

Repositioning Options: Summary of Key Characteristics (3-2021)

This chart compares the key program characteristics of each main repositioning option, from eligibility for TPVs to impact on Faircloth

Program	Eligible for TPVs?	Eligible for DDTF?	Eligible for ARF?	Resident Right to Return?	Replacement Housing Required?	Disposition Required?	Use of Sales Proceeds	Use of PH Program Funds	Tenant Consent to PBV?	Removal of all units and Closeout required? ¹	Reduces Faircloth?
RAD	No	No	No	Yes	Yes	No	Affordable housing purposes per RAD Notice ²	Yes	No	No	Yes
Streamlined RAD (50 or Fewer Units)	No	No	No	Yes	Yes	No	Affordable housing per RAD Notice	Yes	No	Yes	Yes
Section 18 Disposition – • Obsolescence • Health and Safety • Scattered Sites • Infeasible Operation	Yes	Yes	Yes	No	No	Yes	Low-income housing ³	No	No	No	No
Section 18 Disposition – • 50 or Fewer Units	Yes	Yes	Yes	No	No	Yes	See footnote 3	No	No	Yes	No
Section 18 Disposition – • Efficient and Effective	Partial	Yes	Yes	No	No	Yes	See footnote 3	No	No	No	No
Section 18 Disposition – • RAD/Section 18 Blends ⁴	Yes	Yes	Yes ⁵	Yes	Yes	Yes ⁶	Affordable housing purposes per RAD Notice ⁷	Yes	No	No ⁸	No ⁹
Voluntary Conversion	Yes	No	No	No ¹⁰	No	No ¹¹	See footnote 3	No	Yes	No	No
Streamlined Voluntary Conversion (250 or Less Units)	Yes	No	No	No	No	No	See footnote 3	No	Yes	Yes	No
Required Conversion	Yes	No	No	No	No	No	See footnote 3	No	N/A ¹²	No	No
Section 32 Homeownership	Yes	No	Yes	No	No	Yes	Purposes related to low-income housing. Simliar to footnote 3	No	N/A	No	No

¹ Close-out refers to the requirement for a PHA to end their public housing program through ACC termination, transfer or consolidation. See PIH Notice 2019-13

² Affordable Housing Purposes means activity that supports the pre-development, development or rehabilitation of other RAD conversions, public housing, section 8 of the Act, Low-Income Housing Tax Credits (LIHTC), or other federal or local housing programs serving households with incomes at or below 80% of area median income, or that provide services or amenities that will be used primarily by low-income households as defined by the 1937 Act.

A PHA is prohibited from receiving excess sales proceeds if public housing funds are part of the development budget, except when it is the PHA's last remaining units.

³ For the provision of low-income housing (as defined by the 1937 Act) or to benefit the public housing residents of the PHA; or leveraging amounts for securing commercial enterprises, on-site in public housing projects of the PHA, appropriate to serve the needs of the public housing residents. This statutory prescribed use of proceeds is narrower than Affordable Housing Purposes, as defined by the RAD Notice, which generally allows proceeds to be used for housing and related services that serve families at or below 80% of AMI.

⁴ These provisions apply to RAD/Section 18 Construction and Small PHA Blends described in PIH Notice 2021-07. These provisions only apply to the Section 18 (not RAD) units.

⁵ PHAs are eligible for ARF for units with Section 18 approval for an entire project or entire building in a project (as project is defined in 24 CFR part 990 and by public housing not by RAD). If some units in a building are being converted under RAD, the PHA is not eligible for ARF for the units in that building approved under Section 18 because 990.190(h) requires an entire building to be disposed under Section 18.

⁶ HUD releases the DOT and approves the real estate transaction (including disposition) for the Section 18 units in a blend pursuant to the RAD requirements.

⁷ HUD releases the DOT and approves the real estate transaction (including proceeds) for the Section 18 units in a blend pursuant to the RAD requirements.

⁸ For the Small PHA blend, PHA must have a HUD-approved repositioning plan that removes all of a PHA's public housing units, but units do not need to be removed in the blend application

⁹ For the Small PHA blend, PHA's repositioning plan must reflect that it will not develop new public housing units under Faircloth

¹⁰ PHAs can "voucher-out" families using tenant-based assistance. No hard unit replacement is required. However, if the project is used as rental housing after conversion, the PHA must ensure that each resident may choose to remain in the housing, using tenant-based assistance towards rent.

¹¹ Section 22 does not require a disposition—a PHA may retain the property after a conversion. However, if the PHA plans to use the project as rental housing after conversion, since families have the right to remain in the unit using tenant-based assistance, and the PHA can't sign two sides of the Section 8 contract, it may need to dispose to another entity (including one it wholly controls) or otherwise ensure compliance with Section 8 HAP separate entity requirements.

¹² If the project is used as rental housing after conversion, the PHA must ensure that each resident may choose to remain in the housing, using tenant-based assistance towards rent. However, the units cannot be project-based. See PIH Notice 2019-10.