RAD Update

According to HUD, the Rental Assistance Demonstration (RAD) was created “in order to give public housing authorities (PHAs) a powerful tool to preserve and improve public housing properties and address the $26 billion dollar nationwide backlog of deferred maintenance.” Through RAD, PHAs are able to convert their public housing units to a Section 8 platform with a long-term contract that must be renewed. Currently, RAD has leveraged almost $4.3 billion in total construction activity.

RAD was authorized as a part of the Consolidated Appropriations Act of 2012. Initially, the number of units to be converted through RAD was capped at 60,000. This cap was increased to 185,000 units in 2015 and again in 2017 to 225,000 units. The 2017 Appropriations Act also changed the September 30, 2018 deadline for submission of RAD applications under the first component to September 30, 2020.

On August 23, 2017, HUD released a notice that increased the unit cap for RAD as mandated by the 2017 Appropriations Act and set rents for units converted under the increase. PHAs that had already submitted Letters of Interest (LOI) to reserve their position on the RAD waiting list became eligible for award under this expansion if the PHA submitted a complete RAD Application, Portfolio Award, or Multi-phase Award for the number of units identified in their LOI by October 23, 2017. Those that did not submit a complete application by this date forfeited their position on the waiting list, allowing other PHAs on the waiting list to become eligible for the expansion spots.

For Commitments to Enter into a Housing Assistance Payments Contract (CHAPs) issued beyond the 185,000-unit cap and for any replacement awards made as a result of revocations or withdraws that occurred after May 5, 2017, HUD will use rent levels based on the FY 2016 RAD rent base year. However, HUD will use rent levels based on the FY 2014 RAD rent base year for replacement awards made under the 185,000-unit cap as a result of revocations or withdraws that occurred prior to May 5, 2017.

PHAs that are issued Multi-phase Awards after May 5, 2017 will have until September 30, 2020 to submit an application for the final phase of the project. HUD may approve extensions up to September 30, 2020 for Multi-phase Awards made prior to May 5, 2017 on a case-by-case basis.

Looking forward, the FY 2018 Senate THUD Appropriations bill aims to eliminate the September 20, 2020 deadline for the submission of RAD applications under the first component and eliminate the cap on conversions. The FY 2018 House THUD Appropriations bill does not do this.