



Housing Initiative Clinic Briefs

The Rental Assistance Demonstration (RAD) Program

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This Housing Initiative Clinic Brief summarizes the Rental Assistance Demonstration (RAD) program's implications for public housing residents.

What is RAD?

RAD is a HUD program designed to convert public housing units to project-based voucher units or project-based rental assistance contracts under Section 8. The conversion gives housing authorities the flexibility to access private as well as public funds. Once an agency converts the subsidies it receives through public housing programs into a PBV or PBRA contract, the agency can tap a mix of private and public funds, including mortgage loans and Low-Income Housing Tax Credits. RAD eases housing authorities' dependence on congressional appropriations and subsequent vulnerability to budget cuts. HUD's initial RAD awards have been used to retrofit aging properties, convert properties to mixed-income developments, demolish and rebuild distressed properties or support rent assistance payment projects.

Resident Involvement in the RAD Application Process:

HUD considers the RAD conversion a "significant amendment" to a Public Housing Authority (PHA) plan. Any "significant amendment" requires the PHA to engage in broad public outreach before the final conversion can be approved.¹ Outreach must include a public hearing, PHA-wide notice and consultation of the local Resident Advisory Board.

¹ <http://www.hud.gov/offices/pih/pha/about/modifications.cfm#2>

Prior to submitting a RAD application, the PHA must hold two resident meetings at the proposed project. At the meeting, residents must be granted the opportunity to comment on the RAD application. The PHA must respond to residents' comments in writing, then submit those written responses and a summary of the meeting to HUD. Upon approval of the initial application, the housing authority must hold at least one additional resident meeting. Upon final approval of the conversion, the PHA must notify each affected household of the approval and inform the households of how any specific conversion plans will impact the household.

Resident Protections Under RAD:

I. Right of return:

RAD does not allow for permanent involuntary displacement of existing residents. Any displacement lasting for more than one year must be compliant with the Uniform Relocation Assistance Act. All existing residents who are temporarily relocated have a right to return to the rehabilitated project. HUD will provide Rehab Assistance Payments from public housing funds to help cover relocation costs.

II. No resident rescreening:

RAD prohibits owner screening, income eligibility provisions or income targeting provisions for existing tenants with a right to return. RAD does not allow eviction, termination or rescreening due to the conversion.

III. One-for-one unit replacement with de minimis exception:

If a PHA chooses to reduce the total number of units in the project, it may only reduce the number of assisted units by either 5 units or up to 5% of the total number of units, whichever is greater. The PHA may also reduce units that have been reconfigured, vacant for two or more years or converted to use for social services. The National Housing Law Project (NHLP) argues

that RAD should not allow the loss of additional units without instituting a one-for-one unit replacement requirement and mandatory compliance with Section 18, the public housing demolition statute.

IV. Notice of lease termination:

RAD requires adequate written notice of lease termination. Residents must receive a 30-day notice for lease violations related to health, safety or criminal violations. Residents must receive a 15-day notice for nonpayment of rent.

Unlike a standard PBV program, a RAD resident's lease must be renewed unless cause exists.

Residents who live in a PBV RAD project for at least one year will have the option of receiving a portable tenant-based voucher, while residents who live in a PBRA RAD will receive a voucher after residing in the project for at least two years.

V. Right to form a resident organization:

Under RAD, residents have the right to form a "legitimate resident organization." A legitimate resident organization may hold site meetings, conduct surveys of other residents and distribute leaflets. The PHA is required to contribute \$25 annually per occupied unit towards resident participation in the RAD process. The RAD Final Notice, however, is vague on the PHA's responsibility to consult with residents and does not seem to require any resident engagement beyond the three resident meetings held in the early stages of RAD conversion.

VI. Grievance procedures

The protection afforded by RAD's grievance procedures is limited to eviction actions. Residents are entitled to adequate notice of the eviction action, an informal hearing and the PHA

must show good cause. The RAD Final Notice is vague on whether the grievance procedures apply to PHA and owner inaction as well as PHA and owner action.

VII. Rent increases

If a resident's rent increases by the greater of (a) \$25 or (b) 10% of resident's pre-conversion rent, the new rent can be phased in over the next 3 to 5 years, depending on the given PHA's policies.

The basic rent calculation (30% of adjusted gross income) remains the same under both public housing and Section 8 programs. Most residents' rent will not change. Residents who pay flat rent may see an increase if the new contract rents exceed the current flat rents, and residents who pay less than \$50 for rent will be responsible for paying a minimum rent after conversion.

Further readings and resources on the RAD program:

- http://portal.hud.gov/hudportal/documents/huddoc?id=finalradnotice_redline.pdf
- <http://www.enterprisecommunity.com/servlet/servlet.FileDownload?file=00Pa000000JUpKpEAL>
- <http://www.renocavanaugh.com/wp-content/uploads/2013/06/D0316547.pdf>
- http://www.novoco.com/events/conferences/lihtc/2013/san_francisco/manual/presentations/HUD.pdf
- <http://www.nhlp.org/files/05%20RAB%20overview.pdf>