RAD for Section 8 Moderate Rehabilitation Properties: Key Facts About the Second Component of the Rental Assistance Demonstration (RAD 2)

Eligible Owners

- Owners of Section 8 (S.8) Moderate Rehabilitation (Mod Rehab) properties, including McKinney Mod Rehab Single Room Occupancy (SRO) properties, can apply at any time. HUD will approve all applications that meet program requirements.

Eligible Properties

- Properties with an active S.8 Mod Rehab Housing Assistance Payments (HAP) contract
- Properties where the S.8 Mod Rehab HAP contract has expired or terminated, with Enhanced Vouchers or Tenant Protection Vouchers issued on or after October 1, 2006
- Properties in compliance with all Fair Housing and Civil Rights requirements
- Projects that meet the minimum physical condition standards

Eligible Units

- All units on the original Mod Rehab contract are potentially eligible for conversion under RAD.
- For Section 8 Project-Based Vouchers (PBV), the units must be occupied.

How Do I Apply?

1. Send initial submission of interest to HUD.
2. If PBV, identify a Public Housing Authority (PHA) administrator of the PBV contract.
3. Notify and consult with residents.
   - Notify residents of intent to participate in RAD.
   - Conduct meetings with information about special procedures and individual tenant consent.
   - Demonstrate long-term physical and financial feasibility, and include a rehabilitation plan.

How is RAD 2 Relevant to Section 8 Mod Rehab Properties?

The Problem:
- Limited annual rent increases
- HAP only renewable for 1 year
- Functionally obsolete properties

The Solution: New long-term acquisition and rehabilitation financing
- Change 1-year HAP contract to 15 - 20 years
- Potential rent increases
- Transfer of assistance to a new site permitted

See Application Process on the following page for details that will get you on your way to preserving and stabilizing your property for long-term viability.
Application Process

STEP 1
Initial Submission of Interest to HUD

STEP 2
Resident Consultation

STEP 3
Continuum of Care (CoC) Consultation
(For Single-Room Occupancies only)

STEP 4
Selection of Public Housing Authority (PHA)
(PBV conversions only)

STEP 5
Submit Financing Plan
(Attachment 2A, Financing Plan Requirements & Feasibility Benchmarks)

STEP 6
Conversion Approval

STEP 7
Closing

60-day timeline

For More Information, Visit:
RAD Resource Desk: http://www.radresource.net/
Multifamily Preservation: https://www.hudexchange.info/programs/multifamily-housing-preservation/
RAD Notice (PIH-2012-32 (HA) H-2017-03, REV-3):

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