



# **Section 8 Administrative Plan**

## **Rental Assistance Demonstration Addendum**

**ADOPTED:**

**May 21, 2018, via Resolution #18-33**

**REVISED:**

**December 16, 2025, via Resolution #25-68**

## TABLE OF CONTENTS

<b>PART 1 - OVERVIEW AND HISTORY OF THE RAD PROGRAM .....</b>	<b>3</b>
<b>RAD ADMINISTRATIVE PLAN POLICIES .....</b>	<b>3</b>
<b>APPLICABLE REGULATIONS.....</b>	<b>3</b>
<b>EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8].....</b>	<b>3</b>
<b>PBV PROJECT SELECTION.....</b>	<b>3</b>
<b>SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55, FR Notice 11/24/08, FR Notice 7/9/10, and FR Notice 6/25/14].....</b>	<b>4</b>
<b>SITE SELECTION STANDARDS .....</b>	<b>5</b>
<b>ENVIRONMENTAL REVIEW [24 CFR 983.58] .....</b>	<b>5</b>
<b>PART II - RAD PBV OWNERSHIP AND CONTRACT TERMS LEGAL OWNERSHIP OF UNIT .....</b>	<b>5</b>
<b>HAP CONTRACT REQUIREMENTS.....</b>	<b>5</b>
<b>MANDATORY CONTRACT RENEWAL.....</b>	<b>6</b>
<b>INITIAL CONTRACT RENTS.....</b>	<b>6</b>
<b>ADJUSTING CONTRACT RENTS.....</b>	<b>6</b>
<b>AMENDMENTS TO THE HAP CONTRACT .....</b>	<b>7</b>
<b>HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.207(b) and 983.302(e)] .....</b>	<b>8</b>
<b>UTILITY ALLOWANCES .....</b>	<b>8</b>
<b>HOUSING ASSISTANCE PAYMENTS [24 CFR 983.351] .....</b>	<b>9</b>
<b>PART III - RESIDENTS RIGHTS AND PARTICIPANTS.....</b>	<b>9</b>
<b>PROHIBITED RE-SCREENING OF EXISTING TENANTS UPON CONVERSION.....</b>	<b>9</b>
<b>RELOCATION REQUIREMENTS [24 CFR 983.7].....</b>	<b>9</b>
<b>RESIDENT RIGHT TO RETURN.....</b>	<b>10</b>
<b>RENEWAL OF LEASE.....</b>	<b>10</b>
<b>SECURITY DEPOSIT [24 CFR 982.313 (a) and (b)].....</b>	<b>10</b>
<b>REEXAMINATIONS.....</b>	<b>10</b>
<b>PHASE-IN OF TENANT RENT INCREASES.....</b>	<b>11</b>
<b>FAMILY NO LONGER REQUIRES ASSISTANCE [24 CFR 982.455].....</b>	<b>11</b>
<b>PUBLIC HOUSING FSS AND ROSS PARTICIPANTS .....</b>	<b>11</b>
<b>RESIDENT PARTICIPATION AND FUNDING.....</b>	<b>12</b>
<b>RESIDENTS PROCEDURAL RIGHTS.....</b>	<b>12</b>

<b>INFORMAL REVIEWS AND HEARINGS .....</b>	<b>12</b>
<b>EARNED INCOME DISREGARD .....</b>	<b>13</b>
<b>WHEN TTP EXCEEDS GROSS RENT .....</b>	<b>13</b>
<b>UNDER-OCCUPIED UNIT .....</b>	<b>13</b>
<b>CHOICE MOBILITY VOUCHERS .....</b>	<b>14</b>
<b>PART IV - HOUSING QUALITY STANDARD INSPECTIONS ANNUAL/BIENNIAL</b>	
<b>INSPECTIONS [24 CFR 983.103(d); FR Notice 6/25/14].....</b>	<b>14</b>
<b>INITIAL HQS INSPECTION [24 CFR 982.401(a)].....</b>	<b>14</b>
<b>PHA-OWNED UNITS [24 CFR 983.51(e) and 983.59].....</b>	<b>14</b>
<b>SECTION EIGHT MANAGEMENT ASSESSMENT PROGRAM (SEMAP) INDICATORS</b>	
<b>[24 CFR 985.3 and form HUD-52648].....</b>	<b>14</b>
<b>PART V - APPLICATIONS, WAITING LIST AND BRIEFINGS APPLICATIONS .....</b>	<b>14</b>
<b>ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c)] .....</b>	<b>14</b>
<b>PREFERENCES.....</b>	<b>15</b>
<b>OCCUPANCY STANDARDS.....</b>	<b>16</b>
<b>ASSIGNMENT POLICIES .....</b>	<b>16</b>
<b>INCOME TARGETING.....</b>	<b>18</b>
<b>TENANT SCREENING .....</b>	<b>18</b>
<b>BRIEFINGS AND FAMILY OBLIGATIONS.....</b>	<b>18</b>

## **RENTAL ASSISTANCE DEMONSTRATION PROGRAM**

### **PART 1 - OVERVIEW AND HISTORY OF THE RAD PROGRAM**

RAD is intended to assess the effectiveness of converting public housing, moderate rehabilitation properties, and units under the rent supplement and rental assistance payments programs to long-term, project-based Section 8 rental assistance. The program's four primary objectives are to: 1) Preserve and improve public and other assisted housing. 2) Standardize the administration of the plethora of federally subsidized housing programs and rules. The conversions are intended to promote operating efficiency by using a Section 8 project-based assistance model that has proven successful and effective for over 30 years. In other words, RAD aligns eligible properties more closely with other affordable housing programs. 3) Attract private market capital for property renovations. Through the use of this model, properties may be able to leverage private debt and equity to make capital repairs. 4) Increase tenant mobility opportunities.

### **RAD ADMINISTRATIVE PLAN POLICIES**

This additional chapter is intended to address RAD PBV requirements only.

### **APPLICABLE REGULATIONS**

RAD is authorized by the Consolidated and Further Continuing Appropriations Act of 2012 (Pub. L. No. 112-55, approved November 18, 2011), as amended by the Consolidated Appropriations Act, 2014 (Public Law 113-76, approved January 17, 2014) and the Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113- 235, approved December 6, 2014), collectively, the "RAD Statute." RAD requirements may be found in PIH-2012-32 (HA), REV-2, RAD Quick Reference Guide (10/14), The Welcome Guide for New Awardees: RAD 1st Component (3/15), and RAD FAQs. 23.4

### **EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8]**

PHAs must comply with all applicable fair housing and civil rights laws, including, but not limited to, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973, when conducting relocation planning and providing relocation assistance. For example, persons with disabilities returning to the RAD project may not be turned away or placed on a waiting list due to a lack of accessible units. Their need for an accessible unit must be accommodated.

### **PBV PROJECT SELECTION**

Maximum Amount of PBV Assistance Covered projects do not count against the maximum amount of assistance a PHA may utilize for the PBV program, which is set at 20 percent of the amount of budget authority allocated to a PHA under the HCV program. To implement this provision, HUD is waiving section 8(o) (13) (B) of the 1937 Act and 24 CFR § 983.6. Cap on Number of PBV Units in each Project Fifty percent (50%) of the units in each project may receive PBV assistance under RAD. An assisted household cannot be involuntarily displaced as a result of this provision. An owner may still project-base 100 percent of the units provided at least 50 percent of the units at the project qualify for the exceptions for elderly, disabled, or families receiving supportive services, or are within single-family properties. Families living in units subject to a proposed RAD conversion must be given the option to receive supportive services. If such services are declined by the household, the unit shall remain under the HAP contract, the household shall not be terminated from the PBV program, and the decision to decline an offer to

receive supportive services shall not represent a ground for lease termination. Once the initial household residing in the excepted unit under RAD vacates such unit, all PBV program requirements related to the required receipt of supportive services shall apply in accordance with 24 CFR §§ 983.56, 983.257(c), 983.261(a) and (d). To implement these provisions, HUD is waiving section 8(o) (13) (D) of the Act, as well as related provisions of 24 CFR §§ 983.56, 983.257(c), 983.261(a) and (d) for initial occupancy in the RAD converted project.

### **25 Percent per Project Cap [24 CFR 983.56]**

The limitation on the number of units receiving assistance is increased to 50 percent under RAD. An assisted household cannot be involuntarily displaced as a result of this provision.

### **Exceptions to 25 Percent per Project Cap [24 CFR 983.56(b)]**

An owner may still project-base 100 percent of the units provided at least 50 percent of the units at the project qualify for the exceptions for elderly, disabled, or families receiving supportive services, or are within single-family properties.

#### *Family Responsibility to Comply with Supportive Service Plans*

New families selected for occupancy and assistance in a PBV supportive housing unit will be required to enter into an individualized supportive service plan with the service provider. The supportive service plan is intended to help the family: ☐ Build family self-sufficiency; ☐ Maintain their housing; and ☐ Live independently and effectively in their community. In PBV developments offering supportive services, at least one family member is to receive/participate in the available supportive services. ☐ At the time of initial lease execution between the family and the owner, the family must sign a statement which includes all family obligations, including the requirement to participate in a supportive service plan. ☐ At the family's annual recertification, the Authority requires written documentation from the service provider indicating the family's continued compliance with the terms of the supportive services plans. ☐ At the Authority's sole discretion, the Authority may request quarterly documentation of service plan compliance for new participants, or more frequent periodic documentation for families who have not fully complied with their supportive service plan. The family is eligible to receive assistance while the family is compliant with its supportive services plan. In addition, a family who has occupied a PBV unit and has been compliant with its supportive housing plan, and has successfully completed the supportive housing plan, is eligible to continue to receive PBV assistance so long as the family qualifies. Under RAD, the requirement that a family must actually receive services to reside in a unit where families receive supportive services differs. Families living in units that will convert under RAD must be given the option to receive supportive services. If such services are declined by the household, the unit shall remain under the HAP contract, the household shall not be terminated from the PBV program, and the decision to decline an offer to receive supportive services shall not represent as grounds for lease termination. Once the initial household residing in the excepted unit under RAD vacates such unit, all PBV program requirements related to the required receipt of supportive services shall apply.

### **SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55, FR Notice 11/24/08, FR Notice 7/9/10, and FR Notice 6/25/14]**

In the case of a Authority that is converting all of its ACC units, there is no restriction on the amount of public housing funds that may be contributed to the Covered Project(s) at Closing; the PHA may convey all program funds to the Covered Project. HUD will recapture any public

housing funds that a PHA has not expended once it no longer has units under ACC. In the case where the PHA will continue to maintain other units in its inventory under public housing ACC, a contribution of Operating Funds to the Covered Project that exceeds the average amount the project has held in Operating Reserves over the past three years will trigger a subsidy layering review under 24 CFR § 4.13. Similarly, any contribution of Capital Funds, including RHF or DDTF, will trigger a subsidy layering review.

## **SITE SELECTION STANDARDS**

Site selection requirements set forth in 24 CFR 983.57 apply to RAD PBV, with the exception of 983.57(b) (1) and (c) (2). HUD waives the provisions regarding deconcentration of poverty and expanding housing and economic opportunity, for existing housing sites. If units are transferred to a different housing site, then deconcentration rule applies. HUD will conduct a front-end civil rights review of PBV RAD conversions that involve new construction that is located in an area of minority concentration (whether on the existing public housing site or on a new site) to determine whether it meets one of the conditions that would allow for new construction in an area of minority concentration. The PHA must ensure that its RAD PBV conversion, including any associated new construction, is consistent with its certification to affirmatively further fair housing and complies with civil rights laws.

## **ENVIRONMENTAL REVIEW [24 CFR 983.58]**

The financing plan includes a requirement for an environmental review.

## **PART II - RAD PBV OWNERSHIP AND CONTRACT TERMS LEGAL OWNERSHIP OF UNIT**

For RAD public housing conversions, ownership must be either of the following:

- A public or nonprofit entity that has legal title to the property. The entity must have the legal authority to direct the financial, legal, beneficial, and other interests of the property.
- A private entity, if the property has low income tax credits. The PHA must maintain control via a ground lease.

## **HAP CONTRACT REQUIREMENTS**

### **Contract Information [24 CFR 983.203]**

The PBV RAD program uses the HAP contract for new construction or rehabilitated housing (HUD Form 52530A), as modified by the RAD rider (HUD Form 52621). The distinction between “existing housing” and “rehabilitated and newly constructed housing” is overridden by RAD requirements. The RAD rider must be attached to the PBV HAP Contract and effectuates the conversion of public housing to PBV under RAD PBV. The project must also have an initial RAD Use Agreement. All public housing RAD conversion properties financed with LIHTC are required to include an LIHTC rider.

### **Execution of the HAP Contract [24 CFR 983.204]**

When the conditions of the CHAP and the RCC are met and the conversion has closed, the PHA executes the HAP contract. The HAP contract effective date is the date of the financial closing for the property, whether or not all units meet HQS. Term of HAP Contract [24 CFR 983.205] The initial term of the HAP Contract may not be for less than 15 years, and may be for a term of up to 20 years upon request of the owner and with approval of the administering voucher agency.

Upon expiration of the initial term of the contract, and upon each renewal term of the contract, the owner must accept each offer to renew the contract, subject to the terms and conditions applicable at the time of each offer, and further subject to the availability of appropriations for each year of each such renewal. To implement this provision, HUD is waiving section 8(o) (13) (F) of the Act (which established a maximum term of 15 years) as well as 24 CFR § 983.205(a) (which governs contract term).

**Agreement to Enter Into HAP (AHAP)** – Waived For public housing conversions to PBV, there will be no agreement to enter into a Housing Assistance Payments (AHAP) contract. Therefore, all regulatory references to the Agreement (AHAP), including regulations under 24 CFR Part 983 Subpart D are waived. The definitions for proposal selection date, new construction, rehabilitation, and existing housing are not applicable. For public housing conversions, an AHAP is not required. Instead, a RAD conversion commitment (RCC) between HUD and the PHA governs the construction work. For requirements for RAD PBV conversions see Notice PIH 2012-32, REV-2.

## **MANDATORY CONTRACT RENEWAL**

By statute, upon contract expiration, the agency administering the vouchers shall offer, and the PHA shall accept, renewal of the contract subject to the terms and conditions applicable at the time /of renewal and the availability of appropriations each year for such renewal. Consequently 24 CFR § 983.205(b), governing the PHA discretion to renew the Contract for term of up to 15 years, will not apply. In the event that the HAP Contract is removed due to breach, non-compliance or insufficiency of Appropriations, for all units previously covered under the HAP Contract, new tenants must have incomes at or below 80 percent of the area median income at the time of admission and rents may not exceed 30% of 80% of median income for an appropriate size unit for the remainder of the term of the RAD Use Agreement.

## **INITIAL CONTRACT RENTS**

Initial PBV contract rents are subject to the statutory and regulatory PBV requirements governing contract rents (see 24 CFR § 983.301). To this effect, initial contract rents cannot exceed the lower of (a) the reasonable rent (as defined under 24 CFR § 983.303; (b) an amount determined by the PHA, not to exceed 110 percent of the applicable FMR (or applicable exception payment standard), minus any utility allowance; or (c) the rent requested by the owner. PHAs may adjust subsidy (and contract rents) across multiple projects as long as the PHA does not exceed the aggregate subsidy for all of the projects the PHA has submitted for conversion under RAD. This use, which HUD refers to as “bundled” rents, is permissible when a PHA submits applications for two or more projects. There is no limit to the number of projects that a PHA may bundle. Notwithstanding the current funding level, the initial rents are set at the lower of: □ 110% of the fair market rent (FMR) or the PHA’s exception payment standard approved by HUD, or the alternate rent cap in a PHA’s MTW agreement □ Reasonable rent in comparison to the unassisted housing market □ An amount determined by current funding o Adjusted through rent bundling or reconfiguration of units.

## **ADJUSTING CONTRACT RENTS**

### **Rent Increase**

Contract rents will be adjusted annually by HUD’s Operating Cost Adjustment Factor (OCAF) at each anniversary of the HAP Contract, subject to the availability of appropriations for each year



of the contract term. As such, section 8(o) (13) (I) of the Act and 24 CFR § 983.301 and 983.302, concerning rent determinations, shall not apply when adjusting rents. The rent to owner may at no time exceed the reasonable rent charged for comparable unassisted units in private market, as determined by the Contract Administrator in accordance with 24 CFR § 983.303. Contract rents may not exceed the reasonable rent, with the exception that the contract rent for each unit may not be reduced below the initial contract rent under the initial HAP contract. However, the rent to owner may fall below the initial contract rent in the following situations: □ To correct errors in calculations in accordance with HUD requirements; □ If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to § 983.55 (Prohibition of excess public assistance); or □ If a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant. The contract rent adjustment will be the lesser of: □ The current contract rent increased by the operating cost adjustment factor (OCAF), which is published annually in the Federal Register □ The reasonable rent.

### **Rent Decrease**

Rents must not be reduced below the initial rent except to correct errors, for additional subsidy to the property, or to realign utility responsibilities.

### **Notice of Rent Change**

Rent adjustments are made on the contract anniversary date for all PBV units. Adjusted rents may not exceed the lower of the reasonable rent, or the contract rent increased by the operating cost adjustment factor (OCAF), except if the rent increase would result in a rent below the initial rent. Rents must not fall below the initial contract rent.

### **PHA-Owned Units [24 CFR 983.301(g)]**

For PHA-owned PBV units, the annual redetermination of rent at the anniversary of the HAP contract are determined by the independent entity approved by HUD. Contract rents will be adjusted annually by HUD's Operating Cost Adjustment Factor ("OCAF") at each anniversary of the HAP Contract, subject to the availability of appropriations for each year of the contract term. As such, section 8(o) (13) (I) of the Act and 24 CFR § 983.301 and 983.302, concerning rent determinations, shall not apply when adjusting rents. The rent to owner may at no time exceed the reasonable rent charged for comparable unassisted units in private market, as determined by the Contract Administrator in accordance with 24 CFR § 983.303. However, the rent to owner shall not be reduced below the initial rent to owner for dwelling units under the initial HAP Contract.

An owner's request for a rent increase must be submitted to the Authority 60 days prior to the anniversary date of the HAP contract, and must include the new rent amount the owner is proposing.

## **AMENDMENTS TO THE HAP CONTRACT**

### **Substitution of Contract Units [24 CFR 983.207(a)]**

In certain mixed finance projects, the PHA may ask HUD permission to have assistance float among unoccupied units within the project that are the same bedroom size. The unit to which assistance is floated must be comparable to the unit being replaced in quality and amenities. For 504 accessible units, assistance may only float to another 504 accessible unit with the same



bedroom size and features. If the PHA chooses to float units, units are not specifically identified on the HAP contract, rather the HAP contract must specify the number and type of units in the property that are RAD PBV units, including any excepted units. The property must maintain the same number and type of RAD units from the time of the initial HAP contract execution forward. The PHA may not reduce the number of assisted units without HUD approval. Any HUD approval of a PHA's request to reduce the number of assisted units under is subject to conditions that HUD may impose. MTW agencies may not alter this requirement.

#### **Addition of Contract Units [24 CFR 983.207(b)]**

Project owners are required to make available for occupancy by eligible tenants the number of assisted units under the terms of the HAP contract. Reduction in HAP Contract Units Due to Vacancies [24 CFR 983.254(b)] The PHA may not reduce the number of assisted units without HUD approval. Any HUD approval of a PHA's request to reduce the number of assisted units under is subject to conditions that HUD may impose. MTW agencies may not alter this requirement.

#### **HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.207(b) and 983.302(e)]**

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term. The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. There is a single annual anniversary and expiration date for all units under a particular HAP contract. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under contract.

#### **UTILITY ALLOWANCES**

When contract rent amounts are set initially, the amount does not include a utility allowances. In general, the utility allowances that are used on the initial HAP contract at closing are the public housing utility allowances that are in effect prior to conversion. The CHAP must be updated prior to conversion to reflect current public housing utility allowances. At its discretion, a PHA may use the FMRs and utility allowances in effect during the 30-day period immediately before the beginning date of the HAP contract. After conversion, unless a waiver is requested and approved by HUD, the PHA must maintain a utility allowance schedule for tenant-paid utilities in accordance with standard PBV and HCV utility allowance regulations at 24 CFR 983.301(f)(2)(ii) and 24 CFR 982.517 respectively. These utility allowances are effective for in-place families at recertification. The PHA may request a waiver from the PIH Field Office, however, in order to establish site-specific utility allowance schedules. MTW agencies would instead secure approval through their MTW Plan. To be approved, the PHA must show good cause that the utility allowance schedule for their voucher program would either: ☐ Create an undue cost for families because the utility allowance provided under the voucher program is too low, or ☐ Discourage conservation and efficient use of HAP funds because the utility allowance provided under the voucher program would be excessive if applied to the Covered Project. The PHA must submit an analysis of utility rates for the community and consumption data of project residents in comparison to community consumption rates; and a proposed alternative methodology for calculating utility allowances on an ongoing basis. When, as a result of a RAD conversion, the project will experience an improvement in energy and water

efficiencies, PHAs can submit UA projections performed by a professional engineer, based on the project's plans and specifications that, at a minimum, take into account specific factors including, but not limited to, unit size, building orientation, design and materials, mechanical systems, appliances, and characteristics of the building location. The projections must be submitted in the RAD UA Projections.

The Authority will use the HCV utility allowance schedule for the RAD developments.

### **HOUSING ASSISTANCE PAYMENTS [24 CFR 983.351]**

For a discussion of funding during the first year after the RAD conversion for units converting to PBV under RAD, see Notice PIH 2012-32, REV-2.

## **PART III - RESIDENTS RIGHTS AND PARTICIPANTS**

### **PROHIBITED RE-SCREENING OF EXISTING TENANTS UPON CONVERSION**

Current households are not subject to rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. For example, a unit with a household that was over income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR § 982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family. The Authority will make their best effort to appropriately size households throughout the conversion. Existing residents at the time of conversion may not be rescreened for citizenship status or have their social security numbers reverified.

### **Income Targeting [24 CFR 982.201]**

The income targeting requirement does not apply to existing residents at the time of conversion. Subsequent new admissions count towards the PHA's calculation. In-Place Families [24 CFR 983.251(b)] For the RAD PBV program, in-place families means a family who lived in a preconversion property at the time assistance was converted from public housing to PBV under RAD.

### **RELOCATION REQUIREMENTS [24 CFR 983.7]**

In some developments, in-place residents may need to be relocated as a result of properties undergoing repairs, being demolished and rebuilt, or when assistance is transferred from one site to another. RAD program rules prohibit the permanent, involuntary relocation of residents as a result of conversion. Residents that are temporarily relocated retain the right to return to the project once it has been completed. Relocation assistance provided to residents will vary depending on the length of time relocation is required. Residents must be properly notified in advance of relocation requirements in accordance with RAD program rules and Uniform Relocation Act (URA) requirements. Sample

informing notices are provided in Appendices 2-5 of PIH Notice 2014-17. In addition, PHAs must undertake a planning process that complies with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (URA), although not all relocations under RAD will trigger requirements under URA. URA statute and implementing regulations may be found at 49 CFR Part 24.

## **RESIDENT RIGHT TO RETURN**

Any residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to an assisted unit at the development once rehabilitation or construction is completed. Where the transfer of assistance to a new site is warranted and approved residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete. Residents of a development undergoing conversion of assistance may voluntarily accept a PHA or Owner's offer to permanently relocate to another assisted unit, and thereby waive their right to return to the development after rehabilitation or construction is completed. RAD program rules prohibit the permanent, involuntary relocation of residents as a result of conversion. Residents that are temporarily relocated retain the right to return to the project once it has been completed. As part of the conversion process, the PHA must consider the best way to transition families who are already on the existing public housing waiting list to the new PBV waiting list. Considerations vary depending on whether the current public housing waiting list is system-wide or site-based and on what type of waiting list the PHA will adopt once units are converted. While special consideration must be given when initially establishing the RAD PBV waiting list, once the waiting list is established, requirements are the same in RAD PBV as in the regular PBV program.

## **RENEWAL OF LEASE**

The PHA must renew all leases upon lease expiration, unless good cause exists. Consequently, 24 CFR § 983.257(b) (3) will not apply. This provision must be incorporated by the PBV owner into the tenant lease or tenancy addendum, as appropriate. The PHA must include resident procedural rights for termination notification and grievance procedures in the owner's lease. These requirements are not part of the regular PBV program but are required under RAD. Leases for residents who will remain in place (i.e., who will not be relocated solely as a result of conversion) must have an effective date that coincides with — and must be signed on or before—the effective date of the RAD PBV HAP contract.

### **Tenancy Addendum [HUD 52530-C]**

The PBV owner and the family representative must sign the HUD form 52530-C Tenancy Addendum which is an attachment to the lease and outlines required lease provisions of the PBV program. PBV Statement of Family Responsibility [HUD 52578-B] A family representative must sign the HUD form 52578-B Statement of Family Responsibility and comply with obligations described therein, including participation in any required services.

### **SECURITY DEPOSIT [24 CFR 982.313 (a) and (b)]**

Owners are permitted to recognize security deposit amounts that have been previously provided by tenants who are in-place at the time of the RAD conversion. Otherwise the security deposit requirements for standard PBV apply.

## **REEXAMINATIONS**

A family living in a unit converted from public housing to RAD PBV will retain its certification date. Unless a family's annual reexamination is due at the same time as the effective date of the RAD PBV HAP contract, the PHA does not need to recertify tenants at the point of conversion. For each family residing in a unit undergoing conversion of assistance under RAD, the administering PHA will submit a HUD-50058 reflecting the family's admission to the voucher

program. The effective date of the new admission will be the same as the effective date of the RAD PBV HAP contract.

### **PHASE-IN OF TENANT RENT INCREASES**

If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 years. To implement this provision, HUD is waiving section 3(a)(1) of the Act, as well as 24 CFR § 983.3 (definition of "total tenant payment" (TTP)) only to the extent necessary to allow for the phase-in of tenant rent increases. The Authority will implement a five-year phase-in for families whose rent increases by more than the greater of 10 percent or \$25 as a result of the conversion as follows:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 20% of difference between most recently paid TTP or flat rent and the Calculated PBV TTP
- Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR – 40% of difference between most recently paid TTP and the Calculated PBV TTP
- Year 3: Year 3 AR and any IR prior to the 4<sup>th</sup> Year AR-60% of the difference between most recently paid TTP and the standard TTP
- Year 4: Year 4 AR and any IR prior to Year 5 AR-80% if the difference between most recently paid TTP and the standard TTP
- Year 5 and all subsequent recertifications – Full Calculated TTP

### **FAMILY NO LONGER REQUIRES ASSISTANCE [24 CFR 982.455]**

Current residents living in the property prior to conversion are placed on and remain under the HAP contract when TTP equals or exceeds gross rent. In this case, the family will pay with owner an amount equal to their TTP. The family will continue to pay this amount until/if circumstances change and HAP is paid on their behalf. In other words, assistance may subsequently be reinstated if the tenant becomes eligible for assistance. In such cases, the resident is still considered a program participant. All of the family obligations and protections under RAD and standard PBV apply to the resident. Likewise, all requirements with respect to the unit, such as compliance with the HQS requirements, apply as long as the unit is under HAP contract. Following conversion, the standard PBV regulations apply to any new families referred to the project.

### **PUBLIC HOUSING FSS AND ROSS PARTICIPANTS**

Current PH FSS participants will continue to be eligible for FSS once their housing is converted under RAD, and PHAs will be allowed to use any PH FSS funds granted previously or pursuant to the FY 2013 PH FSS NOFA, to serve those FSS participants who live in units converted by RAD and who will as a result be moving to the HCV FSS program. A PHA must convert the PH FSS program participants at the covered project to their HCV FSS program. Residents who were converted from the PH FSS program to the HCV FSS program through RAD may not be terminated from the HCV FSS program or have HCV assistance withheld due to the participant's failure to comply with the contract of participation. Consequently, 24 CFR 984.303(b)(5)(iii) does not apply to FSS participants in converted properties. Current ROSS-SC grantees will be

able to finish out their current ROSS-SC grants once their housing is converted under RAD. However, once the property is converted, it will no longer be eligible to be counted towards the unit count for future public housing ROSSSC grants.

## **RESIDENT PARTICIPATION AND FUNDING**

Residents of covered projects converting assistance to PBVs will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.

## **RESIDENTS PROCEDURAL RIGHTS**

In addition to the regulations at 24 CFR § 983.257, related to owner termination of tenancy and eviction the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall not be less than:

- A reasonable period of time, but not to exceed 30 days:
  - If the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
  - In the event of any drug-related or violent criminal activity or any felony conviction;
- 14 days in the case of nonpayment of rent; and
- 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.

## **INFORMAL REVIEWS AND HEARINGS**

Unlike in the standard PBV program, residents in converted projects have the right to request an informal hearing for issues that adversely affect the resident's rights, obligations, welfare, or status with both the PHA and the project owner.

In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a)(1)(i)-(vi), 31 an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a Project Owner action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.

- For any hearing required under 24 CFR § 982.555(a)(1)(i)-(vi), the contract administrator will perform the hearing, as is the current standard in the program.
- For any additional hearings required under RAD, the Authority will perform the hearing.

An informal hearing will not be required for class grievances or to disputes between residents not involving the Authority (as owner) or contract administrator. This hearing requirement shall not apply to and is not intended as a forum for initiating or negotiating policy changes between a group or groups of residents and the Project Owner (as owner) or contract administrator. The Project Owner (as owner) give residents notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi). The Authority (as owner) provide opportunity for an informal hearing before an eviction.

### **Non-Compliance with Supportive Services Requirement [24 CFR 983.257(c), FR Notice 11/24/08]**

Under RAD, the requirement that a family must actually receive services to reside in a unit where families receive supportive services differs. Families living in units that will convert under RAD must be given the option to receive supportive services. If such services are declined by the household, the unit shall remain under the HAP contract, the household shall not be terminated from the PBV program, and the decision to decline an offer to receive supportive services shall not represent a ground for lease termination. Once the initial household residing in the excepted unit under RAD vacates such unit, all PBV program requirements related to the required receipt of supportive services shall apply.

### **EARNED INCOME DISREGARD**

Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in, as described in this policy. Instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time. Under the Housing Choice Voucher program, the EID exclusion is limited to only persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limiting EID to only disabled persons is waived. The waiver and resulting alternative requirement only applies to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion (e.g., due to loss of employment); tenants that move into the property following conversion, etc.) is covered by this waiver.

### **WHEN TTP EXCEEDS GROSS RENT**

Following conversion, 24 CFR § 983.53(d) applies, and any new families referred to the RAD PBV project must be initially eligible for a HAP payment at admission to the program, which means their TTP may not exceed the gross rent for the unit at that time. Further, a PHA must remove a unit from the contract when no assistance has been paid for 180 days. If units are removed from the HAP contract because a new admission's TTP comes to equal or exceed the gross rent for the unit and if the project is fully assisted, HUD is imposing an alternative requirement that the PHA must reinstate the unit after the family has vacated the property. If the project is partially assisted, the PHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR §983.207 or, where "floating" units have been permitted.

### **UNDER-OCCUPIED UNIT**

If a family is in an under-occupied unit under 24 CFR § 983.260 at the time of conversion, the family may remain in this unit until an appropriate-sized unit becomes available in the Covered Project. When an appropriate sized unit becomes available in the Covered Project, the family living in the under-occupied unit must move to the appropriate-sized unit within a reasonable period of time, as determined by the administering Authority. In order to allow the family to remain in the under-occupied unit until an appropriate-sized unit becomes available in the Covered Project, 24 CFR § 983.260 is waived.



## **CHOICE MOBILITY VOUCHERS**

If the family has elected to terminate the assisted lease at any time after the first year of occupancy in accordance with program requirements, the PHA must offer the family the opportunity for continued tenant based rental assistance, in the form of either assistance under the voucher program or other comparable tenant-based rental assistance, if available. The Authority will apply a turnover cap of available Housing Choice Vouchers for RAD PBV families who wish to exercise mobility. For each calendar year, the Housing Choice Voucher program will limit the number of any choice-mobility moves from any given property to 20%

The Authority will maintain a waiting list for all RAD PBV families wishing to exercise mobility after one year of tenancy.

## **PART IV - HOUSING QUALITY STANDARD INSPECTIONS ANNUAL/BIENNIAL INSPECTIONS [24 CFR 983.103(d); FR Notice 6/25/14]**

Housing Quality Standards (HQS) apply to the standard and RAD PBV program. At least once every 24 months during the term of the HAP contract, the PHA must inspect a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this inspection requirement. The PHA will inspect on an annual basis a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. If more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, the PHA must reinspect 100 percent of the contract units in the building.

### **INITIAL HQS INSPECTION [24 CFR 982.401(a)]**

The RAD PBV program follows the same inspection requirements as the standard PBV program with the exception that RAD PBV units must meet HQS no later than the date of completion of initial repairs as indicated in the RAD Conversion Commitment (RCC). All turnover units must be inspected prior to leasing to an eligible family from the HAMC waiting list.

### **PHA-OWNED UNITS [24 CFR 983.51(e) and 983.59]**

For units converting to RAD PBV, housing quality standards inspections must be conducted by an independent entity approved by HUD.

## **SECTION EIGHT MANAGEMENT ASSESSMENT PROGRAM (SEMAP) INDICATORS [24 CFR 985.3 and form HUD-52648]**

All SEMAP indicators apply to both the standard and RAD PBV programs with the exception of SEMAP Indicator 12: Annual HQS Inspections. PBV HQS inspection requirements only call for a random sample of 20 percent of the units in each project to be inspected annually.

## **PART V - APPLICATIONS, WAITING LIST AND BRIEFINGS APPLICATIONS**

Projects will take applications according to the Authority's Administrative Plan.

### **ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c)]**

The Authority will maintain a PBV-RAD program-wide wait list and organize the waiting list according to Authority's Administrative Plan, which is based on time and date of application and the applicability of preferences. Applicants from the current public housing waiting list will be



transferred to the PBV program-wide waitlist maintaining the date and time of their application to the original waiting list.

If a family refused the Authority's offer of PBV assistance, sub assistance refusal does not affect the family's position on the waiting list for other tenant-based assistance.

## **PREFERENCES**

The following local preferences shall apply for selecting applications from the PBV-RAD waiting list:

### Residential Preference-50 points

A preference will be given to applicants whose head, co-head, or spouse are residents or, working in, or hired to work in the Borough of Glassboro. An applicant who is a resident of or works in the Borough of Glassboro of the Authority on the day their application is received by the Authority will be eligible for the local preference. If the applicant does not live or work in the Borough of Glassboro at the time of eligibility determination, they retain the local preference effective the date the application was received by the Authority. An applicant who is homeless will receive a local preference if they can document to the satisfaction of the Authority that they lived or worked in the Borough of Glassboro immediately prior to becoming homeless. Applicants who have been notified that they are hired to work in a residency preference area are treated as residents of the residency preference area. An applicant, who lives and works outside the Borough of on the day their application is received, will be entitled to the local preference if they notify the Authority in writing they moved into or began working in the Borough of Glassboro. The applicant must, at the time of eligibility determination, live or work within the operating jurisdiction of the Borough of Glassboro to be entitled to the preference.

### Elderly/Disabled-1 Point

A preference will be given to applicants whose head, co-head, or spouse are elderly. Elderly shall be defined as 62 years or older. A birth Certificate will be used to verify the application of this preference. A preference will be given to an applicant if the head of household, co-head or spouse, or sole member is a person with disabilities; or two or more adult persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides. A person who is under a disability, as defined in Section 233 of the Social Security Act (42 U.S.C. 423), or who has a developmental disability as defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001 (7)). People who are diagnosed with alcoholism or drug abuse are not part of the definition of disabled. Verification of disability is required.

### Veteran-1 Point

A preference will be given if the head, spouse, or co-head is a person who served in the military, naval or air service and who was discharged or released therefrom under condition other than dishonorable. A DD214 will be required to verify entitlement to this preference.

### Employed-25 Points

A preference will be given if the head, spouse, or co-head is employed. Employed shall be defined as working at least 20 hours a week. an applicant must be given the benefit of the working family preference if the head and spouse , or sole member is age 62 or older, or is a person with disabilities. Verification of employment is required.

### Victim of Hate Crime-1 point

A preference will be given if the head, spouse, or co-head is a victim of a hate crime. Hate crime shall be defined as actual or threatened violence or intimidation that is directed against a person or his or her property and that is based on the person's race, color, religion, sex, national origin, handicap or familial status. The hate crime must be of a recent and continuing nature. Verification of victim status must be demonstrated through court documentation or police records.

### **OCCUPANCY STANDARDS**

Occupancy standards are established by the Authority to ensure that units are occupied by families of the appropriate size. This policy maintains the maximum usefulness of the units, while preserving them under underutilization. The following Standards will determine the number of bedrooms required to accommodate a family of a given size:

<u>Number of Bedrooms</u>	<u>Minimum Persons</u>	<u>Maximum Persons</u>
0	1	1
1	1	2
2	2	4
3	3	6
4	4	8

### **ASSIGNMENT POLICIES**

It is the intention of this Assignment Policy to maximize the use of RAD-PBV Units and to reduce vacancy loss.

1. Once the applicants have been determined eligible by the Authority, the Authority shall make offers to eligible applicants generally in the order the files were determined eligible. The date and time of application function as a tiebreaker for all files received on the same date.

The Authority may temporarily skip over applicants determined eligible for the following reasons:

- To satisfy income targeting requirements,
- Not to exceed 15% or 25% of low-income admissions;
- To fill a mobility impaired unit with an approved applicant needing the particular features of the unit;
- For an applicant who has not completed the screening process or whose file is not current.

The applicants that were temporarily skipped will be offered an available unit as soon as the particular requirement has been fulfilled. The Authority is responsible for monitoring the Income Targeting and other income requirements as specified in this policy.

2. Prospective tenants will be assigned to dwelling units in accordance with the Authority's assignment policy to assure equal opportunity and nondiscrimination on the grounds of race, color, sex, national origin and to avoid segregation.

- If there is a suitable vacant unit in more than one location, the applicant shall be offered the unit at the location which contains the largest number of vacancies. If the applicant rejects the first vacancy offered he/she shall be offered a suitable unit at the location containing the next highest number of vacancies. If the applicant rejects two offers, he/she shall be placed at the bottom of the wait list.

The Authority shall make all such offers in sequence and there must be a rejection of a prior offer before the applicant may be offered the second location.

"Bottom of the waiting list" means that the applicant will be assigned a new date/time, that is the date/time on which the applicant rejected the second offer.

"Location" shall refer to one of the three RAD-PBV buildings.

- If there is only one location at which a suitable a vacancy exists, the applicant shall be offered a unit at that location and if he/she rejects such offer, he/she shall be given a second offer of a suitable vacancy as soon as one becomes available. If he/she rejects the second offer he/she shall be moved to the bottom of the waiting list.
  - If an applicant is willing to accept the unit offered but is unable to move at the time of the offer and presents clear evidence ("good cause") that acceptance of the offer of a suitable vacancy will result in undue hardship not related to considerations of race, color, sex, religion or national origin, the applicant will not be dropped to the bottom of the list. 1. Examples of "good cause" for refusal of an offer of housing are:
    - Inaccessibility to source of employment, education, or job training, children's day care, or educational program for children with disabilities, so that accepting the unit offer would require the adult household member to quit a job, drop out of an educational institution or job training program, or take a child out of day care or an educational program for children with disabilities;
    - The family demonstrates that accepting the offer will place a family member's life, health or safety in jeopardy. The family must provide specific and compelling documentation such as restraining orders, other court orders, or risk assessments from a law enforcement agency. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption;
    - A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (each as listed on final application) or live-in aide necessary to the care of the principal household member;
    - The unit has lead paint and the family has children under the age of seven;
    - The unit is inappropriate for the applicant's disabilities.
3. The Authority shall maintain a record of the vacancies offered, including location, date, and circumstances of each offer and each rejection or acceptance.
  4. Applicants must accept or refuse a unit offer within 3 business days of the date of the unit offer. Offers and rejections made verbally will be confirmed in writing.
  5. The Authority will take reasonable nondiscriminatory steps to maximize the utilization of

accessible units by eligible individuals whose disabilities requires the accessibility feature of a particular unit. When an accessible unit becomes vacant, before offering such units to a non-disabled applicant the Authority must offer such units:

- First, to a current resident of another unit of the same development, or other public housing development under the Authority's control, who has a disability that requires the special features of the vacant unit and is occupying a unit not having such features, or if no such occupant exists, then □ Second, to an eligible qualified applicant on the waiting list having a disability that requires the special features of the vacant unit.

### **INCOME TARGETING**

Not less than 75% of families admitted into the program during the Authority's fiscal year from the waiting list shall be extremely low-income families.

### **TENANT SCREENING**

The Authority will conduct any screening for family selection in accordance with the policies states in the Administrative Plan. The owner is responsible for screening and selection of family to occupy the units. The owner is responsible for adopting written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low income families and reasonably related to program eligibility and an applicants ability to perform the lease obligations.

### **BRIEFINGS AND FAMILY OBLIGATIONS**

HUD regulations require the PHA to conduct mandatory briefings for applicant families who qualify for assistance in a PBV unit. The briefing provides a broad description of owner and family responsibilities and the PHA's procedures. The briefing contains both an oral briefing and an information packet. The oral briefing shall include information on the following: A description of how the program works, and family and owner responsibilities. The information packet shall include the following: How the Authority determines the total tenant payment for a family; family obligations under the program and applicable fair housing information. Accommodations will be made for persons with disabilities or with limited English proficiency as necessary and appropriate.