



ROADMAP TO THE REVISED RENTAL ASSISTANCE DEMONSTRATION (RAD)

NOTICE: PIH NOTICE 2012-32, REV-2 RENT SUPP/RAP

June 17, 2015

Presenters

Katie Buckner (Housing)



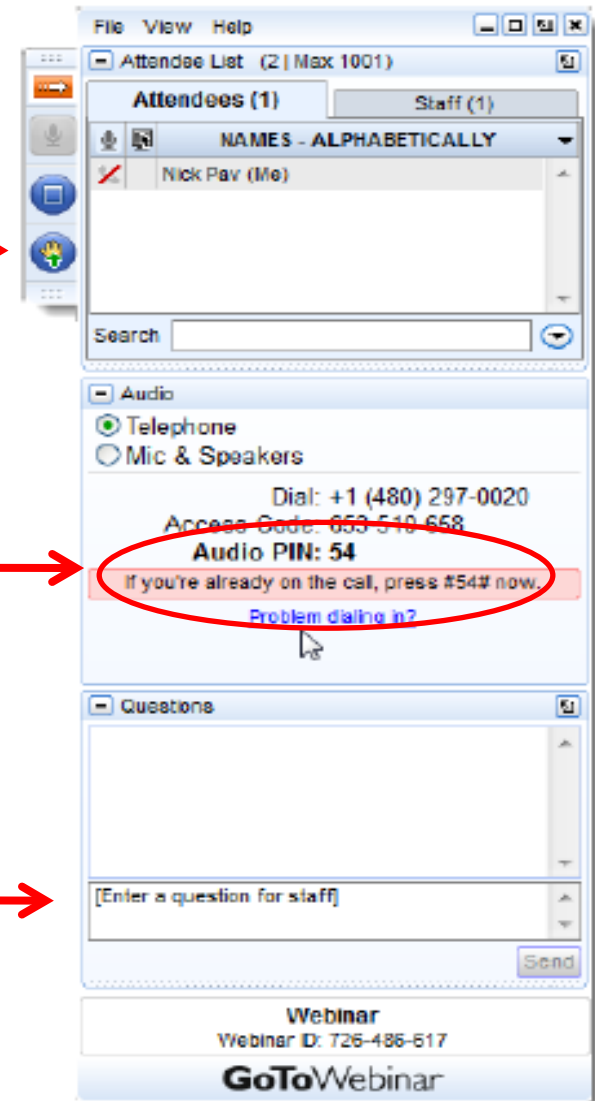
WELCOME

Ask questions at the end! Here's how:

- “Raise your hand” by clicking on the hand icon and the presenter will un-mute your line so you can ask your question live

Note: To do this, you MUST call the dial-in number shown on your attendee control panel and input the audio PIN shown, which is unique to each attendee

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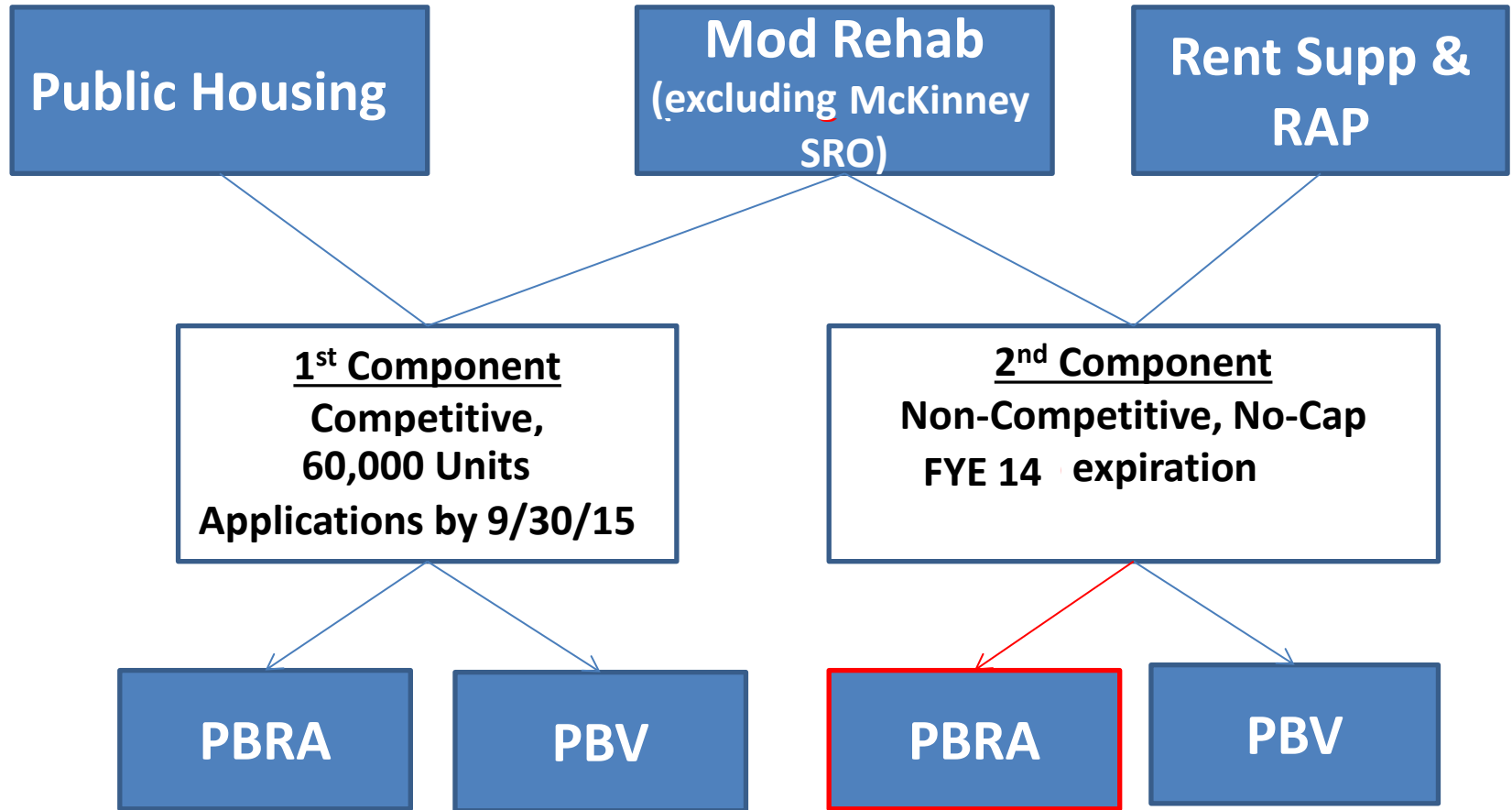
WHY A REVISED NOTICE?

- Incorporate key expansion changes authorized by the FY 15 Appropriations bill, including:
 - Increase of the cap on public housing conversions from 60,000 to 185,000 units (15% of the public housing stock)
 - Conversion eligibility for Mod Rehab McKinney SROs (about 400 properties with 14,000 units)
- Incorporate lessons from the previous two years:
 - Policy gaps
 - Processing and management of transactions
- Clarifying common questions





CHANGES TO RAD CONVERSION ELIGIBILITY





SECTION III: RENT SUPPLEMENT/RAP



IMPLEMENTATION

- **Generally, unless otherwise noted, the revisions to Section 3 of the Notice is effective for all transactions that have not submitted their conversion request under previous versions of this Notice**





ELIGIBILITY

- For PBV conversions, projects must qualify as existing housing in order to convert
 - PHA must determine project substantially complies with HQS through an initial inspection
- Retroactive conversions will be limited to PBV conversions only
- Previously decoupled projects will now be eligible to convert
 - Project will be allowed to convert if HUD and owner mutually agree to terminate Rent Supp or RAP contract





RESIDENT PROVISIONS – RIGHT TO REMAIN OR RETURN

- Limits screening of current households upon conversion
- Clarifies protections for over-housed families
- Provides clearer instructions for inclusion of HCV holders onto the project-based contract
- Establishes a right to remain or return to families living at project at the time of conversion





PBRA – SUBMISSION REQUIREMENTS

- **Environmental Review**

- Owners will be required to submit reports and documentation to HUD in order to facilitate HUD's environmental review under 24 CFR Part 50, in accordance with the submission requirements of Chapter 9 of the MAP Guide





PBRA – SUBMISSION REQUIREMENTS

- **Owners will be required to submit an RCS, prepared in accordance with the Section 8 renewal guide in order to establish initial rents**





INITIAL CONTRACT RENTS – PBRA CONVERSIONS



- **For projects with units that will be undergoing initial repairs, the contract rents will be established at the lesser of:**
 - The “post-rehabilitation” rents, as determined by an RCS
 - 110 percent of the applicable FMR, less utility allowances
 - Owners will be required to submit an RCS that includes both “as-is” rents and “post-rehab” rents
 - Repairs must be completed in a timely fashion, and completion date for repairs will be established in the PBRA contract
 - If repairs are not completed within the established time frame, HUD may mark rents down to “as-is” rent levels and will offset future HAP payments by what was overpaid to owner



RE-DETERMINED RENTS – PBRA CONVERSIONS

- **Method of Adjusting Contract Rents**

- Contract rents will be adjusted by HUD’s OCAF at each Anniversary of the HAP Contract, but cannot exceed the “Maximum Rent,”
- Maximum Rent is defined as higher of 110% of FMR (less utility allowances) or the market rent as determined by an RCS
 - RCS will remain valid for five years





PBRA – SUBMISSION REQUIREMENTS

- **Owners will be required to submit a CNA except in the following cases:**
 - Projects that are undergoing rehabilitation and who have provided a scope of work and an RCS to establish PBRA contract rents
 - Projects that have had a PCA or CNA done in the last ten years
 - Projects where the total assisted units at the project will comprise of less than 20% of the total units at the project





PBV - CLARIFICATIONS

- Clarifies that only occupied units at the time of conversion will be included on PBV contract
- Clarifies that only units that are occupied by tenants whose income will generate subsidy will be included on the PBV HAP contract
 - Provides instructions on how to include these units on the contract at a later time
- Allows Rent Supp/RAP contract to remain in place to prevent conflict with PBV rent setting rules
- Clarifies Recap and PIH responsibilities for funding requests



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