

FACT SHEET



Attention:

Local Continuums of Care (CoCs) regarding Moderate Rehabilitation Single Room Occupancy (Mod Rehab SRO) properties participating in the U.S. Department of Housing and Urban Development's (HUD's) Rental Assistance Demonstration (RAD) program

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



Are you a local CoC interested in the **preservation** of McKinney Mod Rehab SRO properties in your community that serve **homeless individuals and families**? Learn how RAD can help!

This fact sheet is part of a HUD outreach initiative intended to increase CoC awareness and understanding of the RAD program and encourage Owners of Mod Rehab SRO properties to participate in a RAD conversion.

What is RAD?

RAD is a HUD program that allows Owners of Mod Rehab/Mod Rehab SRO properties that receive rental assistance through a Section 8 Mod Rehab contract to convert to a long-term Section 8 Housing Assistance Payment(s) (HAP) contract.

Benefits of RAD Conversion

Conversion safeguards the long-term availability of rental assistance by replacing the Section 8 Mod Rehab assistance contract with a long-term Project-Based Vouchers (PBV) or Project-Based Rental Assistance (PBRA) HAP contract that is renewable. In addition, conversion provides Owners with an opportunity to:

- Place the property on stable financial footing
- Perform rehabilitation and repairs
- Provide for future capital replacement needs

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What are some key characteristics of Mod Rehab SRO properties?

Mod Rehab SRO properties serve low-income homeless individuals. Units can be “single-room occupancy” with a shared bathroom or efficiency units. The existing rental assistance is provided through a contract between the property Owner and the local Public Housing Authority (PHA).

The property may be owned by a for-profit or a non-profit entity. Many of these properties have not been renovated since the 1990s or 2000s.

How can CoCs encourage Mod Rehab SRO Owners to participate in RAD?

Local CoC leadership should reach out to PHAs in their area and ask them if they are administering any Mod Rehab SRO contracts.

If so, the CoC and/or the PHA should provide these Owners with a copy of the RAD Fact Sheet for Mod Rehab/Mod Rehab SRO Owners and engage in other outreach to encourage participation.

Are Mod Rehab SRO projects that complete RAD conversion required to provide HMIS and HIC reporting?

Yes, converting projects must participate in the CoC’s Homeless Management Information System (HMIS) and annual Housing Inventory Count (HIC).

Do CoCs play a role in the RAD conversion process?

Yes, Mod Rehab SRO Owners participating in RAD must meet with their local CoC to discuss the conversion of assistance, the ongoing requirement to provide an admission preference for homeless individuals, coordinated entry for new homeless participants, and any plans to modify or reconfigure the SRO units into efficiency or 1-bedroom units. If the proposed conversion plan includes reconfiguration, the Owner must secure a letter of support for this action from the CoC.

HUD strongly encourages Mod Rehab SRO Owners and PHAs administering PBV contracts at converted properties to follow the local CoC’s established coordinated entry process for identifying new homeless participants prior to screening.

Is there a difference between Mod Rehab SRO projects and other similar projects?

- Mod Rehab SRO projects are part of the Mod Rehab program, which is separate from the Permanent Supportive Housing (PSH) program.
- They are different from Shelter Plus Care (S+C) and S+C SRO projects, which used to be part of the CoC program.
- They remain part of the Mod Rehab program even after receiving PSH funding for rehab or supportive services.



What rights and protections does RAD offer existing residents?

- Residents must be notified of the Owner's intent to participate in RAD.
- Owners must conduct at least two resident meetings to explain the RAD conversion and provide residents with an opportunity to comment on the proposed conversion plan.
- Conversion may not result in the permanent involuntary displacement of any resident.
- Any temporary relocation resulting from acquisition, demolition, or rehabilitation of the property is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA).
- Any person legally occupying an assisted unit at the property at or after submission of the Conversion Plan has a right to remain in or return to an assisted unit at the converted property.
- Owners converting to PBRA must provide a Choice-Mobility option to residents in accordance with RAD requirements.

Are existing residents rescreened at RAD conversion?

No, current households may not be excluded from occupancy at conversion based on any rescreening, income eligibility, or income targeting.

Residents are subject to ongoing eligibility requirements after conversion.

Are Mod Rehab SRO properties required to serve homeless individuals after conversion?

Yes, the goal of conversion is to place SRO properties on a more sustainable footing while retaining and preserving the property's original purpose of serving homeless individuals and families. All converting properties must establish an admissions preference for homeless individuals or homeless families that falls within the definition of homelessness established by the McKinney-Vento Homeless Assistance Act and contained in the Continuum of Care Interim Rule at 24 CFR § 578.3.

For PBV conversions, the PHA establishes the preference, in accordance with their Administrative Plan.

For PBRA conversions, the Owner must establish the preference consistent with 24 CFR § 5.655(c)(5), Housing Handbook 4350.3, and Notice H 2013-21.

The preference does not apply to current residents but will otherwise be an absolute preference with higher priority than any other preference adopted by the Owner or established by the PHA.



Major Steps in the Conversion Process

- **Submission of Interest to RAD Resource Desk** (1 day)
- **Meetings and Consultations**
 - Notify residents and conduct meetings
 - Identify PHA willing to administer contract, (if PBV)
 - Consult with local CoC (if SRO)
- **Develop Conversion Plan** (6 - 12 months)
- **HUD Review and Approval** (1 - 3 months)
- **Close Conversion** (1 - 3 months)



For more information:

For additional information about RAD, see:

- RAD Notice, Rev-4, H-2019-09 PIH 2019-23 (HA) at: www.hud.gov/hud-partners/rad-notice
- The RAD Resource Desk at: www.radresource.net

HUD's Office of Recapitalization (Recap)

administers the RAD program. You can email Recap at: Rad2@hud.gov

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