 year	You may request a tenant-based voucher after 2 years

Northfield, MN: *Three Links Apartments is a senior living community. Through RAD, apartments were made accessible and the buildings upgraded. Residents did not need to relocate.*