



Rental Assistance Demonstration (RAD) Resident Protections and Engagement in Public Housing Conversions



BACKGROUND

Why RAD?

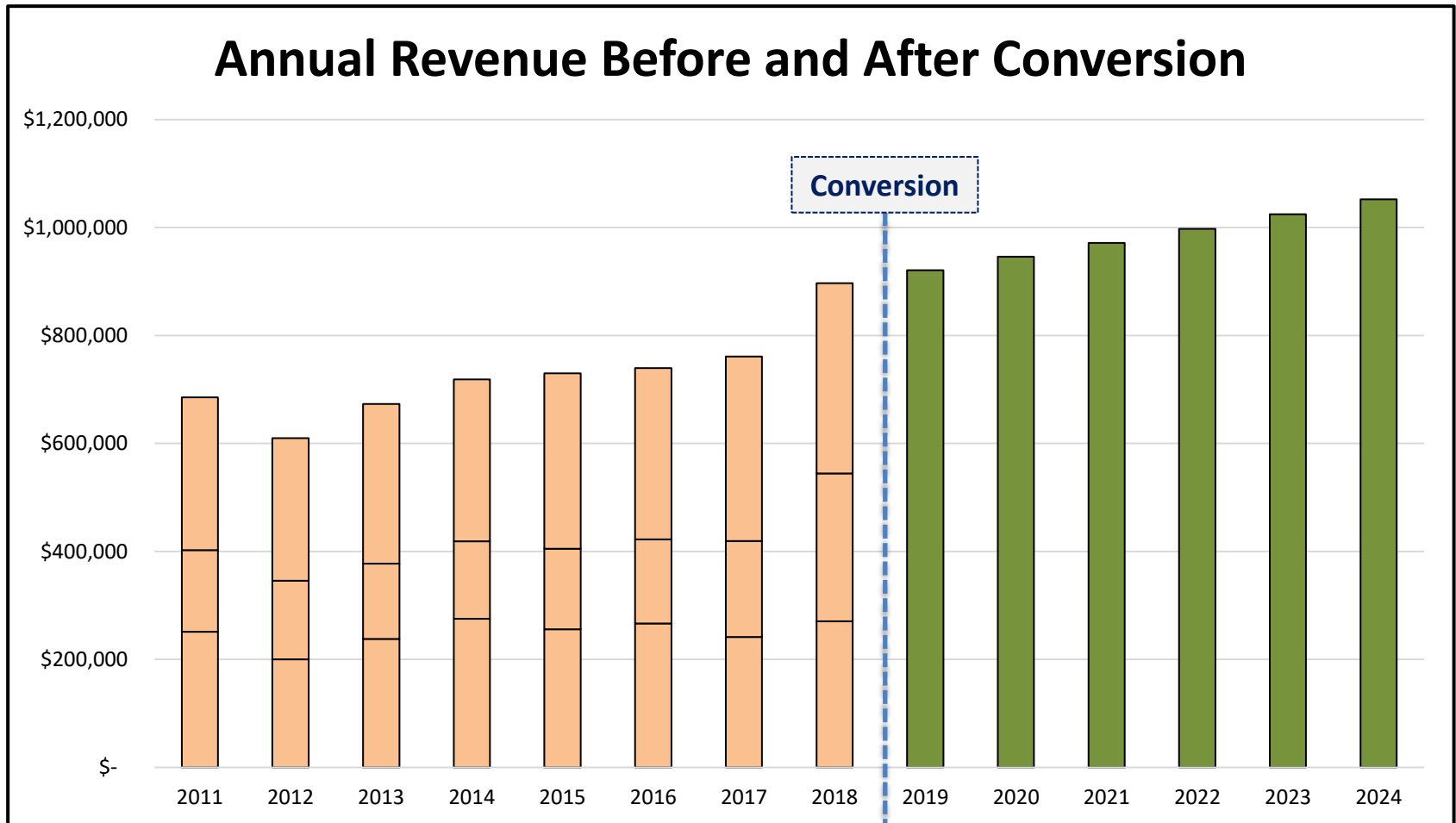
The Problem

- The nation's public housing inventory has a large and growing backlog of capital repair and replacement needs. In 2010, it was estimated at \$26 Billion.
- Most properties are over 50 years old
- Public housing properties are almost completely reliant on funding from Congress through the public housing Operating Fund and Capital Fund to sustain existing housing

RAD was created in 2011 to preserve and bring new resources to this critical stock of affordable housing by “converting” properties to subsidy under a long-term Project-Based Section 8 contract

Under project-based Section 8 contract the rental assistance is tied to the property, tenants pays 30% of adjusted income in rent, and HUD pays the difference between “Contract Rent” and the tenant's rent

“Conversion” of Subsidy



Funding under the
Public Housing Program

Funding under the
Section 8 Program



How RAD Is Used

Public housing agencies (PHAs) use RAD to preserve affordable housing in their communities by:

- Stabilizing funding for properties
- Financing repairs and improvements
- Demolishing and replacing obsolete housing
- Transferring the assistance to properties in lower poverty neighborhoods with access to schools, jobs, and transportation.

RAD Core Principles

#1 Long-Term Affordability. RAD is designed to secure the long-term affordability of converting properties

- Long-term (20 years) Section 8 HAP contract ensures residents pay an affordable rent and must be renewed at the end of every term (in perpetuity)
- RAD Use Agreement recorded on land, superior to all liens
- Capital Needs Assessment performed upfront to ensure current and future repairs can be supported
- One-for-one replacement of deeply affordable units (with certain minor exceptions)

RAD Core Principles

#2 Public Stewardship. Properties converted under RAD must be owned or controlled by a public or non-profit owner

- In most RAD conversion, the PHA continues to own the property directly or through an affiliate
- When Low-Income Housing Tax Credits are used, the ownership changes but a public or non-profit must retain control

RAD Core Principles

#3 Resident Protections. Ensure current residents benefit from the conversion

- Resident meetings and notices
- Right to Remain in or return to the property
- No Rescreening as a result of RAD
- Relocation assistance

RAD Core Principles

#4 Resident Rights. Retain and strengthen resident rights

- Ongoing right to organize and resident participation funding
- Carry over public housing procedural rights, including grievance and termination
- “Choice-mobility” option to request a tenant-based voucher

RAD RESIDENT RIGHTS

RAD Resident Rights Overview

- RAD resident rights are intentionally robust.
- Designed to maintain and expand on existing public housing rights.
- Developed through resident engagement, community advocates, and other stakeholders.
- Ensure that all residents in properties converting to RAD have access to and the right to remain in affordable, safe, well maintained and accessible housing.
- There is thorough oversight and collaboration with key partners.

No Rescreening

A conversion under RAD cannot be the basis for an eviction or loss of rental assistance

- Residents may not be rescreened as a result of the RAD conversion.
 - This includes screening for income, criminal background, and credit.
- Following conversion, residents will be protected by standard Section 8 requirements related to tenancy

Relocation & Right to Return

Most conversions do not involve relocation → residents will remain in-place and cannot be rescreened when admitted into the Section 8 program

When relocation is necessary → Residents have a right of return to a unit in the project

No resident may be permanently, involuntarily displaced

Relocation & Right to Return Cont'd

Where relocation is necessary, PHAs must provide residents with

- Resident notices
- Moving assistance
- Benefits and assistance per the “Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA)”

Relocation cannot begin until HUD approves the Financing Plan and issues the RAD Conversion Commitment (RCC).

PHAs must maintain a resident log for all impacted residents, which must be provided to HUD upon request.

Alternative Housing Options

To maximize resident choice, PHAs may offer alternative housing options, such as vouchers, homeownership opportunities, etc.

Residents can voluntarily decline their right to return.
Written consent by resident must be:

- Informed** – written notification w/ counseling
- Voluntary** – cannot be pressured and must be provided at least 30 days to make a decision
- Documented** – retain evidence of notices, counseling and resident's decision

Post-Conversion Resident Rents

Resident rents remain affordable after conversion

Under the Section 8 programs, residents pay 30% of their adjusted gross income in rent

- Mostly true for public housing residents except those paying a “flat rent”

If tenant rent would increase by more than the greater of 10% or \$25 per month, the rent increase will be phased in over 3 or 5 years

Resident Self-Sufficiency Programs

Residents can continue to participate in self-sufficiency programs the PHA may be operating, including:

- **Family Self-Sufficiency (FSS).** Will continue at least through current grant period.
- **Resident Opportunities for Self-Sufficiency (ROSS).** Will continue through current grant period.
- **Earned Income Disregard (EID).** Enrolled residents can continue to benefit.
- **Jobs Plus.** Residents enrolled in the EID component of Jobs Plus will continue to be eligible post-conversion. All residents can continue to utilize services created as a result of the program

Section 3 and RAD

- Any rehab or construction performed as part of a RAD conversion is subject to Section 3 low-income hiring and contracting requirements
- PHAs must take proactive steps to hire local low-income persons and to award contracts to businesses that are owned by or substantially employ those persons.
- Preference for hiring opportunities is provided to public housing and Section 8 residents

RESIDENT PROCEDURAL RIGHTS

- Resident organizing rights (24 CFR Part 245) safeguard:
 - Formation of resident organizations
 - Organizing activities
 - Meeting space
 - Resident organizers
 - Canvassing
- Resident participation funding (\$25 per unit per year)
- Grievance and termination procedures consistent with public housing requirements
 - Rights must be incorporated into resident lease

Choice-Mobility

Following conversion, residents may request a tenant-based voucher after a period of residency at the converted property (“choice-mobility”)

This is a voluntary option for RAD residents (never mandatory) that is not available to Public Housing residents.

Prior to closing, the PHA must notify residents of opportunities and procedures for the exercise of the choice-mobility option

- For PBV, the resident may request a voucher after one year of residency
- For PBRA, the resident may request a voucher after two years of residency and the PHA/owner may adopt certain other limitations on use. Further, in some cases, HUD may approve a good-cause exemption.

This right must be included in lease

RAD and non-RAD

Project-Based Vouchers

In order to facilitate the uniform treatment of residents at a converting property with non-RAD PBV, extends all RAD resident rights to non-RAD PBV residents (i.e. a “Section 18/RAD Combo”)

- No rescreening
- Right of return & URA benefits
- Resident rent “phase-in”
- Continued participation in Resident Self-Sufficiency programs
- Resident participation rights and funding
- Termination and grievance procedural rights
- “Choice-mobility” (*previously available*)

Monitoring and Technical Support

- Front end civil rights review
- Resident notice and meetings
- Concept call
- Relocation plan if more than 12 months
- Resident logs
- Training and educational materials
- Ongoing technical support
- Collaboration with advocates and resident leaders
- Communication with field offices

RAD AND FAIR HOUSING

Fair Housing in RAD

- Notice divided into two major parts:
- **Fair Housing and Civil Rights**
 - Focus is on providing clarity regarding existing fair housing and civil rights obligations and how they impact RAD transactions
 - The requirements are not new
 - The PHA remains primarily responsible for civil rights compliance
- **Relocation**
 - Additional resident protections
 - Streamlines and facilitates implementation of relocation
 - Clarifies relocation requirements

Fair Housing and Civil Rights – Overview

- Generally Applicable Requirements
 - Overview of applicable fair housing and civil rights laws Affirmatively Furthering Fair Housing (AFFH)
 - Accessibility of the Program
 - Accessibility of the Property
- Specific Application of Requirements to RAD
 - Eligibility Review for Participation in RAD
 - PHA Site Selection and Certification
- Front End Civil Rights Reviews
 - A HUD risk-based analysis
 - Guidance to help PHAs avoid civil rights problems
- Affirmative Fair Housing Marketing Plan

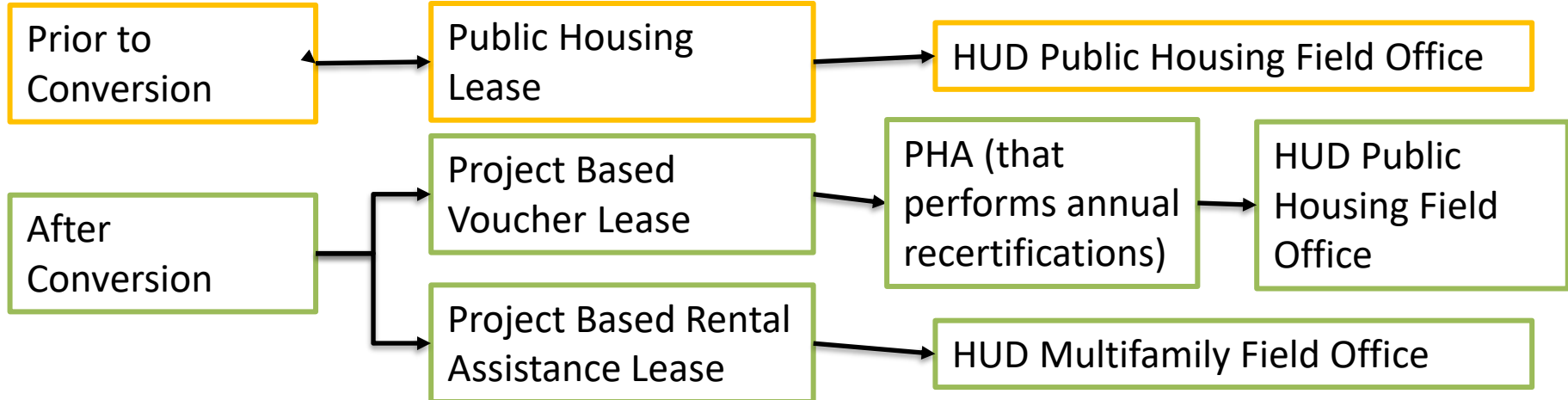
Front-end civil rights reviews

- The RAD Notice identifies the following activities that require HUD front-end civil rights review:
 - Site Selection
 - New construction in areas of minority concentration
 - Transfers of Assistance
 - Changes in Unit Mix or Occupancy
 - Reduction in total number of units
 - Changes in unit configuration
 - Changes to serve a different population post-conversion
 - Certain Other Actions
 - Resident relocation anticipated to be in excess of 12 months
 - New construction/substantial alteration per Section 504
 - Conversions involving a property subject to a VCA, Consent Decree or Settlement Agreement
 - Conversions where HUD has identified a potential civil rights concern

Questions/Issues?

Typically, the best place to start when you have questions or issues related to the RAD conversion is to discuss with your property manager or Owner/PHA

If you seek additional assistance



Public Housing Field Offices: www.hud.gov/program_offices/public_indian_housing/about/field_office

Multifamily Field Offices: www.hud.gov/program_offices/housing/mfh/hsgmfbus/about/subpcs

Thank You and Questions

For more information visit

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