

Fact Sheet for Residents of Section 8 Moderate Rehabilitation (Mod Rehab) or McKinney Mod Rehab Single Room Occupancy (SRO) Properties Converting Under the Rental Assistance Demonstration (RAD)

U.S. Department of Housing and Urban Development
Office of Recapitalization



Release Date: January 2018. Source: www.hudexchange.info/resources/documents/RAD-Fact-Sheet-for-Residents.pdf

This fact sheet includes questions and answers about benefits, impacts, and rights of residents whose property may be participating in RAD. This fact sheet will cover how the RAD conversion may affect your current unit, continued residency at the property, rent, and your role in the conversion process.

RAD Background



Certain properties receive federal assistance from HUD through either the “Section 8 Moderate Rehabilitation” (Mod Rehab) or “McKinney Mod Rehab Single Room Occupancy” (SRO) programs, allowing owners to maintain properties while charging residents affordable rents. However, owners often find it difficult to maintain these properties in decent, safe, and sanitary conditions because the subsidy is provided through a one-year contract and at limited funding levels. These challenges prevent owners from adequately addressing the repair needs of the property. It also creates uncertainty for residents who do not know whether the property will remain affordable.

RAD is a Department of Housing and Urban Development (HUD) program designed to stabilize the way in which these properties are funded. The existing subsidy contract is replaced with a long-term Section 8 contract that ensures that the property can remain affordable and that makes it easier for the owner to access financing so they can make needed property repairs and renovations.



RAD Benefits, Impacts, and Your Role

What are the benefits of a RAD conversion for residents?

Residents enjoy the following benefits, rights, and protections under RAD:

1. The new contract provided through RAD places the property under a long-term contract (typically 15-20 years) that assures its affordability during this period. This means that the affordable units in the building will remain subsidized and protected as affordable housing for at least 15-20 years.
2. The property may get repaired and modernized if needed. This can make a big difference in the feel and comfort of the home. Some residents of properties where the owner converted under RAD said that their unit felt brighter, cleaner, and fresher, and that their property felt safer after the renovations. Read their full stories on the RAD HUD Exchange web page: <https://www.hud.gov/RAD/news/photoessays>
3. Owners must consult with residents prior to conversion.
4. Residents will continue to pay affordable rent, typically set at 30% of a household's adjusted income.
5. Residents may only be rescreened for uncommon conditions required by statute.
6. If residents need to be relocated temporarily due to repairs on the property, residents have a right to return to the property.
7. Except for certain conversions to Project-Based Rental Assistance (PBRA) subsidies, residents have a right to a tenant-based voucher after a period of residency at the property (i.e., "choice-mobility"). (The household's move does not affect the number of units on the Section 8 contract.)

Would a RAD conversion impact the rent that I pay?

No. As stated above, residents will continue to pay an affordable rent, typically set at 30% of a household's adjusted income.

Will I be able to remain in my current apartment?

All residents have the right to remain in the property. However, if renovations or repairs are needed, residents may be asked to temporarily relocate while work is being done in the unit. The owner will provide the affected household with another residence, either within the same property or a unit in a different building while work is being done. The property owner is required to let residents know in advance if relocation will be needed and cover all relocation costs. (See questions and answers below.) When any repairs are completed, residents have a right to return to the property.

Will I be notified if the owner of my property wants to participate in RAD? How?

Yes. Owners must conduct at least two resident meetings to discuss the proposed RAD conversion and provide residents an opportunity to give feedback on the conversion. Owners must provide all residents with a notification letter stating their intent to participate in RAD. The notification letter must include the date and time of the RAD resident meetings described and an estimated date of when the new contract would start. The letter will also include the owner's plan for residents to relocate temporarily and the estimated time of the relocation (if applicable), information on the household's right to return, and the owner's responsibility for covering relocation costs. Lastly, the letter will include information on how residents can submit comments over a 30-day period.



What should residents expect during the meetings?



During the meetings, residents will be provided with more details about the RAD conversion, including what kind of rehabilitation may occur and details about resident relocation plans, as necessary. The owner will explain the differences between Mod Rehab and RAD contract rules. Residents are encouraged to be involved, ask questions, request further clarification, make comments, and/or express concerns about the proposed plans. Residents should make sure property owners are aware of items that need repair or need to be replaced. The meetings are required to be

accessible for all tenants.

The owner is required to submit all comments received from residents to HUD, which HUD will consider in determining whether the property can proceed with conversion under RAD.

What are the differences in tenant benefits between the existing Mod Rehab contract and the new contract options under RAD?

| | Mod Rehab | RAD (PBV or PBRA) |
|--|--|---|
| Affordability Commitment | 1 year | 15-20 years |
| Tenant Share of Rent | 30% of adjusted income | 30% of adjusted income |
| Choice-Mobility Option to Receive a Tenant-Based Voucher | None | After 1 year (for Project-Based Voucher (PBV)); after 2 years (for some Project-Based Rental Assistance (PBRA)) |
| Access to Funding for Property Improvements | Limited as a result of 1-year contract and subsidy level | New contract facilitates access to financing |
| Displacement Protection | None | Right to remain |
| Resident Participation | None | Right to comment on conversion and repairs |
| Physical Inspection | Performed by PHA | Performed by PHA (PBV) or owner (PBRA) |
| Income Recertification | Performed by PHA | Performed by PHA (PBV) or owner (PBRA) |
| Waiting List | Maintained by PHA | Maintained by PHA (PBV) or owner (PBRA) |

RAD: CHANGE THAT BRINGS JOY



Photo Credit: Heather Hill, The Cloudburst Group

FOR MORE INFORMATION, VISIT:

For RAD case studies and testimonials from residents who have undergone a RAD conversion see:
www.hud.gov/RAD/news/photoessays

For tools and additional information on RAD see:

- www.hud.gov/rad
- www.hudexchange.info/programs/rad/

For conversion requirements, see RAD Notice (PIH-2012-32 (HA) H-2017-03, REV-3) see:
portal.hud.gov/hudportal/documents/huddoc?id=RAD_Notify_Rev3_Final.docx

For additional information on Multifamily Preservation see:

www.hudexchange.info/programs/multifamily-housing-preservation/

Questions? Contact the Office of Recapitalization at rad2@hud.gov.