Table of Contents

CHAPTER 1 Introduction
Online Resources 1-1
Learning Outcomes 1-1
Overview 1-2

CHAPTER 2 Program Basics
Section 1 Learning Outcomes and Overview 2-1
Learning Outcomes 2-1
Overview: What is the Rental Assistance Demonstration Program? 2-1
Section 2 Descriptions of the Standard PBV Program and RAD PBV 2-4
What is the Standard PBV Program? 2-4
Section 3 Roles of HUD, the PHA, the Owner, and Families 2-6
Housing and Urban Development 2-6
Public Housing Authority (PHA) 2-7
Special Provisions for PHA-Owned Properties 2-8
What Happens When A Unit Is PHA-Owned? 2-9
RAD Requirements 2-10
Roles of Owners 2-10
Roles of Families 2-11
Section 4 Definitions for the PBV and RAD PBV Programs 2-14
PBV Definitions 2-14
RAD PBV Definitions 2-19
Section 5 Key Project-Based Voucher Program Documents 2-23
Fundamental PBV Program Documents 2-23
RAD Documents 2-24
Section 6 PBV and RAD PBV References 2-25
PBV References 2-25
Section 7 What is Blended Occupancy/Combined Funding? 2-29
Summary of Eligibility Requirements in Blended Occupancy Projects 2-31
Section 8 Chapter 2 Post-Test 2-34

CHAPTER 3 Applying for RAD and RAD Requirements for the Five-Year and Administrative Plans
Section 1 Learning Outcomes and Overview 3-1
Learning Outcomes 3-1
Section 2 Applying for RAD 3-2
Section 3 Action Plan for the PBV Program 3-6
Section 4 Funding Under RAD 3-7

Copyright © 2026 by Nan McKay & Associates

Section 5 RAD Requirements for the Administrative Plan 3-9
Administrative Plan Policies: RAD PBV. 3-10
RAD Administrative Plan Amendments 3-17

Section 6 RAD Requirements for the Five-Year Plan 3-18
RAD Agency Plan Amendments 3-19

Section 7 Other Requirements/Considerations. 3-21
Fair Housing Requirements 3-21
Section 3 Requirements 3-22
Capital Needs Assessment (CNA) 3-24
Healthy Housing and Energy Efficiency 3-25
Substantial Conversion of Assistance 3-26
Relocation Requirements 3-27
Right to Return. 3-28
Broadband Infrastructure 3-29

Section 8 Chapter 3 Post-Test 3-30

CHAPTER 4 RAD PBV: Similarities and Differences to Other Housing Programs

Section 1 Learning Outcomes and Overview 4-1
Learning Outcomes 4-1
Overview 4-1

Section 2 Similarities and Differences: Tenant-Based Vouchers and Project-Based Vouchers 4-2
Tenant-Based Voucher Rules that Apply to the PBV Program 4-3
Tenant-Based Rules that Do Not Apply to the PBV Program 4-5

Section 3 Differences Between Standard PBV and RAD PBV 4-14
Authorized Units Cap. 4-14
Cap on the Number of Assisted Units 4-14
Section 18 Applications 4-17
Definitions of Existing, New Construction, and Rehabilitation Housing 4-18
Effective Date of the HAP Contract. 4-18
Ownership and Control 4-19
Initial Contract Rents 4-21
Rent Adjustments/Reduction below Initial Rent 4-22
Property Selection 4-22
Waiting List 4-23
Income Limits 4-24
Income Targeting 4-24
Contract Term. 4-24
Contract Rent Adjustments 4-25
Tenant Rent 4-26
Pre-HAP inspection 4-26

Copyright © 2026 by Nan McKay & Associates

Section 4 Public Housing Requirements and RAD PBV 4-27
FSS and ROSS Programs 4-27
Resident Participation and Funding 4-28
Resident Procedural Rights 4-29
Section 5 Summary of Standard PBV, RAD, and Public Housing Differences 4-30
Section 6 Chapter 4 Post-Test 4-36

CHAPTER 5 Project-Based Voucher RAD Contracts
Section 1 Learning Outcomes and Overview 5-1
Learning Outcomes 5-1
Overview 5-1
Section 2 The Commitment to Enter into a Housing Assistance Payments Contract (CHAP) 5-4
Financing Plan 5-5
RAD Conversion Commitment (RCC) 5-5
Section 3 The Housing Assistance Payments (HAP) Contract, Part I 5-6
Learning Activity 5-1: RAD PBV HAP Contract, Part I 5-13
Section 4 PBV HAP Contract Part II 5-14
Learning Activity 5-2: RAD PBV HAP Contract, Part II 5-42
Section 5 HAP Contract Amendments 5-46
Addition and Substitution of Units 5-46
Changes in Utility Responsibilities 5-46
Zero HAP Families 5-47
Reducing the Number of Contract Units 5-49
Section 6 Other HAP Contract Considerations 5-50
Mandatory Renewals 5-50
Riders and Amendments 5-50
Low-Income Housing Tax Credit (LIHTC) Rider 5-51
Use Agreement 5-51
Section 7 Chapter 5 Post-Test 5-52

CHAPTER 6 Eligibility and the Waiting List
Section 1 Learning Outcomes and Overview 6-1
Learning Outcomes 6-1
Overview 6-1
Section 2 Resident Right to Return 6-2
Section 3 The Waiting List 6-4
Establishing the Initial RAD PBV Waiting List 6-4
Waiting List Management After Conversion 6-6
Preferences 6-7
Applications 6-8

Copyright © 2026 by Nan McKay & Associates

Section 4 Eligibility 6-9
Existing Residents 6-9
Income Limits 6-9
Income Targeting 6-11
Social Security Numbers 6-11
Citizenship Status 6-13
Student Status 6-14
Relatives Rule 6-15
EIV Reports 6-18
Learning Activity 6-1: Eligibility 6-19

Section 5 Screening Criteria 6-20
PHA Eligibility Screening Requirements 6-20
Denial of Admission by the PHA 6-23
Asset Limitation 6-24
Owner Screening Criteria 6-26

Section 6 Admission 6-28
Unit Offers 6-28
Briefings 6-29
PBV Statement of Family Responsibility 6-30

Section 7 Chapter 6 Post-Test 6-32

CHAPTER 7 Leasing PBV Units

Section 1 Learning Outcomes and Overview 7-1
Learning Outcomes 7-1
Overview 7-1

Section 2 Determining Unit Size 7-2
Subsidy Standards 7-2
Household Members 7-3

Section 3 Lease Requirements 7-6
Lease Requirements 7-6
Tenancy Addendum 7-8
Changes to the Lease 7-9
Security Deposits 7-9

Section 4 Moves 7-10
Wrong Size Units 7-10
Choice Mobility 7-12

Section 5 Vacancies 7-14
Filling Vacancies 7-14
Units with Accessible Features 7-15
Floating Units 7-15
Vacancy Payments 7-16

Copyright © 2026 by Nan McKay & Associates

Section 6 Setting Rents 7-18
Initial Rents 7-18
Small Area FMRs. 7-20
Tenant-Paid Utility Savings and Rent 7-20
Rent Bundling 7-21
Other Considerations 7-21
MTW Agencies 7-22
Establishing Utility Allowances. 7-23
Utility Reimbursement Payments 7-24
Rent Reasonableness 7-25
Rent Adjustments. 7-26
Learning Activity 7-1: Rent Adjustments 7-30
Section 7 End of Initial 20-Year Term 7-34
Section 8 Chapter 7 Post-Test 7-35

CHAPTER 8 Occupancy
Section 1 Learning Outcomes and Overview 8-1
Learning Outcomes 8-1
Overview 8-1
Section 2 Recertifications. 8-2
Effective Dates. 8-4
Interim Reexaminations. 8-5
Non-Interim Reexam Transactions 8-5
Changes in Family Composition 8-6
Changes Affecting Income or Expenses 8-7
Family Reporting 8-15
Effective date of changes. 8-15
Section 3 Increases in Income. 8-18
Zero HAP Families 8-19
Section 4 Inspections. 8-22
Inspection of PHA-Owned Units. 8-23
Periodic Inspections. 8-24
Mixed-Finance Properties 8-25
Reinspections, Turnover, Complaint, and Supervisory Inspections 8-26
Section 5 Terminations. 8-28
Requirements to Terminate Assistance 8-28
Authority to Terminate Assistance. 8-29
Consideration of Circumstances 8-30
Asset Limitation. 8-30
Termination of Tenancy and Evictions by the Owner 8-31
Termination Notification 8-32
Grievance Process 8-32
Section 6 Chapter 8 Post-Test. 8-34

Copyright © 2026 by Nan McKay & Associates

CHAPTER 9 Reporting and Administrative Management

Section 1 Learning Outcomes and Overview 9-1
Learning Outcomes 9-1
Overview 9-1

Section 2 Reporting Requirements 9-2
Removing Units from Public Housing 9-2
Section 8 Management Assessment Program (SEMAP) 9-3
Processing Form HUD-50058 9-4
Reporting PBV in the Voucher Management System (VMS) 9-8
VMS Tab 1- Voucher UML AND HAP 9-10
Other PBV Voucher Reporting Requirements 9-11
Enterprise Voucher Management System 9-12

Section 3 Administrative Management 9-13
Project Annual Operating Budget 9-13
PBV Property Monitoring Reviews 9-13
Audits 9-14
PBV Regulatory Waiver Requests 9-16
Requests for PBV Technical Assistance 9-16
Coordination with Other Governmental Entities and Public and Private Stakeholders 9-16
Staffing and Training Needs 9-18
Contracting Administrative Functions 9-19

Section 4 PBV Project Files 9-20

Section 5 Chapter 9 Post-Test 9-23

CHAPTER 10 Public Housing Repositioning

Section 1 Public Housing Repositioning Through Section 18 10-1
Overview of Section 18 (Demo/Dispo) 10-1
RAD/Section 18 Blends 10-3

CHAPTER 11 Post-Test Answer Keys

Copyright © 2026 by Nan McKay & Associates

CHAPTER 1 Introduction

ONLINE RESOURCES

Additional resources and references for this course are available at http://NMAreferences.com. Click the Project-Based Voucher (PBV) Program link at the top of the web page to jump directly to the references. Scroll down for additional RAD PBV specific references. No login information is required.

LEARNING OUTCOMES

Based on HUD regulations and guidance, develop and master the skills needed to transition your PHA's public housing units to the project-based voucher (PBV) program under the Rental Assistance Demonstration (RAD) program.

Upon completion of Rental Assistance Demonstration Project-Based Voucher (RAD PBV) Specialist seminar, you should be able to:

- Differentiate between the program requirements for RAD PBV from standard PBV, tenant-based HCV, and public housing
- Correctly utilize all necessary program contracts and documentation
- Determine program eligibility and operate the waiting list
- Navigate various occupancy issues, including leasings, inspections, annual recertification, income increases, and terminations, among others
- Identify the key program elements, requirements, documents, and regulations for the RAD PBV program. Identify information that must be included in the PHA's five-year and annual plans, and recognize which discretionary policies the PHA must adopt and include in the administrative plan for the PBV program and the RAD PBV subcomponent
- Recognize the tenant-based voucher rules that apply to the PBV program, and further differentiate the RAD PBV rules from those for the standard PBV program

Copyright © 2026 by Nan McKay & Associates

- Recognize the ins and outs of rent setting and rent adjustments for RAD PBV units. Consider when the family may exercise choice mobility and the limits PHAs may place on choice mobility
- Develop a regular monitoring review process for PBV projects, in addition to identifying and avoiding Office of Inspector General (OIG) and other audit findings

OVERVIEW

The purpose of the Rental Assistance Demonstration (RAD) Program is 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. As such, this course is designed specifically for agencies transitioning their public housing units to the project-based voucher (PBV) program under RAD.

- As an introduction for public housing or HCV staff transitioning to the PBV program under RAD, as well as anyone unfamiliar with RAD PBV, this seminar will distinguish between project-based and tenant-based assistance, in addition to differentiating between the requirements of the standard PBV program and the RAD PBV program. Requirements specific to the RAD PBV program will be foregrounded, and participants should come away with the required skills not only to transition to RAD PBV, but also to successfully administer the program.

Copyright © 2026 by Nan McKay & Associates

CHAPTER 2 Program Basics

Section 1 Learning Outcomes and Overview

LEARNING OUTCOMES

Upon completion of this chapter, you should be able to:

- Explain at an introductory level the basics of the rental assistance demonstration (RAD) and the project-based voucher (PBV) programs
- Describe the roles of the PHA, HUD, owners, and families
- Recall important definitions used in the RAD PBV and PBV programs
- Identify the key program elements and requirements for RAD project-based voucher properties
- Identify key documents and regulations for the PBV RAD program

OVERVIEW: WHAT IS THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM?

According to a 2011 HUD analysis, it would take about $26 billion to repair public housing developments that provide shelter for over two million residents. Meanwhile, the federal budget for housing assistance fell by over six percent or $2.5 billion between 2010 and 2012. Given inflation, little financial improvement is expected in the near future.

At the same time, other HUD affordable housing programs were expiring that assisted families in privately owned properties with HUD-insured mortgages. When the contracts end, assisted families are eligible to receive tenant protection vouchers to remain at the property or move. Since most of the properties are 20 to 40 years old, renovation and repairs are essential.

To deal with these crises, HUD launched the rental assistance demonstration program, better known as RAD.

Copyright © 2026 by Nan McKay & Associates

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:

- Preserve and improve public and other assisted housing.
- 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.
- 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.
- Increase tenant mobility opportunities.

The RAD program is comprised of two distinct components.

Under the **first component**, a PHA must submit an application to HUD. To be eligible, the PHA must be classified as a Standard or High Performer under the Public Housing Assessment System (PHAS) or Section 8 Management Assessment Program (SEMAP). However, HUD may waive this requirement for troubled agencies that have demonstrated substantial progress under corrective action plans or propose a revision to such agreements or plans that incorporates conversion under RAD and that is acceptable to HUD. The PHA can select one of two major sub-programs under RAD:

- Project-based rental assistance (PBRA)
- Project-based vouchers (PBVs)

HUD's Office of Multifamily Housing Programs administers the PBRA component, whereas HUD's Office of Public and Indian Housing (PIH) administers the PBV component.

Copyright © 2026 by Nan McKay & Associates

Under the **second component**, owners of moderate rehabilitation (including single room occupancy), rental assistance payments, and rental supplement properties may apply to PBV or PBRA upon contract expiration or termination occurring after October 1, 2006. The second component also allows owners of 202 PRACs to convert to PBV or PBRA contracts.

This class will focus on public housing conversions to the RAD PBV program. In order to distinguish between requirements, we will refer to the standard PBV program and the RAD PBV programs throughout this workbook.

As of January 2025, RAD has proved successful in raising private capital. PHAs and their partners have cleared a major milestone—they have crossed nearly 212,000 units and raised a total of $20 billion to rehabilitate and in some cases replace affordable properties from the ground up with new construction.

As is true with many new programs, the details for RAD are evolving and certain rules are changing. Stay alert, as HUD will be providing a lot more guidance on RAD program implementation.

Copyright © 2026 by Nan McKay & Associates

Section 2 Descriptions of the Standard PBV Program and RAD PBV

WHAT IS THE STANDARD PBV PROGRAM?

In 1998, Congress authorized a provision to the Section 8 voucher program allowing PHAs to project-base a portion of their authorized units and created the Project-Based Voucher (PBV) program. The standard PBV program is a discretionary component of a PHA's housing choice voucher (HCV) program. Under the standard PBV program, a housing authority's voucher program is comprised of two components: tenant-based housing choice vouchers (HCVs) and project-based vouchers (PBVs). HUD does not allocate any additional funding to the PHA for standard PBV. Instead, funding for standard PBV comes from funds already obligated by HUD to a PHA under its HCV annual contributions contract (ACC). The PHA may allocate a certain percentage of its authorized units toward project-based assistance. RAD and HUD-VASH PBV set- asides are not counted toward the authorized units cap.

24 CFR 983.5 and 983.6, 24 CFR 983.51(c)

The PHA administers the program by entering into a HAP contract with a project owner by attaching rental assistance to specific housing units in properties that are determined to be decent, safe, and habitable according to HUD's housing quality standards. The PHA establishes an initial contract rent amount, and the owner may request annual rent increases. Properties must be on the same or contiguous parcels of land, but scattered sites are permissible for single-family properties with one to four units. The units may be newly constructed units, rehabilitated units, or units in an existing property. The PHA must adopt written policies in the administrative plan for the selection of units. The properties are selected by the PHA through either:

- A competitive process, or
- A noncompetitive process.

In some cases, the PHA may have an interest in the property. If so, a third party must perform certain functions for the property. The PHA may enter into a HAP contract for up to the greater of 25 units or 25 percent of units in a project. Exceptions to the project cap apply in certain circumstances.

Provided they follow certain criteria, after one year of occupancy, each assisted household is eligible for the next available tenant-based voucher (known as c*hoice mobility*).

Many of the tenant-based voucher rules apply to project-based properties, but there are significant differences. Consider the PBV program to be a hybrid program, combining components of public housing and tenant-based vouchers administrative practices. Units converted to PBV under RAD also follow this model, with some variations in program requirements since the rules for RAD PBV differ in some places from the standard PBV program.

Under the RAD PBV program, Congress authorized HUD to waive certain statutory and regulatory provisions governing the standard PBV program and to specify alternative requirements. The RAD PBV program's rules follow most of the standard PBV rules; however, there are some major differences. Key requirements and differences of the RAD PBV program will be discussed in more detail in a later chapter. The most significant differences include:

- Exemption from the PBV proposal selection process
- Elimination of the cap on the number of PBV units in a project
- Contract terms of 15 to 20 years for public housing conversions, and mandatory contract renewals
- Different initial and ongoing rent setting procedures

Copyright © 2026 by Nan McKay & Associates

Section 3 Roles of HUD, the PHA, the Owner, and Families

HOUSING AND URBAN DEVELOPMENT

As charged by Congress, HUD is the department that administers subsidized housing programs. HUD Headquarters is located in Washington D.C. The PBV program falls under HUD's Office of Public and Indian Housing. Their primary role is:

- Developing regulations, requirements, handbooks, notices, and other guidance to implement HCV housing program legislation passed by Congress
- Allocating HCV program funds to PHAs
- Providing technical assistance to PHAs on interpreting and applying HCV program requirements
- Monitoring PHA compliance with HCV program requirements and PHA performance in program administration

Field offices are the local arms of HUD. Their primary role is the monitoring and guidance of program operations for PHAs who most often interact with their field offices rather than HUD Headquarters. A listing of HUD's field offices may be found on HUD's website: www.hud.gov/program_offices/field_policy_mgt/localoffices. These local field offices can assist PHAs in their RAD conversions and will arrange the initial kick-off call with the Transaction Manager. The local field office will also be invited to all monthly check-in calls that will be discussed in the next chapter.

Under the RAD PBV program, the PHA acts as the contract administrator for the project under an annual contributions contract (ACC) with HUD.

Copyright © 2026 by Nan McKay & Associates

PUBLIC HOUSING AUTHORITY (PHA)

HUD contracts with public housing authorities, to administer the housing choice voucher and public housing programs. The PHA has responsibility for day-to-day oversight of program performance and compliance. The PHA establishes local policies, must comply with federal, state, and local laws as well as HUD regulations, and must affirmatively further fair housing. HUD provides funds to each PHA for these programs under the terms of an annual contribution contract (ACC).

Under RAD PBV, the PHA typically plays a dual role: that of contract administrator and that of management agent. The HAP contract is administered by the PHA since HUD has entered into a voucher ACC with the PHA. As the contract administrator, the PHA is responsible for executing, managing, monitoring, renewing, and terminating the RAD PBV contract as well as for making payments due under the contract and performing the typical functions of the PHA such as determining eligibility and level of assistance.

RAD Resource Desk FAQ 01/24/19

Except to facilitate the use of low-income housing tax credits (LIHTCs), ownership of the project must be by a public or nonprofit entity. Further, under the PBV program, the contract administrator and the owner listed on the PBV HAP contract cannot be the same legal entity (i.e., the PHA cannot execute a contract with itself). To avoid this situation, the PHA may either:

- Transfer the ownership of the project to a nonprofit affiliate or instrumentality of the PHA, or other identity-of-interest nonprofit of the PHA (including to a "single-purpose entity" that owns nothing other than the property, which will typically be a requirement of a lender or investor); or
- The PHA can form a related entity that is responsible for management and leasing and can serve as the owner for purposes of the PBV HAP contract. In this scenario, the HAP contract is then executed between the PHA (as the contract administrator) and the PHA's related entity (as the owner for HAP contract purposes). Note that in the second scenario, both the PHA and the entity serving as the owner for HAP contract purposes will be required to sign the RAD Use Agreement.

Copyright © 2026 by Nan McKay & Associates

Notice PIH 2019-23

If the project also includes tax credits, the project may be owned by a for-profit entity. The partnership must either be controlled by a public non-profit or the PHA must maintain interest in the project. For more information on when HUD would allow ownership of the project to be transferred to a tax credit entity controlled by a for-profit entity to facilitate the use of tax credits for the project, see Notice PIH 2019-23.

The PHA typically executes the PBV HAP contract with this separate legal entity since the PHA cannot execute a contract with itself. The separate legal entity becomes the owner/management agent for the project and is typically responsible for running the property day to day and performing the function of the owner under the regulations.

SPECIAL PROVISIONS FOR PHA-OWNED PROPERTIES

Even though the PHA typically creates a separate legal entity to be owner of the project, if that entity is under the control of the PHA that is acting as the contract administrator, the project may be deemed as PHA-owned. For a unit owned by the PHA, certain functions must be performed by an independent entity.

FR Notice 1/18/17;
FR Notice 7/14/17
Notice PIH 2017-21

Effective 4/18/17, the definition of *PHA-owned* changed under the provisions of HOTMA. In order to be a PHA-owned unit, the PHA must have ownership interest in the building itself, not simply the land beneath the building. A unit is considered to be owned by the PHA if the unit is in a project that owned by the PHA, owned by an entity wholly controlled by the PHA, or owned by a limited liability company or limited partnership in which the PHA (or an entity wholly controlled by the PHA) holds a controlling interest in the managing or general partner. *Controlling interest* means:

- Holding more than 50 percent of the stock of any corporation;
- Having the power to appoint more than 50 percent of the members of board of directors of a non-stock corporation (such as a non-profit corporation);
- Where more than 50 percent of the members of board of directors of any corporation also serve as directors, officers, or employees of the PHA;

- Holding more than 50 percent of all managing member interests in an LLC;
- Holding more than 50 percent of all general partner interests in a partnership; or
- Equivalent levels of control in other organizational structures

The previous definition of *PHA-owned* was more expansive. Therefore, some units that were previously considered PHA-owned are no longer considered PHA-owned. In such cases, the PHA must obtain an opinion from its legal counsel that the project in question falls outside the statutory definition. The PHA must keep the opinion in the PHA's files. If an ownership structure changes in the future that removes a project from the definition of PHA-owned, the PHA must obtain and keep the same sort of opinion letter. If an ownership structure changes in a manner that would cause a PBV project to be classified as PHA-owned, the PHA must identify, in writing, within 30 days of the change in ownership, the proposed independent entity that will perform all of the applicable independent entity responsibilities for the projects.

WHAT HAPPENS WHEN A UNIT IS PHA-OWNED?

Notice PIH 2017-21

For PHA-owned units, a unit of general local government or a HUD-approved independent entity must perform certain functions for the units. The independent entity must be autonomous and PHAs are encouraged to maintain all documentation related to the function of the independent entity and approvals in the project file for the development.

24 CFR 983.59

The independent entity is responsible for performing all inspections and rent setting. HUD may also require another PHA, other than the one with the ownership interest, to act as contract administrator if the PHA is not a standard or high performer under SEMAP and is not making acceptable progress on a corrective action plan.

RAD Requirements

Notice PIH 2017-21

The above information applies for purposes of determining whether the PHA will be required to use an independent entity to perform inspections and rent setting for the project. There is a different definition of PHA control/ownership under RAD that is used specifically to determine whether a PHA retains sufficient control over a project for purposes of HUD's requirement for ownership or control of the covered project by a public or non-profit entity for RAD conversions (See Notice PIH 2019-23). Therefore, under certain circumstances, a project may meet the definition of PHA-owned for RAD ownership or control but may not be considered PHA-owned for purposes of requiring an independent entity.

- For example, when the PHA holds only a fee interest as ground lessor in the property in which the unit is situated.

Roles of Owners

24 CFR 983.208

The owner/management agent is responsible for the day-to-day management and maintenance of the PBV property and units. They must comply with equal opportunity requirements, enforce family obligations under the lease, pay for utilities and housing services as outlined in the PBV HAP contract, provide supportive services as specified in the PBV HAP contract, and collect security deposits, rents, and any charges for tenant-caused damages. They must cooperate with the PHA for annual/biennial inspections and reexaminations and provide information and access to records as required by the PHA and HUD.

The owner has the following major responsibilities:

- Screen families who apply for tenancy, to determine if they will be good renters
  - The PHA can provide some information to the owner, but the primary responsibility for tenant screening rests with the owner.
  - The owner should consider family background factors such as rent and bill-paying history, history of caring for property, respecting the rights of others to peaceful enjoyment of the property, compliance with essential conditions of tenancy, and whether the family is engaging in drug-related criminal activity or other criminal activity that might threaten others.
- Comply with the terms of the PBV HAP contract, executed with the PHA
- Comply with all applicable fair housing laws
- Maintain the housing unit by making necessary repairs in a timely manner
- Collect rent due from the assisted family and otherwise comply with and enforce provisions of the dwelling lease

ROLES OF FAMILIES

In many cases, when units undergo a RAD conversion, residents may be required to relocate because their unit is undergoing major repairs, is being demolished and rebuilt, or assistance is being transferred to another site. The RAD program has special requirements relating to relocation of residents that were revised in Notice PIH 2016-17.While the Uniform Relocation Assistance Act (URA), which establishes minimum standards for federally-funded programs, applies to RAD conversions, conversions must also comply with 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. Notice PIH 2016-17 adds to and revises preexisting guidance related to fair housing, civil rights, and relocation (as contained in the RAD Notice and PIH 2014-17) with respect to RAD transactions.

Copyright © 2026 by Nan McKay & Associates

A few key points to remember when relocating residents:

- The PHA or project owner must prepare a written relocation plan for all transactions that involve permanent relocation or temporary relocation anticipated to exceed 12 months.
- Residents must be provided with a RAD Information Notice (RIN) in order to ensure that residents are informed of potential project plans and their rights prior to submission of the RAD application.
- Residents have a right to return to the property. The right to return also applies to residents of Legacy Non-RAD PBV units in the same project.
- Residents who may be relocated must be provided with a General Information Notice (GIN) as soon as feasible but no later than 30 days following the issuance of the CHAP.
- Project owners must provide a notification of Return to the Covered Project, when applicable.
- Residents may not be re-screened. This applies to residents of Legacy Non-RAD PBV units in the same project.
- Residents may be relocated on the later of the effective date of the RCC and the expiration of the 30-day or 90-day RAD Notice of Relocation period.

Notice PIH 2016-17

Any offer of an HCV as an alternative housing option must be made consistent with the PHA's admission preferences and other applicable policies and procedures set forth in the administrative plan.

From time to time, a PHA may wish to use HCV resources as a relocation option in connection with a RAD transaction. In order to do so, a PHA must modify its administrative plan to provide a preference for relocating RAD residents, and the PHA is subject to applicable notice requirements relating to initiation of relocation. Further, if a PHA provides a preference for relocating RAD residents, the PHA must be explicit regarding the nature of the HCV as a relocation resource.

If the PHA anticipates using the HCV as a temporary relocation re-source, the PHA must recognize that it cannot rescind an HCV once issued to the resident (i.e., the family would have to voluntarily relinquish their voucher and may choose to remain in the HCV program indefinitely). The PHA must also provide a preference for admission to the covered project in order to satisfy the right to return. Alternatively, if the PHA anticipates using the HCV as a voluntary permanent relocation resource, the PHA must comply with the alternative housing options provisions as outlined in Notice PIH 2016-17.

Copyright © 2026 by Nan McKay & Associates

Section 4 Definitions for the PBV and RAD PBV Programs

PBV DEFINITIONS

24 CFR 983.3

The PBV program frequently uses terminology that is not common to the housing choice voucher program, its parent program, or to the public housing program. Therefore, before we start using them, we are providing brief definitions of such terms. Details concerning their application will be provided in subsequent chapters.

Annual Contributions Contract (ACC): The contract between HUD and a PHA under which HUD agrees to provide funding for a program (e.g., public housing or the housing choice vouchers (HCV) program under the 1937 Act), and the PHA agrees to comply with HUD requirements for the program.

Activities of daily living: Eating, bathing, grooming, dressing, and home management activities. This definition is important for assisted living facilities.

Admission: The point when the family becomes a participant in the PHA's tenant-based or project-based voucher program (initial receipt of tenant-based or project-based assistance).

- Note: After admission, and so long as the family is continuously assisted with tenant-based or project-based voucher assistance from the PHA, a shift from tenant-based or project-based assistance to the other form of voucher assistance is not a new admission.

Admission and Continued Occupancy Policy (ACOP): The PHA's principal statement of the policies used in the administration of the public housing program. The ACOP no longer applies to former public housing units that have converted to PBV under RAD.

24 CFR 983.302(e)

Anniversary date: The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. The adjusted rent to owner amount applies for the period of 12 calendar months from the annual anniversary of the HAP contract. Even if contract units are placed under the HAP contract in stages commencing on different dates, there is a single annual anniversary for all contract units under the HAP contract. The annual anniversary for all contract units is the annual anniversary date for the first contract units placed under the HAP contract.

Assisted living facility: An eligible PBV housing type that is a residential facility (including a facility located in a larger multifamily property) that meets all the following criteria: (1) The facility is licensed and regulated as an assisted living facility by the state, municipality, or other political subdivision; (2) The facility makes available supportive services to assist residents in carrying out activities of daily living. Supportive services may include home health care services such as nursing and therapy for residents of the housing; and (3) The facility provides separate dwelling units for residents and includes common rooms and other facilities appropriate and actually available to provide supportive services for the residents.

Comparable rental assistance: A subsidy or other means to enable a family to obtain decent housing in the PHA jurisdiction renting at a gross rent that is not more than 40 percent of the family's adjusted monthly gross income. This term is used in the context of relocation housing and providing housing options for families in wrong size units.

Contract rent: The total amount of rent specified in the PBV HAP contract as payable to the project owner for a unit occupied by an eligible family. The contract rent is often referred to as “rent to owner.”

Contract unit: The housing units covered under a HAP contract. There is only one HAP contract for multiple units in a PBV project.

Contract year: The 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.

Davis-Bacon: A requirement that construction contractors and subcontractors receiving federal funds pay construction workers the local "prevailing wage." The Davis-Bacon Act was enacted in 1931 to ensure contractors pay a fair wage. Davis-Bacon is applicable to new construction and rehabilitation projects with nine or more units.

Environmental review: The analysis of the positive and negative impacts a proposed project will have on the people and the natural environment within a designated area and the effect the material and social environment may have on a project. The analysis includes environmental, social, and economic aspects. Environmental reviews are required for all new construction and rehabilitation housing properties. They are also sometimes required for existing housing. See the *Quick Reference Guide for Environmental Review Requirements for RAD Conversions* for more information.

Excepted units: Units in a multifamily project that are not counted against the per-project cap (only applicable to projects that are governed by Notice PIH 2012-32, REV-2).

HOME investment partnership program (HOME): Formula grants from HUD to states and localities that communities use to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership, or provide direct rental assistance to low-income people. The HOME program is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended. Program regulations are at 24 CFR Part 92.

Housing assistance payments (HAP) contract: A contract between the PHA and an owner that identifies the specific units and buildings to receive assistance (for developments where RAD PBV units float, the specific number and type of units that are designated as RAD units rather than the specific units themselves are identified), utility responsibilities, services to be provided, and the obligations of both parties. The contracts must be in the format provided by HUD. HUD provides templates for existing housing and for new construction and rehabilitation housing.

Copyright © 2026 by Nan McKay & Associates

24 CFR 983.55
Notice PIH 2013-11

Housing credit agency (HCA): A state housing finance agency, a state participating jurisdiction under HUD's HOME program (see CFR 24 part 92), or other state housing agency that meets the definition of "housing credit agency" as defined by section 42 of the Internal Revenue Code of 1986 for purposes of performing subsidy layering reviews in accordance with HUD requirements.

HQS: Housing Quality Standards

Legacy Non-RAD PBV: PBV assistance in a covered project that, prior to December 31, 2024, replaced public housing at the time of conversion and that is subject to a non-RAD PBV HAP contract.

LOCCS: Line of Credit Control System

Labor standards: Regulations implementing the Davis-Bacon Act, Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708), 29 CFR part 5, and other federal laws and regulations pertaining to labor standards applicable to development (including rehabilitation) of a project comprising nine or more assisted units.

Low Income Housing Tax Credits (LIHTC or tax credits): A dollar-for-dollar tax credit for affordable housing investments. Such credits partially fund most affordable housing built or substantially rehabilitated since 1990. The Internal Revenue Service (IRS) provides the tax credits to states, usually to the state housing finance agencies. The state housing finance agencies generally administer the program and award the credits competitively to proposed properties. Many tax credit properties receive additional governmental assistance in the form of development cost payments, loans, and subsidies.

Multifamily building: A building with five or more dwelling units (assisted or unassisted). Note that a single-family building is defined as a building with at least one and up to four units.

NSPIRE National Standards for the Physical Inspection of Real Estate: Prioritizes health, safety, and functional defects over appearance. It implements inspections that better reflect the true physical conditions of the property. The NSPIRE model supports the adoption of sound, year-round maintenance practices.

Copyright © 2026 by Nan McKay & Associates

Partially assisted project: A project in which there are fewer PBV contract units than residential units.

Premises: The project in which the contract unit is located, including common areas and grounds.

PHAS: The Public Housing Assessment System, through which PIH-REAC scores PHAs and defines acceptable standards for key areas of public housing management.

Project: A single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land. Contiguous in this definition includes "adjacent to," as well as touching along a boundary or a point. Scattered site single-family homes, duplexes, triplexes and fourplexes may constitute a project. There is no minimum project size.

Notice PIH 2013-7

Responsible entity: The unit of state, county, local, and tribal governments within which the project is located that exercises land use responsibility and that performs environmental reviews.

Section Eight Management Assessment Program (SEMAP): The current system used to measure the performance of PHAs administering the Section 8 HCV program, per 24 CFR Part 985, or any successor system.

Single-family building: A building with no more than four dwelling units (assisted or unassisted).

Site: The grounds where the contract units are located or will be located after development pursuant to the agreement.

Subsidy-layering review (SLR): A review performed by HUD or a state or local housing credit agency authorized by HUD to conduct such reviews. The intent of the review is to ensure that a project does not use excess governmental subsidy when funded by multiple governmental sources.

Copyright © 2026 by Nan McKay & Associates

Supportive housing: Supportive housing is affordable housing blended with onsite or referral supportive services, including case management, which help people live more stable, productive lives. Supportive housing may be provided to promote economic development, employment, education, and other self-sufficiency activities. Supportive housing also benefits individuals and families facing complex challenges, including those who are homeless or at risk of becoming homeless, and those facing serious, persistent challenges to a successful life such as alcohol abuse, substance use, mental illness, and HIV/AIDS. Populations served may also include persons with developmental disabilities or the frail elderly.

Wrong-size unit: A unit occupied by a family that does not conform to the PHA's subsidy standards for family size, by being too large or too small compared to the guidelines.

RAD PBV Definitions

Notice PIH 2019-23
FR Notice 7/26/12

For the purpose of this training session, the partial list of definitions below focuses on terms that are used in the administration of the RAD program. Definitions pertaining to conversion, construction, rehabilitation, and financing are not discussed in this training and not included in this section.

Capital needs assessment (CNA): A detailed physical inspection of a property to determine critical repair needs, short and long-term rehabilitation needs, market comparable improvements, energy efficiency, unmet physical accessibility requirements, and environmental concerns.

Choice-Mobility: For residents of RAD projects, the option to obtain a housing choice (tenant-based) voucher from a PHA after a year of residency.

- Note: Qualifying PHAs have the option to place a cap on the number of tenant-based vouchers issued in a 12-month period.

Closing: The event during which the applicable transaction documents are signed. "Conversion" does not occur prior to closing.

Commitment to enter into a HAP contract (CHAP): The selection notification from HUD that includes the HUD-approved terms and conditions for conversion of assistance and lays out milestones that a PHA must meet prior to execution of the RAD PBV HAP contract. A project is converted immediately to the RAD PBV HAP contract following the closing of any construction financing, even in cases where conversion will entail only modest repairs.

- The CHAP is not subject to negotiation.

Contract administrator: HUD or a PHA that executes a HAP contract with a project owner or to which HUD assigns the HAP contract and is responsible for monitoring and reporting to HUD on activities related to the HAP contract.

- Note: For PBV contracts, a PHA is always the contract administrator.

Covered project: The post-conversion property with assistance converted from one form of rental assistance to another under RAD.

Current funding: Applicable to public housing conversions, the combination of federal subsidy and tenant rents for which a project is eligible under the public housing program in the fiscal year of conversion.

Fair market rent (FMR): The cost in a particular housing market area of privately owned, decent, safe, and sanitary rental housing. HUD establishes and publishes in the Federal Register FMRs for dwelling units of varying sizes for each metropolitan area. FMRs are gross rent estimates, i.e., they include the cost of tenant-paid utilities.

Family self-sufficiency (FSS) funding and program: HUD funding for PHAs to hire a program coordinator who links residents with training opportunities, job placement organizations, and local employers. Residents enter into a five-year contract of participation that outlines goals related to seeking, obtaining, and maintaining employment. During the period of participation, residents may earn an escrow credit, based on increased earned income.

Copyright © 2026 by Nan McKay & Associates

Financing plan: Documentation submitted to HUD for review to demonstrate that the covered project can be sustained physically and financially for the term of the HAP contract at the rent levels permitted under RAD. The plan must show how the project's immediate and long-term capital needs will be addressed.

Mixed-finance project: A project that has been rehabilitated or developed with a combination of funds. Also called blended occupancy project.

Operating cost adjustment factor (OCAF): An operating cost adjustment factor established by HUD that is applied to the existing contract rent for rent increases in the RAD PBV program.

Ownership or control: Applicable only to public housing conversions, ownership or control of a covered project is satisfied as follows:

- Ownership. Where a public or non-profit entity has legal title to the real property.
- Control. Where a public or non-profit entity has the direct or indirect legal authority (via contract, partnership share or agreement of an equity partnership, voting rights, or otherwise) to direct the financial, legal, beneficial, or other interests of the owner of a project, or has 51 percent or more interest of the general partner share in a limited partnership.

Project-based rental assistance (PBRA): Rental assistance provided by HUD to owners according to the terms of a HAP contract for the provision of housing to eligible tenants. HUD's Office of Multifamily Housing Programs administers the PBRA program.

RAD Conversion Commitment (RCC): The contract executed by HUD, the PHA, and, as applicable, the post-conversion project owner. The RCC follows HUD approval of the financing plan and describes the terms and conditions of the conversion.

RAD Use Agreement (HUD-52625): The document specifying the affordability and use restriction on the covered project, which will be coterminous with the HAP contract and must be recorded in a superior position to any new or existing financing or other encumbrances on the covered project.

Copyright © 2026 by Nan McKay & Associates

Replacement reserves: An amount of money set aside to replace building components or equipment as they wear out and need to be replaced, such as roofs, boilers, refrigerators, ranges, dishwashers, and garbage disposals.

Resident opportunity and self-sufficiency service coordinators (ROSS-SC): HUD grants funding to hire and maintain service coordinators who assess the needs of residents of conventional public housing and coordinate available resources in the community to meet those needs. These services should enable participating families to make progress toward achieving economic independence and housing self-sufficiency, or, in the case of elderly or disabled residents, help improve living conditions and enable residents to age in place.

Tenant protection vouchers (TPVs): Vouchers issued to eligible tenants of certain properties when an event at the property would otherwise expose tenants to a loss of rental assistance, resulting in an increase in their housing costs. HUD provides funding for TPVs to a voucher agency that has jurisdiction over the area in which the property is located. (Note: TPVs are only issued for certain units that have been approved by HUD for removal from the public housing program with an approved Section 18 application from HUD's Special Application Center (SAC).

Copyright © 2026 by Nan McKay & Associates

Section 5 Key Project-Based Voucher Program Documents

FUNDAMENTAL PBV PROGRAM DOCUMENTS

While PHAs have a lot of flexibility in framing their PBV program, HUD provides certain PBV fundamental document templates that must be used for both the standard and RAD PBV programs. These include:

Forms HUD-52530a-1 and a-2

- **The Project-Based Voucher Housing Assistance Payments Contract (PBV-HAP Contract)** is the contract between the PHA and the owners of PHA-assisted PBV projects. The HAP contract outlines the owner's responsibilities and establishes the legal relationship between the owner and the PHA.
  - In November 2017, HUD published a new RAD PBV HAP contract incorporating changes of the RAD rider directly into the standard PBV HAP contract. This version must be used for any closing packages submitted on or after January 1, 2018.

Form HUD-52578-B

- After the family is selected from the PHA waiting list and the PHA determines eligibility for participation in the PHA's PBV program, the family must sign form **HUD-52578-B, Section 8 Project-Based Voucher Program Statement of Family Responsibility**, which functions much like the voucher in the tenant-based program in that it enumerates the family responsibilities on the PBV program.

Form HUD-52530-C

- The HUD-required **Tenancy Addendum for the Section 8 Project-Based Voucher Program** has two parts. Part A has information on the tenant, contract unit, household members, term of the lease, rent to owner, initial HAP payment amount, and utility responsibilities for the unit. Part B includes requirements for the family and owner under the program and is a required attachment to the lease.
  - Note there is no requirement for a Request for Tenancy Approval (RFTA) in the PBV program like there is in the HCV program.

RAD DOCUMENTS

In addition to the fundamental PBV contracts and forms, the RAD PBV subcomponent requires the following documents:

Form HUD-52624

- **RAD Conversion Commitment (RCC) (Public Housing and Section 8 Moderate Rehabilitation (Mod Rehab) Program Conversions; First Component)** is a commitment from HUD for the project converting under RAD that is signed by the owner and returned to HUD. It outlines the key components of the planned RAD conversion and the conditions that need to be satisfied in order to close the conversion. PHAs are notified of HUD's acceptance of the financing plan by the issuance of an RCC.

Form HUD-52625

- **The RAD Use Agreement** is the document specifying the affordability and use restriction on the covered project, which will be coterminous with the HAP contract and must be recorded in a superior position to any new or existing financing or other encumbrances on the covered project.
- **Commitment to Enter into a HAP (CHAP)** is the selection notification from HUD that includes the HUD-approved terms and conditions for conversion of assistance and lays out milestones that a PHA must meet prior to execution of the RAD PBV HAP contract. A project is converted immediately to the RAD PBV HAP contract following the closing of any construction financing, even in cases where conversion will entail only modest repairs. The CHAP is not subject to negotiation.

Form HUD-52621

- **Rider to Housing Assistance Payments Contract for New Construction or Rehabilitated Housing (Public Housing Conversions; First Component)** is attached to the PBV HAP contract for new construction and rehabilitation. It amends the standard HAP contract to include RAD-required PBV provisions and waivers.
  - In November 2017, HUD published a new RAD PBV HAP contract incorporating changes of the RAD rider directly into the standard PBV HAP contract. This version must be used for any closing packages submitted on or after January 1, 2018.

Copyright © 2026 by Nan McKay & Associates

Section 6 PBV and RAD PBV References

Successfully managing a RAD PBV program requires a working knowledge of key regulatory and reference documents, HUD notices, and required contract templates. The RAD PBV program follows references for the tenant-based housing choice voucher (HCV) program, the standard PBV program, and notices and regulations specific to RAD PBV.

Mandatory references include the regulations at 24 CFR, *Federal Register* notices, current HUD PIH notices, HUD forms, and current handbooks. Optional references include expired notices (unless superseded by a more recent notice), expired handbooks (unless superseded by a more recent handbook), and guidance from individual HUD staff not based on a regulation. To ensure program compliance, you may reference such documents frequently.

PBV References

- The PHA's annual contributions contract (ACC)
- The PHA's five-year plan and annual plan
- The housing choice voucher (HCV) administrative plan
  - Note: Once units are converted, the public housing admissions and continued occupancy policy (ACOP) no longer applies to those units.

HUD Regulations, Notices, and Other Documents

- Section 8(o)(13) of the U.S. Housing Act of 1937 (42 U.S.C. 1437f(o)(13))
- 24 CFR 982, Housing Choice Voucher Program
- 24 CFR 983, Project-Based Voucher (PBV) Program
- The Housing Choice Voucher Guidebook, HUD 7420.10g
- *Federal Register*/Vol. 70, No. 197/Thursday, October 13, 2005/Notices, Project-Based Voucher Program Final Rule, pp. 59892-59930
- *Federal Register*/Vol. 88, No. 48/Monday, March 13, 2023/Notices, Administrative Guidelines: Subsidy Layering Reviews for Project-Based Vouchers

Copyright © 2026 by Nan McKay & Associates

- *Federal Register*/Vol. 79, No. 122/Tuesday, June 25,2014/ 24 CFR Parts 5, 982, and 983, The Housing and Economic Recovery Act of 2008 (HERA): Changes to the Section 8 Tenant-Based Voucher and Section 8 Project-Based Voucher Programs; Final Rule
- Guidebook PIH-2007-101, Guidance on the Lead-Safe Housing Rule (LSHR) and Lead Disclosure Rule (LDR) for PIH Field Office Staff
- Federal Register/Vol. 89 No.156/ Tuesday, August 13, 2024/Section 8 Housing Choice Vouchers: Revised Implementation of the HUD-Veterans Affairs Supportive Housing Program

PIH Notices

- Notice PIH 2001-04, Instructions for Submitting Public Housing Agency Plans
- Notice PIH 2003-21, Deregulation for Small Public Housing Agencies (PHAs) and Submission Requirements for New Small PHA Streamlined Annual PHA Plans
- Notice PIH 2009-11, Project-Basing HUD-Veterans Affairs Supportive Housing (HUD-VASH) Vouchers
- Notice PIH 2010-08, Renewal of Project-Based Certificate Housing Assistance Payments Contracts (with Addendum)
- Notice PIH 2010-18, Revision to HUD Notice PIH 2009-51, PHA Determinations of Rent Reasonableness in the Housing Choice Voucher (HCV) Program-Comparable Unassisted Units in the Premises
- Notice PIH 2010-23, Project-Basing HUD-Veterans Affairs Supportive Housing (HUD-VASH) Vouchers
- Notice PIH 2013-11, Process for Requesting Subsidy Layering Reviews (with Attachment 1 and Attachment 2)
- Notice PIH 2013-27, Exchanging Enhanced Vouchers or Regular Housing Choice Vouchers for Project-Based Voucher Assistance in Housing Conversion Actions
- Notice PIH 2017-21, Implementation Guidance: Housing Opportunity through Modernization Act of 2016 (HOTMA) - Housing Choice Voucher (HCV) and Project-Based Voucher (PBV) Provisions

Copyright © 2026 by Nan McKay & Associates

RAD PBV References

A list of RAD references is provided below.

- Generally, public housing projects converting assistance under RAD are bound by the terms of the notice in effect at the time of closing.
  - Notice PIH 2019-23 was immediately applicable at the time of closing to all projects converting assistance (notwithstanding execution of a commitment for conversion). Notice PIH 2019-23 was published on September 5, 2019.
    - Except with respect to changes in the project eligibility and selection criteria, which are effective after a 30-day comment period.
    - Notice PIH 2019-23 was amended with Supplemental Notice 4B on July 27, 2023, and then with Notice PIH 2025-03, Supplemental Notice 4C, on January 16, 2025.
  - Notice PIH 2012-32, REV-3 was applicable to projects that were seeking conversion of assistance through RAD, including those where a CHAP had already been issued when it was published January 12, 2017.
    - Except with respect to changes in the project eligibility and selection criteria, which were effective after a 30-day comment period.
  - Notice PIH 2012-32, REV-2 was applicable to projects that were seeking conversion of assistance through RAD, including those where a CHAP had already been issued when it was published June 15, 2015.
    - Except with respect to changes in the project eligibility and selection criteria, which are effective after a 30-day comment period.
- In order to more easily identify instances where requirements differ among the above three notices, the book will refer to the notices in the text as "In order to more easily identify instances where requirements differ among the above notices, the book will refer to the notices in text as "**REV-2**," "**REV-3**," and "**REV-4**."

- Notice PIH 2016-17, Rental Assistance Demonstration (RAD) Notice Regarding Fair Housing and Civil Rights Requirements and Relocation Requirements Applicable to RAD First Component – Public Housing Conversions.
  - This Notice applies to all projects that have applied for RAD conversion but have not yet converted as of November 10, 2016.
- Notice PIH 2014-17, Relocation Requirements under the RAD Program, Public Housing in the First Component.
  - This Notice may apply to projects that have converted to RAD prior to November 10, 2016, AND who have requested and received approval from HUD to be governed by this Notice. See PIH Notice 2016-17, Section 1, Paragraph 1.3 for applicability.
- RAD is authorized by the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, approved November 18, 2011), as amended by the Consolidated Appropriations Act of 2014 (Public Law 113-76, approved January 17, 2014), and the Consolidated and Further Continuing Appropriations Act of 2015 (Public Law 113-235, approved December 6, 2014), and the Consolidated Appropriations Act of 2016 (Public Law 114-113, approved December 18, 2015), and the Consolidated Appropriations Act, 2017 (Public Law 115-31, approved May 5, 2017), and section 237 of Title II, Division L, Transportation, Housing and Urban Development, and Related Agencies, of the Consolidated Appropriations Act, 2018 (Public Law 115-141, approved March 23, 2018) collectively, the "RAD Statute."
- RAD Conversion Guide for Public Housing Agencies
- RAD PBV Quick Reference Guide (10/2014)
- Overview of the Rental Assistance Demonstration Program (6/2014)
- RAD Welcome Guide for New Awardees RAD First Component (3/2015)

Section 7 What is Blended Occupancy/Combined Funding?

Most public housing and other assisted units converted under the RAD program are blended occupancy. This means they rely on multiple sources of funding (federal, state, and local) to finance the rehabilitation or construction of units. These types of projects are often referred to as blended occupancy, mixed finance, or combined funding. Since such properties have various funding sources, multiple compliance requirements apply. Such properties also have multiple reporting requirements to different agencies such as the state housing finance agency, the local community development department, and HUD.

Typical funding sources that are also used in RAD properties include:

- Low-income housing tax credits (LIHTCs)
- Community development block grant (CDBG) funds
- HOME investment partnership funds
- Federal home loan bank affordable housing program (AHP) loans
- Federal Housing Administration (FHA) construction, permanent loans, and mortgage insurance
- Private debt
- Public housing capital, replacement housing factor, and demolition and disposition transitional (DDTF) funds

Copyright © 2026 by Nan McKay & Associates

Differing regulatory requirements under the various programs layered into the project will affect almost every administrative function. A property with a PBV HAP contract under RAD may have individual units funded as public housing, low-income housing tax credits (LIHTCs), and HOME. Or the PBV unit itself may also have HOME and tax credit funding layered in the unit. Program rules can and often do differ and sometimes even conflict. PHA staff and property managers must be knowledgeable of the matrix of requirements for each property as they influence the management of the waiting list, initial eligibility determinations, and other administrative tasks in the PBV program. The PHA's ability to negotiate effectively through the maze of requirements and restrictions is critical to the overall success of the property. If a property does not comply with its funding requirements, it can be very costly-in time, money, and consequences to the property owners and the local community.

Copyright © 2026 by Nan McKay & Associates

Summary of Eligibility Requirements in Blended Occupancy Projects

Eligibility requirements for projects with multiple funding/subsidy sources vary. A summary of eligibility requirements comparing PBV, RAD PBV, PBRA, LIHTC, and HOME is below for your reference.

Summary of Eligibility Requirements

	Standard PBV and RAD PBV	LIHTC	HOME
Income eligibility	PBV 50% or 80% AMI per admin plan Eighty percent for continuously assisted families to receive a TPV in SVC or demo/dispo RAD PBV does not apply to in-place families. For new admissions, same as standard PBV	50% AMI, 60% AMI, or Income Averaging for Minimum Set-Aside Elections made for projects after March 23, 2018. State HFA may require lower set-asides in Regulatory Agreement. Project may also be deep-rent skewed (40%)	80% or 50% AMI, or 60% if elected by the PJ
Citizenship status requirements	Does not apply to in-place families in RAD PBV. One family member must have eligible immigration status in order to be eligible	None	None
Social Security Number requirements	Does not apply to in-place families in RAD PBV. All household members (except noncontending) must disclose and document SSNs	None	None

	Standard PBV and RAD PBV	LIHTC	HOME
Student status	**Section 8 student rule:** No assistance to full or part-time student unless parent income is considered: - Under 24 - Not a U.S. veteran - Unmarried - Not a student with disabilities who was receiving HCV assistance as of 11/30/05 - Does not have a dependent child - Is not independent of parental income per DoED guidelines, e.g., emancipated minor or formerly in foster care Student living with eligible parents may receive assistance.	**LIHTC student rule:** Units comprised entirely of full-time students do not qualify. *Full-time:* 5 calendar months during a calendar year. Exemptions: - Receives TANF - Previously under foster care - Enrolled in a program under the Job Training Partnership Act or similar federal, state, or local laws - Single Parent and dependents - Married couples that file a joint tax return or are eligible to file a joint tax return	**Section 8 student rule:** No assistance to full or part-time student unless parent income is considered: - Under 24 - Not a U.S. veteran - Unmarried - Not a student with disabilities who was receiving HCV assistance as of 11/30/05 - Does not have a dependent child - Is not independent of parental income per DoED guidelines, e.g., emancipated minor or formerly in foster care Student living with eligible parents may receive assistance.
Required denials of admission	Does not apply to in-place families in RAD PBV. Yes – per admin plan and CFR	None	None

	Standard PBV and RAD PBV	LIHTC	HOME
Verification time frames Notice PIH 2023-27	Dated within 120 days of the reexam or request per Notice PIH 2018-18	120 days before effective date of the Tenant Income Certification	6 months before executing a HOME lease agreement

Section 8 Chapter 2 Post-Test

1. When converting public housing units to Section 8 HAP contracts under RAD, the PHA may select to convert units to either the Project-Based Voucher (PBV) program or the Project-Based Rental Assistance (PBRA) program.
   a. True
   b. False

2. The standard PBV program is:
   a. Required by Congress
   b. A program that is mandatory to expand housing opportunities.
   c. Discretionary for use by PHAs

3. The cap on the number of PBV-assisted units in a standard PBV property is:
   a. The greater of 20 units or 20% of the units in the project
   b. The greater of 25 units or 25% of the units in the project
   c. The greater of 50 units or 50% of the units in the project

4. For PHA-owned RAD PBV units, an independent entity must perform all property management functions.
   a. True
   b. False

5. The local HUD field office is the contract administrator for the PBV HAP contract in the RAD PBV program.
   a. True
   b. False

6. The contract administrator and the owner listed on the PBV HAP contract can be the same legal entity under RAD PBV.
   a. True
   b. False

Copyright © 2026 by Nan McKay & Associates

7. There is no requirement for a Request for Tenancy Approval (RFTA) in the RAD PBV program.
   a. True
   b. False

8. The Commitment to Enter into a HAP (CHAP) is the selection notification from HUD that includes the HUD-approved terms and conditions for conversion of assistance in the RAD PBV program.
   a. True
   b. False

9. A project is considered PHA-owned if the PHA owns the land beneath the building but has no ownership interest in the building itself.
   a. True
   b. False

Notes

CHAPTER 3 Applying for RAD and RAD Requirements for the Five-Year and Administrative Plans

Section 1 Learning Outcomes and Overview

LEARNING OUTCOMES

Upon completion of this chapter, you should be able to:

- Identify information that must be included in the PHA's five-year and annual plans in order to implement the PBV program and the RAD PBV subcomponent
- Establish an action plan for the RAD conversion
- Recognize which discretionary policies the PHA must adopt and include in the administrative plan for the PBV program and the RAD PBV subcomponent
- List the steps in the RAD application process from initial application through closing
- Recall how projects that convert from public housing to PBV are funded during the year after conversion
- List other requirements and considerations for RAD conversions

Copyright © 2026 by Nan McKay & Associates

Section 2 Applying for RAD

A brief outline of the steps for converting units from public housing to PBV under RAD is provided below. For a detailed description of each step of the process, see the RAD Welcome Guide for New Awardees: RAD First Component (3/2015) and Notice PIH 2016-17.

- Prior to submitting a RAD application, the PHA:
  - Determines potential need for relocation of residents
  - Meets with residents to discuss plans, communicate right to return, and solicit feedback
  - Provides a RAD Information Notice (RIN) to residents at the very beginning of the process to convey general written information about the proposed RAD conversion
  - Surveys residents to prepare Relocation Plan (mandatory for any relocation that will exceed 12 months) and relocation process cost estimate (if applicable)
  - Provides a General Information Notice (GIN) to any person scheduled to be displaced as soon as feasible based on the facts of the situation
- Effective February 11, 2017, if a wait list has been formed, PHA may submit letter of interest signed by the Executive Director in lieu of RAD application. This reserves the PHA's spot on the wait list in date order. HUD will notify PHA if new awards become available. The PHA has 60 days from then to submit the application.
- The PHA submits a RAD application to HUD.
  - See HUD's RAD website at for information on how to submit a RAD application at www.hud.gov/rad.
- HUD reviews and selects applications.
- HUD issues a Commitment to enter into a Housing Assistance Payment Contract (CHAP) to the PHA.
- The PHA includes RAD conversion language in the Annual/five-year plan.
  - This may have occurred prior to receiving the CHAP.

Copyright © 2026 by Nan McKay & Associates

- The PHA or project owner develops the relocation plan, which is required for all transactions that involve permanent relocation or temporary relocation anticipated to exceed 12 months.
- The PHA confirms acceptance of the CHAP by submitting a PIC removal request for the units.
  - Code: "Removed from inventory/RAD"
  - The PHA's PIC removal request will remain "under review" until the transaction closes, at which point it will be approved by the Special Applications Center (SAC).
- After receipt of a CHAP but prior to requesting a Concept Call, the PHA must have at least one meeting with residents to discuss updated conversions plans covering, at a minimum, the topics listed in Notice PIH 2019-23.
- Prior to submitting the Financing Plan, the PHA must request a Concept Call with HUD via the RAD Resource Desk. If HUD determines the conversion plans are sufficiently advanced and do not present any program violations, HUD will invite the PHA to submit a Financing Plan.
- Following a successful Concept Call and invitation to submit a Financing Plan, the PHA must have at least one more meeting with residents prior to submission of the Financing plan to discuss topics listed in Notice PIH 2019-23.
- The PHA submits a Financing Plan.

HUD RAD Notice Revision 4 Training (09/19/19)

- All Financing Plans are due within 270 days of CHAP (extensions permitted contingent on a reasonable justification) and within 60 days of the invitation to submit the Financing Plan.
  - The financing plan includes:
    - Development budget
    - Operating pro-forma
    - RAD physical condition assessment (RPCA)
    - Environmental Review
    - Accessibility and Relocation Checklist
    - Capital Needs Assessment, where applicable

- If the conversion involves acquisition, at the discretion of the project owner, issue Notice of Intent to Acquire (NOIA). If the NOIA is issued, the project owner provides residents with appropriate relocation notices at their discretion.
- HUD notifies PHAs of HUD's acceptance of their financing plan by issuing a RAD Conversion Commitment (RCC).
  - The RCC provides up to 90 calendar days in which to close the transaction.
- HUD assigns the PHA a closing coordinator once the RCC is issued.
- The effective date of the RCC marks the date of "Initiation of Negotiations" (ION), as defined in the URA.
- Within 30 days of RCC issuance, the PHA must execute the RCC.
- Issue RAD Notice of Relocation (if applicable):
  - 30-day notice for residents temporarily relocated for 12 months or less
  - 90-day notice to residents who will be relocated for more than 12 months
- Resident relocation may begin following the effective date of the RCC, subject to applicable notice requirements.
- Within 30 to 60 days of RCC issuance, the PHA submits draft closing documents for HUD review.
  - Documents are available at the RAD Resource Desk on HUD's website at: http://www.radresource.net/closing.cfm.

Copyright © 2026 by Nan McKay & Associates

HUD RAD Notice Revision 4 Training (9/19/19)

- Following issuance of the RCC, residents are notified of:
  - Anticipated timing of conversion
  - Anticipated duration of rehab/construction, if applicable
  - Terms of the lease
  - Anticipated relocation
  - Opportunities and procedures for exercising Choice Mobility
  - PHA Policy regarding phase-in of any tenant rent increases to affected residents
- The PHA completes the conversion and closes in accordance with the RCC.
- The project is removed from public housing.
- Assistance is transferred.
- The project is placed under HAP contract, with the RAD Use Agreement and other riders.

Section 3 Action Plan for the PBV Program

Careful planning for a RAD conversion is critical to its success. HUD's Conversion Guide for Public Housing Agencies can provide PHAs with valuable information on how to start the planning process. Converting to RAD is a complex process that should be carefully considered by the PHAs and stakeholders. At a minimum, PHAs must:

- Understand the program and all of its requirements
- Employ knowledgeable staff or outside consultants who are able to develop preliminary operating and development budgets
- Keep residents informed throughout the process
- Assemble a development team if additional sources of funding will be considered
- Identify financial partners
- Plan early
- Be prepared for change

Once the conversion process is complete, successful RAD PBV projects should develop and follow action plans for each property that include timelines for:

- Annual/biennial inspections
- Reexaminations
- Property reviews
- Courtesy notification to owners regarding rent increase requests
- Contract rent adjustments
- Contract extensions

Copyright © 2026 by Nan McKay & Associates

Section 4 Funding Under RAD

HUD is not providing any incremental funding for RAD. A public housing property's current income stream, as determined by its operating fund and capital fund subsidies, along with a tenant rent contribution, determine the RAD contract rents. These rents will typically constitute the bulk of a property's operating income.

From the effective date of the RAD PBV HAP contract through the balance of the calendar year of conversion, RAD PBV projects will continue to be funded through the public housing program accounts (the operating fund and the capital fund). Once the HAP contract is effective, the PHA must use the remainder of its public housing funds to make HAP payments for the remainder of the calendar year.

- For conversions that are exclusively RAD (i.e., are not a RAD/Section 18 blend), the initial funding for the RAD HAP contract is derived solely from the converting public housing assistance.
- For RAD/Section 18 blends, the funding will be a blend of the converting public housing assistance and converting TPV assistance.

HUD will not provide additional subsidy to the project if the operating fund and capital fund money is insufficient to cover the rents listed on the HAP contract. HUD requires PHAs to estimate any potential deficit and encourages PHAs to establish an operating reserve deficit.

In the first full calendar year after conversion, projects are funded from tenant-based rental assistance (TBRA) funds under the voucher ACC, according to the amount indicated in the HAP contract, including any applicable OCAF. At this point, the PHA may not use public housing funds to support the project.

In the second full calendar year after conversion, and for each subsequent year, the funding needed for HAP contracts will be included in the renewal formulas for the appropriate Section 8 account.

Copyright © 2026 by Nan McKay & Associates

Funding will be moved into two new RAD budget line items in LOCCS that the PHA will use to make HAP payments to the property. PHAs cannot use Section 8 net restricted assets (NRA) on RAD properties during this period. During this period, payments to the property from the public housing LOCCS module should not be reported in the Voucher Management System (VMS). The administering PHA will not receive an administrative fee for converting units during the calendar year of conversion.

After conversion, voucher units are counted in the PHA's overall lease-up and budget utilization figures for the Voucher Management System (VMS) as well as for the Section 8 Management Assessment Program (SEMAP). Consequently, we underscore the importance of reviewing property vacancy rates and developing plans to achieve quick lease-up of turnover units. In addition, if a PHA opts to make vacancy payments, such payments count toward budget utilization, but not unit lease-up goals. In VMS, the vacancy payments are counted as housing assistance payments. Another way of looking at it is that a vacancy payment is for a vacant unit as opposed to rental assistance for a family.

Copyright © 2026 by Nan McKay & Associates

Section 5 RAD Requirements for the Administrative Plan

HUD requires that each PHA administering an HCV program adopt an administrative plan. The purpose of the administrative plan is to establish policies for carrying out programs in a manner consistent with HUD requirements and local goals and objectives contained in the PHA's agency plan. The administrative plan is a supporting document to the PHA agency plan and must be available for public review as required by 24 CFR Part 903. It is not required to be submitted to HUD for approval, although board approval is required.

Before a PHA implements a project-based voucher program, the board of commissioners must approve an administrative plan that defines the PHA's discretionary policies and procedures related to the PBV program. In addition, we recommend that the PHA outline mandatory HUD PBV requirements and regulations so that all program information is available for review in one document.

Developing implementation policies for inclusion in the administrative plan takes time and careful consideration of local needs. While it may seem obvious, once the policies are adopted, the PHA must follow the policies until they are changed.

Changing policies in the administrative plan cannot be done quickly as it must comply with rules for public input and board approval. One of the prevalent PBV audit findings by the Office of Inspector General (OIG) is that PHAs did not follow their own policies and procedures or did not maintain sufficient documentation to demonstrate compliance with HUD rules and their administrative plans. As a result, PHAs were required to repay funds to HUD for unsupported expenditures, including HAP payments.

For both qualified and non-qualified PHAs, conversion to RAD PBV is considered a significant amendment to the PHA's five-year plan. It is also considered a significant amendment to the annual plan for non-qualified PHAs. For MTW agencies, conversion to RAD PBV requires an amendment to MTW plan.

The administrative plan must provide information on the PHA discretionary policies related to standard PBV and RAD PBV in the sections that follow.

Copyright © 2026 by Nan McKay & Associates

ADMINISTRATIVE PLAN POLICIES: RAD PBV

The administrative plan must define which discretionary HCV policies will apply to the PBV program and any PBV policies that are different from HCV. Many of the regulations governing the tenant-based voucher (HCV) program also apply to both the standard PBV and the RAD PBV programs. The RAD PBV regulations, however, differ significantly from both the tenant-based program and from regular PBV in some places. Therefore, the PHA must include in its administrative plan whether it will use the same policies for RAD PBV as it does for its tenant-based program in places where the regulations are the same, as well as list those policies that are unique to the RAD PBV program.

- As an example, some PHAs perform reexaminations at PHA offices for tenant-based voucher holders based on the tenant's anniversary date of admission to the program. Yet for PBV properties, they may want the flexibility to perform reexaminations at the property sites during a specific month, week, or days in year. Another example is that some PHAs prefer to update utility allowances on the anniversary date of the PBV project. To do so, the PHA must state its policy for PBV reexaminations and utility allowance updates in its administrative plan.

As a best practice, for PHAs that operate both a standard PBV program and a RAD PBV program, the PHA should establish a separate chapter or section in the admin plan specifically dealing with the RAD PBV program to underscore the difference between the two programs and help eliminate confusion among staff about the differences between the standard and RAD programs.

Copyright © 2026 by Nan McKay & Associates

PBV Administrative Plan Amendments

The PHA must amend the administrative plan for the following PBV-specific requirements:

- Define site selection standards
- Define how the PHA will confirm that housing meets accessibility standards
- Describe additional local housing quality requirements, if any, for owner compliance in the HAP contract.
- Delineate the PHA's policies on abatement of HAP and HAP contract termination due to owner noncompliance with HQS.
- Spell out the PHA's policy on vacancy payments to owners.
- Articulate any polices for PBV assistance, especially those that vary from policies for the housing choice voucher program.
- Discuss organization of the waiting list.
- Outline any preferences for new families applying for admission to the PBV program after conversion.
- Outline how quickly the owner must notify the PHA of a vacancy or expected vacancy and the format for the notice.
- Outline the PHA's criteria for ensuring that it makes every reasonable effort to refer "promptly" a sufficient number of families for the owner to fill vacancies.
- Outline policies for reducing contract units due to long-term vacancies.
- Delineate any discretionary PHA policies on screening families and providing information to owners. Also, describe any PHA minimum standards for owner screening.
- Define "prompt" notification for overcrowded, underoccupied, and accessible units not occupied by a person who needs the accessibility features. State the PHA's policy for offering continued housing assistance to affected families.

Copyright © 2026 by Nan McKay & Associates

SITE SELECTION STANDARDS

24 CFR 983.55; Notice PIH 2019-23

Site selection requirements set forth in 24 CFR 983.55 will apply to RAD PBV, with the exception of 983.57(b)(1) and (c)(2); OR

Each site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Be accessible to social, recreational, educational, commercial, and health facilities and services, and other municipal facilities and services equivalent to those in neighborhoods consisting largely of unassisted similar units; and
- Except for housing for the elderly, be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive

New construction housing must meet three additional standards. Specifically, the site must not be located in:

- An area of minority concentration unless the PHA determines that the project is necessary to meet overriding housing needs that cannot be met in that housing market area based on consideration of the following factors:
  - Sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project in and outside areas of minority concentration
  - Over the past 10 years, new and rehabilitated affordable housing are racially integrated based on the racial mix of the eligible population
  - The locality has racially integrated neighborhoods

  - The locality has programs to assist minority families who wish to find housing outside of minority concentrated areas and minority families have benefited from the programs
  - A high percentage of housing choice voucher holders are having difficulty in finding units outside of minority concentration
  - Comparable housing opportunities are available outside of areas of minority concentration
  - The reason that affordable housing opportunities are unavailable outside of minority concentration is due to discrimination based on race, color, religion, sex, national origin, age, familial status, sexual orientation, or disability, or if the use of this standard has had the effect of limiting housing choice for minorities
- A racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area
- A neighborhood that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate

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.

Copyright © 2026 by Nan McKay & Associates

ACCESSIBLE UNITS

Define how the PHA will confirm that housing meets accessibility standards. Some PHAs require a city or county certification that the housing meets accessibility criteria. Other PHAs make the determination themselves. For new construction and rehabilitation housing, the PHA must make two determinations that the proposed project meets accessibility standards. The first determination is prior to construction and is based on a review of architectural plans and specifications. The second is at construction completion, confirming that construction was consistent with the plans and affirming that the project meets accessibility requirements. For existing housing, the PHA must also determine that the housing meets accessibility requirements.

24 CFR 983.102
Section 504, Rehabilitation Act of 1973 (29 U.S.C. 794)
24 CFR part 8
Fair Housing Amendments Act of 1988

Section 504 sets minimum accessible unit percentages for multifamily housing projects (containing five or more units) that are designed, constructed, or altered after July 11, 1988. A minimum of five percent of the total PBV units or at least one unit, whichever is greater, must be fully accessible for persons with mobility impairments. An additional two percent of the units (but not less than one unit) in such a project must be fully accessible for persons with hearing or vision impairments.

24 CFR 100.205

If a property is comprised of multifamily dwellings of five units or more and was designed and constructed for initial occupancy after March 13, 1991, the units must be accessible to and usable by people with disabilities. All rental units must be accessible in buildings containing four or more units with one or more elevators, and all ground floor units in buildings containing four or more units, without an elevator. This means that the building and units must meet at least seven accessibility criteria so that a person in a wheelchair can maneuver in the space.

Copyright © 2026 by Nan McKay & Associates

Additional Housing Quality and Design Requirements

24 CFR 983.207(a)

Describe additional local housing quality requirements, if any, for owner compliance in the HAP contract.

Examples of additional requirements include on-site space for the provision of services, play areas, and play equipment for children. A PHA may state that it will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV property.

HUD strongly encourages PHAs to demonstrate contemporary best practices in rehabilitation and construction, utilizing a long-term and holistic view of costs and benefits and a decision-making process that includes current and future stakeholders.

Remedies for HQS Violations

24 CFR 983.207(b)

Delineate the PHA's policies on abatement of HAP and HAP contract termination due to owner noncompliance with HQS.

Vacancy Payments

24 CFR 983.352(b)

Spell out the PHA's policy on vacancy payments to owners. Such payments are frequently an incentive for owners to participate in the PBV program as it provides a safeguard for loss of rental income due to family eligibility processing time.

A vacancy payment may only be made for a maximum of two months and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit).

The plan should state whether the PHA will or will not provide vacancy payments. If a PHA opts to provide payments, the administrative plan should state the payment amounts and time periods, and whether the payment is subject to funding availability.

Important note: PHAs that opt not to make vacancy payments must also check the appropriate block in the HAP contract and cross out the language pertaining to such payments.

Copyright © 2026 by Nan McKay & Associates

Eligibility for PBV Assistance

24 CFR 983.251(a) and (b)

Articulate any polices for PBV assistance, especially those that vary from policies for the housing choice voucher program.

Describe how current public housing households at conversion are not subject to any PHA rescreening, income eligibility, or income targeting and that they are grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements after conversion. This applies to residents in Legacy Non-RAD PBV units in the project as well.

Describe that once a remaining household moves out, the unit must be leased to an eligible family.

Generally, PHAs must use the same policies to determine PBV eligibility as they do for the tenant-based voucher program. Following the same policies for both the PBV and tenant-based programs, when possible, simplifies program administration and minimizes confusion.

If a PHA has discretionary eligibility requirements for the tenant-based voucher program that it does not want to use for the PBV program, any exceptions or differences in the policies should be outlined in the administrative plan.

Preferences

24 CFR 983.251(d)

Outline any preferences for new families applying for admission to the PBV program after conversion.

If the PHA has project-specific preferences, it is advisable for the PHA to insert a list of properties or buildings with corresponding preferences in its administrative plan.

Filling Vacancies

24 CFR 983.254

Outline how quickly the owner must notify the PHA of a vacancy or expected vacancy and the format for the notice. Also, prescribe the PHA's criteria for ensuring that it makes every reasonable effort to refer “promptly” a sufficient number of families for the owner to fill vacancies.

Reduction in HAP Contract Units Due to Vacancies

24 CFR 983.254(b)

Outline policies for reducing contract units due to long-term vacancies.

Tenant Screening

Delineate any discretionary PHA policies on screening families and providing information to owners. Also, describe any PHA minimum standards for owner screening.

Overcrowded, Underoccupied, and Accessible Units

Define "prompt" notification for overcrowded, underoccupied, and accessible units not occupied by a person who needs the accessibility features. State the PHA's policy for offering continued housing assistance to affected families.

RAD Administrative Plan Amendments

In addition to changes in the administrative plan for the PBV program, the PHA must amend its administrative plan policies for these RAD-specific requirements:

- Resident termination notification, procedural rights, and the grievance process
- Phase-in of tenant rent increases
- Resident participation and funding
- Continued eligibility for earned income disallowance and family self-sufficiency programs
- Establishment of waiting lists, transition of public housing applicants to the lists, and selection of applicants
- Tenant screening requirements for public housing residents converting to RAD PBV
- Tenant screening policies for new tenants
- Vacancy payments, amounts, and duration
- Right to return policies
- Wrong-sized units and accessible units
- Floating units
- Choice-Mobility: Whether an eligible PHA will establish a cap on turnover vouchers

Copyright © 2026 by Nan McKay & Associates

Section 6 RAD Requirements for the Five-Year Plan

In order to ensure public accountability, PHAs are required to have a five-year plan (agency plan), which informs residents and the general public on the PHA's mission, goals, objectives, policies, and strategies for addressing the low-income housing needs in its local jurisdiction over a five-year period. All PHAs must submit a five-year plan to HUD every fifth PHA fiscal year. The plan is subject to public comments, requires adoption by the PHA board of commissioners, and requires HUD approval, prior to implementation. PHAs must make the plan available for public review and audit.

HUD also requires that most PHAs supplement the five-year plan with an annual plan that reports on progress in meeting the goals of the five-year plan, describes any changes to essential policies and procedures since the previous year, and provides the PHA's approach to development, management, and provision of services in the ensuing year. HUD exempts certain qualified small PHAs from the annual plan requirement.

The submission of a RAD PBV application is a significant change to the agency five-year plan. Therefore, a PHA must obtain input from the resident advisory board and take all other mandatory steps to meet agency plan amendment requirements. While a PHA is not required to submit its administrative plan to HUD, a PHA must submit to HUD any required RAD amendments to its administrative plan. Additional changes to a PHA's RAD program or policies may require a new plan amendment process and submission to HUD.

RAD conversion approvals may be delayed if a PHA does not complete activities to amend the five-year plan or submits an unsatisfactory amendment.

For public housing conversions, HUD provides a checklist for RAD-specific significant amendment submissions as Attachment 1D of Notice PIH 2019-23.

Copyright © 2026 by Nan McKay & Associates

RAD Agency Plan Amendments

In summary, the following items must be covered in a PHA's significant amendment to the agency plan or revision to the MTW plan:

1. A description of units to be converted that includes the number of units, bedroom distribution, and type (e.g., family, elderly/disabled, or elderly only).
2. Any change in the number of units or bedroom distribution before and after conversion.
3. Changes in policies on eligibility, admission, selection, and occupancy of units after conversion. This includes RAD-specific policies that vary from the standard PBV pro-gram and are required per the RAD notice, including:
   - Waiting list (including preferences)
   - Resident rights and participation
   - Informal hearings and grievance procedures
4. If units are to be transferred to a different site, descriptions of:
   - The location (including census tract if known)
   - Number of units to be transferred
   - Bedroom distribution of the units in the new buildings
   - Type of units, if changed (e.g., family, elderly/disabled, or elderly only)
   - Any reduction or change in the number of units and what reduction category they fall under (e.g., de minimis[1])
   - Method for transferring the waiting list and selection of households for transfer

1. Less than five percent of project units or five units, whichever is greater

5. Disclosure as to whether the PHA is under a voluntary compliance agreement, consent order, consent decree, final judicial ruling, administrative ruling, or decision. If applicable, PHA must provide a statement that compliance will not be negatively impacted by conversion activities.

6. A statement certifying that the RAD conversion complies with all applicable site selection and neighborhood reviews standards and that all appropriate procedures have been followed.

7. Required information and certifications for submission of a significant amendment to the PHA plan, including resident advisory board comments and responses and challenged elements.

8. For PHAs utilizing MTW fungibility, a statement explaining how continued service level requirements would be maintained.

9. Provide information on the reduction of capital fund budgets as a result of the RAD conversion, including:
   - Estimated amount and impact on the capital fund action plan
   - Estimated impact on any capital fund financing program and use of replacement housing funds

10. To facilitate RAD conversions, PHAs are encouraged to consider redefining substantial deviation in section 10 of the PHA plan to exclude:
    - Conversion to PBRA or PBV
    - Date of submission to website
    - Changes to the capital fund budget, construction/rehabilitation, and financing structure for each RAD approved property

11. For new housing sites, description of the new site, neighborhood, and services, and how the sites further the goal of deconcentrating poverty.

Copyright © 2026 by Nan McKay & Associates

Section 7 Other Requirements/Considerations

FAIR HOUSING REQUIREMENTS

Notice PIH 2016-17

All RAD transactions are governed by the same civil rights authorities that govern HUD-assisted housing activities, including public housing. Any RAD transaction that includes one or more of the activities listed below must undergo a front-end review for compliance with certain civil rights and fair housing requirements. It is important to note that meeting HUD's process and review requirements never constitutes compliance with such laws. The obligation to comply with applicable fair housing, other civil rights, and relocation laws remains with the PHA and project owner.

All financing plans must include evidence that the PHA has secured written approval from HUD for any of the following activities that are included in its RAD conversion:

- Conversions of assistance involving new construction, whether on a new site or on a current site, in an area of minority concentration
- Transfers of assistance where all or a portion of the converting project's assistance is transferred to a new site as part of the transaction
- Conversions of assistance where the total number of units in the covered project is less than the original number of units in the converting project (including de minimis reductions)
- Conversions of assistance where the covered project's unit configuration is different from the unit configuration of the converting project
- Conversions where the covered project serves a different population from the one served by the covered project
- Conversions of assistance in which the construction schedule indicates that relocation is likely to exceed 12 months

Copyright © 2026 by Nan McKay & Associates

- Conversions of assistance involving new construction or substantial rehabilitation, as defined in Section 504 of the Rehabilitation Act of 1973
- Conversions of assistance involving a converting project subject to a Voluntary Compliance Agreement or Conciliation Agreement with HUD, or a Consent Decree or Settlement Agreement with the U.S. Department of Justice or HUD, or where the PHA is subject to such an agreement affecting its entire housing portfolio or otherwise related to the converting project
- Conversions of assistance where HUD has identified potential fair housing and civil rights concerns or a history of such concerns

SECTION 3 REQUIREMENTS

Notice PIH 2019-23, 24 CFR Part 75, Section 3 FAQs, 3/25/21, Guidance Document, The New Section 3 Rule and RAD

Section 3 requires that, wherever HUD financial assistance is expended for housing or community development, PHAs must make their best effort to provide economic opportunities to Section 3 workers and targeted Section 3 workers in that area.

The Section 3 final rule was published November 30, 2020.

- 24 CFR Part 135 is no longer applicable and was replaced with 24 CFR Part 75.
- Contracts following the old rule do not need to be amended.

Section 3 requirements differ for:

- Public housing (24 CFR 75 subpart B)
- Housing and Community Development assistance (24 CFR 75 subpart C)

PBV contracts are exempt from Section 3 compliance after conversion, as the final rule removed Section 3 from the PBV regulations.

HUD has administratively applied Section 3 during the RAD-related construction period even though not required by the RAD statute or the Section 3 statute.

In the context of RAD, Section 3 requirements apply to:

- Properties converting assistance from public housing when rehabilitation or housing construction activity required by the conversion exceeds $200,000.
- Work referenced in the RAD Conversion Commitment (RCC) (subject to Housing and Community Development assistance requirements).
- Pre-development work prior to conversion that uses public housing funds (subject to public housing requirements.

RAD participants must undertake appropriate efforts to direct employment, training, and contracting opportunities arising as part of conversions to low and very low-income persons, and should document their efforts "in case subsequent questions arise."

PHAs are not required to amend contracts executed before November 30, 2020.

- Conversions closing on or after November 30, 2020, should review draft contracts to align with the final rule.
- The effective date for reporting requirements begins for conversions occurring on or after July 1, 2021.

Reporting is done through the RAD resource desk at the completion of the rehabilitation or construction.

- Each individual transaction submits a completion certification with Section 3 outcomes data.

CAPITAL NEEDS ASSESSMENT (CNA)

Notice PIH 2019-23

Since one of the main objectives of RAD is to demonstrate how converting to long-term, project-based Section 8 rental assistance can generate access to private debt and equity, HUD expects that the majority of projects going through RAD will undergo rehabilitation or reconstruction. Unless exempt from the requirements, a qualified, independent third-party professional as required by the MAP Guide must perform a detailed physical inspection for each project selected for award to determine both short-term rehabilitation needs to be included in a Scope of Work that will be completed as part of the RAD conversion and long-term capital needs that must be addressed through a Reserve for Replacement Account. This process is called a Capital Needs Assessment (CNA). If required, a CNA must be submitted with the Financing Plan and must be completed no earlier than 180 days prior to submission of the Financing Plan, except with HUD approval.

HUD will exempt the following types of RAD transactions from the CNA requirement, provided the proposed exemption is confirmed with HUD prior to submission of the Financing Plan and eligibility for the exemption is confirmed in HUD's review of the Financing Plan. Exemptions may apply to some or all portions of the CNA, including the assessment of immediate needs and the portions of the CNA eTool necessary to produce the 20-Year Reserve Schedule.

- For non-FHA transactions, neither component of the CNA is required as long as the Annual Deposit to the Replacement Reserve is no less than $450 per unit (or lower if justified by an alternate form of CNA acceptable to HUD) and the project:
  - Has been newly constructed or financed with 9% LIHTCs within the last five years; or
  - Qualifies as new construction or will be financed with 9% LIHTCs

- For non-FHA transactions, neither component of the CNA will be required where the total assisted units (e.g., RAD units and other PBV units) at the project will constitute less than 20 percent of the total units at the project (or a higher percentage at HUD's discretion), taking into consideration the absolute number of RAD units at the project.
- For non-FHA transactions, the narrative will not be required where the transaction will be financed with 4% LIHTC.
- For FHA transactions, PHAs should follow the applicable requirements in the MAP Guide governing exemptions.

As of February 2, 2018, all RAD transactions must use HUD's CNA eTool for any RAD financing plan submitted six months after HUD published the eTool. The CNA eTool contains two major components -the narrative description of each component and its condition, and the financial model.

HEALTHY HOUSING AND ENERGY EFFICIENCY

Notice PIH 2019-23

If systems and appliances are being replaced as part of the initial repairs identified in the approved financing plan under a RAD PBV conversion, the replacement systems and appliances must utilize the move energy-and water-efficient options that are financially feasible and that are found to be cost-effective by the CNA.

New construction projects must at a minimum meet or exceed the 2009 International Energy Conservation Code (IECC) for single family or low-rise multifamily properties (three stories or less) or ASHRAE90.1-2007 standard for mid or high-rise multifamily projects, or any successor codes that are adopted by HUD under the requirements of the Energy Independence and Security Act of 2007. New construction projects are strongly encouraged to meet or exceed the requirements for Energy Star for New Homes or Energy Star for Multifamily High Rise buildings. In addition, HUD strongly encourages the use of industry-recognized, green building certifications such as:

- U.S. Green Building Council's LEED Rating System
- Enterprise Green Communities Criteria
- National Green Building Standard
- Green Globes

- GreenPoint Rating
- EarthCraft
- Earth Advantage
- Passive House
- Living Buildings

SUBSTANTIAL CONVERSION OF ASSISTANCE

PHAs may not reduce the number of ACC units at a project without Section 18 Demolition or Disposition approval from the SAC.

- See Notice PIH 2018-04 for the application requirements to request HUD approval for demolition or disposition.
- RAD PBV conversions may not result in a reduction of the number of assisted units, except by a de minimis amount. A de minimis reduction of units may include any of the following:
  - The greater of five units or the number of units (rounded to the nearest whole number) corresponding to five percent of the number of ACC units in the project (or RAD converted portfolio, if both the portfolio and de minimis units are counted in the aggregate) immediately prior to the conversion;
  - Any unit that has been vacant for more than 24 months at the time of the RAD application; and
  - Subject to HUD approval, units that, if removed from assistance, will allow the PHA to more effectively or efficiently serve assisted households through:
    - Reconfiguring apartments; or
    - Facilitating social service delivery

RELOCATION REQUIREMENTS

RAD PBV conversion relocation requirements are more fully described in Notice PIH 2016-17, published November 10, 2016. This notice provides PHAs and their development partners with information on relocation requirements. Some key provisions in the notice regarding relocation follow. Specifically, the notice:

- Requires the PHA or project owner to prepare a written relocation plan for all transactions that involve relocation anticipated to exceed 12 months
- Requires PHAs to provide residents with the RAD Information Notice (RIN) prior to the application process to ensure residents are informed of potential project plans and their rights
- Clarifies that the General Information Notice (GIN), when applicable, should be provided as soon as feasible and not later than 30 days following the issuance of the CHAP
- Requires project owners to provide a notification of Return to the Covered Project, when applicable
- Moves the date before which PHAs are prohibited from beginning any physical relocation to the later of the effective date of the RCC and the expiration of the 30 or 90-day RAD Notice of Relocation period
- Clarifies the specific requirements applicable to different types of relocation (e.g., moves within a property, temporary relocation of less than 12 months, etc.)
- Provides enhanced guidance on the right to return requirements, any offers of alternative housing options, and the documentation that must be retained when tenants choose an alternative housing option and decline their right to return

Copyright © 2026 by Nan McKay & Associates

- Describes how HUD has administratively implemented URA requirements and URA relocation assistance and payments for displaced persons, when applicable, to residents who choose to decline the right of return and instead choose voluntary permanent relocation
- Requires PHAs to maintain detailed data regarding each household that will be relocated with key dates of notices and moves
- Identifies key fair housing and civil rights requirements applicable during relocation.

RIGHT TO RETURN

Public housing residents that may need to be temporarily relocated to facilitate rehabilitation or construction have a right to return to an assisted unit at the covered project once rehab/construction is completed. Permanent, involuntary displacement of public housing residents may not occur as a result of the project's RAD conversion. This provision also applies to any Legacy Non-RAD PBV units located in the same project.

Additionally, with respect to all temporary relocations, the PHA or project owner must notify the resident in writing reasonably in advance of the resident's expected return to the covered project, informing the resident of:

- The entity (the PHA or the project owner) with primary responsibility for managing the resident's relocation
- The address of the resident's assigned unit in the covered project, and if different from the resident's original unit, information regarding the size and amenities of the unit
- The date of the resident's return to the covered project, or if the precise date is not available, a reasonable estimate of the date which must be supplemented with reasonable additional notice providing the precise date
- That the PHA or project owner will reimburse the resident for all reasonable out-of-pocket expenses incurred in connection with the return relocation

Copyright © 2026 by Nan McKay & Associates

- The resident's options and the implications of those options if the resident determines that he or she does not want to return to the covered project and wants to decline the right of return

Reasonable advance notice must be 15 percent of the duration of the resident's temporary relocation or 90 days, whichever is less. For short-term relocations, the PHA or project owner may include this information within the RAD Notice of Relocation.

Special care and consideration should be taken when maintaining program compliance in blended occupancy projects. Other programs, such as the LIHTC program, do not recognize the Right to Return requirement discussed here.

BROADBAND INFRASTRUCTURE

FR Notice 12/20/16

Effective 1/19/17, HUD requires the installation of broadband infrastructure at the time of new construction or substantial rehabilitation of multifamily rental housing that is funded or supported by HUD. The rule applies to PBRA, PBV, public housing, and HOME. Buildings with four or fewer rental units are excepted, as well as projects where installation is too costly because of building location or characteristics. The rule requires that the broadband infrastructure provided be able to receive high speed internet that is "accessible" in each unit. It does not require that the owner provide internet service to each resident, just the ability to access such services. Further, the owner chooses the form of infrastructure that is most appropriate for their circumstances.

Section 8 Chapter 3 Post-Test

1. HUD issues a Commitment to Enter into a Housing Assistance Payments Contract (CHAP) to the PHA after it reviews and selects the PHA's application.
   a. True
   b. False

2. Units that are converted to PBV under RAD will continue to be funded with public housing operating subsidy every year after the conversion.
   a. True
   b. False

3. Changing policies in the administrative plan cannot be done quickly as it must comply with rules for public input and board approval.
   a. True
   b. False

4. Only qualified PHAs must submit a Five-Year Agency Plan.
   a. True
   b. False

5. HUD exempts certain qualified small agencies from the annual plan requirement.
   a. True
   b. False

6. Additional changes to a PHA’s RAD program or policies may require a new plan amendment process and submission to HUD.
   a. True
   b. False

Copyright © 2026 by Nan McKay & Associates

7. All low-income housing programs recognize the right to return requirements specific to RAD PBV conversions.
   a. True
   b. False

8. Prior to submitting a RAD application, the PHA provides a RAD Information Notice (RIN) to residents.
   a. True
   b. False

Notes

CHAPTER 4 RAD PBV: Similarities and Differences to Other Housing Programs

Section 1 Learning Outcomes and Overview

LEARNING OUTCOMES

Upon completion of this chapter, you should be able to:

- Recognize the tenant-based voucher rules that apply to the PBV program
- Differentiate the RAD PBV rules from those for the standard PBV program
- Recognize which public housing rules apply to RAD PBV

OVERVIEW

24 CFR 983.1 and 983.2

This chapter outlines the similarities and differences between the two components of the housing choice voucher program: the tenant-based program and the project-based voucher program. Further, the chapter outlines the similarities and differences between the standard PBV program and the RAD PBV program.

Many of the provisions of the tenant-based voucher regulations at 24 CFR part 982 also apply to the project-based voucher program with the exception of the sections that are not applicable as described in 24 CFR Part 983, which governs the PBV program.

Notice PIH 2019-23

For the RAD PBV program, certain PBV rules are waived and different rules apply. Any Legacy Non-RAD PBV units located in the same covered project are subject to the same waivers and alternative requirements as RAD PBV residents, as indicated in Notice PIH 2019-23.

Copyright © 2026 by Nan McKay & Associates

Section 2 Similarities and Differences: Tenant-Based Vouchers and Project-Based Vouchers

On the whole, regulations for both the standard and RAD PBV programs generally closely follow the regulations for the tenant-based HCV program. While PBV regulations generally follow the tenant-based regulations, they are not identical. Also, RAD PBV rules further deviate from and waive specific standard PBV regulations. In other words, the standard PBV program follows many of the same regulations as the tenant-based HCV program, but not all of them, and the RAD PBV program follows many of the same regulations as the standard PBV program, but not all of them.

As discussed in the previous chapter, the PHA is not required to implement the standard or RAD PBV program in absolutely the same way as its tenant-based HCV program. If the PHA chooses to adopt different policies for the project-based program, the PHA must clearly describe standard or RAD PBV policies that vary from tenant-based policies in the administrative plan. In addition, a PHA must specify policies for the RAD PBV subcomponent that differ from the standard PBV program in order to comply with RAD requirements.

It is helpful to include an explanation for establishing variations in policies in the administrative plan. Equally important is that the staff responsible for program implementation understands the programmatic differences and similarities. Otherwise, confusion will abound and possibly make the program more complex to administer.

Copyright © 2026 by Nan McKay & Associates

TENANT-BASED VOUCHER RULES THAT APPLY TO THE PBV PROGRAM

The chart below outlines the provisions of the housing choice voucher program that apply to the project-based voucher program.

Housing 24 CFR Rules that Apply to PBVs	Topic
Part 5 subpart B	Disclosure and verification of income information
Part 5 subpart D	Definitions
Part 5 subpart F	Income and family payment, including definitions, annual income, adjusted income, total tenant payment, tenant rent, minimum rent, utility allowance, utility reimbursements
Part 5 subpart E	Noncitizens-Restrictions on assistance
Part 5 subpart H	Uniform financial reporting standards
5.105(c) Part 24	Debarment, prohibition on use of debarred, suspended, or ineligible contractors
5.105(b) Parts 8 and 9	Lobbying restriction, restrictions on use of funds for lobbying
5.110	Waiver of HUD rules
Part 791	Funds, HUD allocation of voucher funds
Part 792	Fraud, PHA retention of recovered funds

Tenant-Based 24 CFR Rules that Apply to PBVs	Topic
5.100 Part 888 subpart A	Fair market rents
5.612	Restrictions on assistance to students enrolled in an institution of higher education
Part 5 subpart L	Protection for victims of domestic violence, dating violence, sexual assault, and stalking
Part 30 subpart B (30.68)	Civil money penalty, penalty for owner breach of HAP contract
982.201	Eligibility, including income limits, and targeting at least 75% of new admissions at or below 30% of median income
982.202	How applicants are selected, except for (b)(2), Where family will live, which is excluded from the PBV program

Copyright © 2026 by Nan McKay & Associates

Tenant-Based 24 CFR Rules that Apply to PBVs	Topic
Part 982 subpart E: 982.204, 982.205, 982.206 and 982.207	Waiting list, except for 982.204 (d), Family size. Family size is an important consideration in PBV properties. The owner's occupancy standards, as provided in their tenant selection plan, for each property take precedence.
982.310 Cross reference 983.257(a)	Owner termination of tenancy except for 982.310(d)(iii) and (d)(iv). The owner may not terminate to use the unit for personal or family use or for business and economic reasons.
982.312 Cross reference 983.256(g)	Absence from the unit, except that the owner's lease may specify a maximum period of tenant absence from the unit that may be shorter than the maximum period permitted by PHA policy. In addition, a PHA does not terminate the owner's HAP contract because of tenant absence.
982.316	Live-in aide
Subpart I, 982.401	Housing Quality Standards apply except for lead-based paint requirements. There are different lead-based paint requirements for PBVs.
982.402	Subsidy standards except that a subsidy standard is not entered on the family's voucher. Also, provisions relating to maximum subsidy based on family size and family's ability to lease a larger or smaller unit than their voucher size do not apply.
982.405	HQS inspections, except that a PHA is not required to inspect each unit annually/biennially
Subpart J	All sections regarding housing assistance payments apply to PBVs.
982.503	Voucher tenancy: payment standards Determination of the payment standard amount and schedule for a fair market rent (FMR) area or for a designated part of an FMR area apply, except for exception rents as a reasonable accommodation.
982.516	Family income and composition; regular and interim examinations
982.517	Utility allowances
Subpart M 982.602 to 982.605	Single room occupancy, except for section 982.603, regarding a separate lease and HAP contract for each person

Copyright © 2026 by Nan McKay & Associates

Tenant-Based 24 CFR Rules that Apply to PBVs	Topic
982.606 to 982.609	Congregate housing, except for section 982.607 regarding a separate lease and HAP contract
982.610 to 982.614	Group homes, except for section 982.613(c)(2) regarding proration of the payment standard for rent determination purposes
982.619	Cooperative housing, except that the housing assistance payment is determined differently

TENANT-BASED RULES THAT DO NOT APPLY TO THE PBV PROGRAM

Many tenant-based rules do not apply to the project-based voucher program. We've listed them in the following chart:

Inapplicable 24 CFR Tenant-Based Rules	PBV Rule 24 CFR Citations	Topic
Part 982 provisions on voucher issuance or use; portability; shared housing, manufactured home rental space, and homeownership	983.2(b)	Types of 24 CFR part 982 provisions that do not apply to PBV
982.202 (b)(2)	983.2(c)(1)	Prohibition against admission based on where a family will live Unlike the tenant-based program, admission to the program is based on where the family will live with assistance under the program.
982.204(d) 982 subpart E, with the exception of 982.310, 982.312, and 982.316	983.2(c)(1)	Prohibition against admission based on family size Family size is a consideration in admission. The family must meet the occupancy standards for the available units.
982.302	983.2(b)(1)	Voucher issuance and request for tenancy approval PHAs do not issue vouchers to families for project-based units. Request for tenancy approval is not required.

Copyright © 2026 by Nan McKay & Associates

Inapplicable 24 CFR Tenant-Based Rules	PBV Rule 24 CFR Citations	Topic
982.310(a)(3)(d)(iii)-(iv)	983.257(a)	Good cause for eviction In the PBV program, “good cause” does not include a business or economic reason or desire to use the unit for an individual, family, or nonresidential rental purpose.
982.312	983.256(g)	Absence from the unit An owner's lease may establish a tenant's absence period that is shorter than the maximum period allowed by the PHA. The PHA does not terminate the HAP contract for tenant absence.
982 subpart H	N/A	Where a family can live and move The housing choice voucher regulations define where a tenant may locate suitable housing, lease, and move with the voucher, including portability. Therefore, the rules are not applicable to the PBV program where units are attached to specific units in specific properties.

Copyright © 2026 by Nan McKay & Associates

Inapplicable 24 CFR Tenant-Based Rules	PBV Rule 24 CFR Citations	Topic
982.352	983.54	Prohibition of assistance for units in subsidized housing PBV assistance is prohibited from being attached to units subsidized with: • Any other form of Section 8 assistance (tenant-based or project-based) • Any governmental rent subsidy (a subsidy that pays all or any part of the rent) • Any governmental subsidy that covers all or any part of the operating costs of the housing • Section 236 and Section 521 rural housing rental assistance payments (However, a PHA may attach assistance to Section 236 and Section 521 units with subsidized interest reduction payments) • Any form of tenant-based rental assistance (e.g., a unit subsidized with tenant-based rental assistance under the HOME program) However, units in properties that use HOME funds for acquisition and development activities are eligible for PBV assistance • Any other duplicative federal, state, or local housing subsidy, as determined by HUD or by the PHA. “Subsidy” does not include the housing component of a welfare payment; a social security payment; or a federal, state, or local tax concession. In addition, a PHA is prohibited from attaching project-based voucher subsidies to units that are in the following types of housing: • Public housing • Section 202 housing for non-elderly persons with disabilities or Section 202 supportive housing for the elderly • Section 811 project-based supportive housing for persons with disabilities • Section 101 rent supplement properties

Copyright © 2026 by Nan McKay & Associates

Inapplicable 24 CFR Tenant-Based Rules	PBV Rule 24 CFR Citations	Topic
982.355	983.2(b)(2)	Portability Project-based vouchers are not portable as they are attached to specific units within a property.
982.401(a)(4)(ii)	983.101(e)	Additional PHA quality and design requirements A PHA may elect to establish additional requirements for quality, architecture, or design of PBV housing. Such additional requirements must be included in the HAP contract.

Inapplicable 24 CFR Tenant-Based Rules	PBV Rule 24 CFR Citations	Topic
982.401(j)	983.101(c) 24 CFR part 35, subparts A, B, H, and R 40 CFR 745.227 Notice PIH 2017-13	Housing Quality Standards: Lead-based paint In the housing choice voucher program, PHAs are responsible for the visual assessments and any required environmental investigation. PHA inspectors or other trained staff may conduct these and the PHA must pay for them. In the project-based voucher program, the owner has the responsibility for conducting the assessment/investigation and must pay for them. The PHA may wish to collaborate with the owner on this process, such as agreeing with the owner to conduct the investigation. The owner must notify the HUD field office of the results of the investigation and then of the lead hazard control work within 10 business days of the deadline for each activity. In addition, an owner must incorporate ongoing lead-based paint maintenance activities into regular building operation. If deteriorated paint is found, the owner must stabilize the paint before occupancy of a vacant dwelling unit, or if the unit is occupied, within 30 or 90 days of the owner's obtaining the results of the visual assessment, depending on the number of units. The owner must ensure that assessment and abatement work are conducted by a certified firm and that clearance by a certified risk assessor is passed before re-occupancy occurs. The owner must also monitor and maintain any remaining LBP and hazard controls with annual visual assessments and a reevaluation with dust testing every two years by a certified risk assessor.

Copyright © 2026 by Nan McKay & Associates

Inapplicable 24 CFR Tenant-Based Rules	PBV Rule 24 CFR Citations	Topic
982.401(j) (continued)	983.101(c) 24 CFR part 35, subparts A, B, H, and R 40 CFR 745.227 Notice PIH 2017-13 (continued)	Further, the owner is responsible for notifying tenants of any lead hazard evaluations and reduction plans and for providing families with the lead hazard disclosure pamphlet, for notifying confirmed cases to the health department if notified of the case by a health care professional other than the health department, and for verifying the case when necessary. Nonetheless, PHAs must ensure that owners meet the lead-based paint poison prevention requirements of Part 35, Subpart H, Project-Based Assistance, 40 CFR 745.227, and the requirements specified in Notice PIH 2017-13. The specific actions that must be undertaken are dependent on the amount of federal subsidy. For assistance of more than $5,000 per housing unit, a risk assessment, interim controls, and clearance are required. For assistance up to $5,000 per unit, a visual assessment, paint stabilization, and clearance are required. Clearance levels are stipulated in 40 CFR 745.227(e)(8)(viii). At properties where the owner does not meet the requirements of the lead safe housing rules, the PHA must enforce the contract as provided under remedies for HQS violations. PHAs may refer to Notices PIH 2010-08 and 2017-13 for guidance on the Lead-Safe Housing Disclosure Rule and LBP requirements for the PBV program for more information. Other references for lead-based paint requirements are the Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and the lead-based paint final rule published in the *Federal Register* on January 13, 2017.

Inapplicable 24 CFR Tenant-Based Rules	PBV Rule 24 CFR Citations	Topic
982.402(a)(3), (c), and (d)	983.253(b)	Subsidy standards Subsidy standards are not used to determine maximum subsidy in PBV units. For the PBV program, families pay either 30% of their adjusted income, 10% of monthly income, or the minimum rent for their unit, whichever is greater, minus a utility allowance.
982.403	983.260	Terminating contract when unit is wrong size A PHA cannot terminate a HAP contract when a family occupies a unit of the wrong size or an accessible unit, when they do not need its features. Instead, the PHA must offer continued housing assistance as either tenant-based rental assistance under the voucher program or another form of continued assistance. Families must move out of the wrong-sized unit within specified time frames depending on what type of assistance was offered by the PHA. Failure to move out of the wrong-sized unit within those time frames requires the PHA to remove the unit from the PBV HAP contract.
982.405(a)	983.103(b), (c), and (d)	Initial and annual/biennial inspections There is no requirement for a request for tenancy approval. The utility assignments are established in the PBV HAP contract. Turnover inspections may be conducted at any time after the owner notifies a PHA that the unit is rent ready. For annual/biennial inspections, the PHA must conduct inspections based on a sample of 20% of units in each PBV building and is not required to inspect each unit.

Copyright © 2026 by Nan McKay & Associates

Inapplicable 24 CFR Tenant-Based Rules	PBV Rule 24 CFR Citations	Topic
982 part K with the exception of 982.503, 982.516, and 982.517	983 part G 983.353 5.628 to 5.634	Rent and housing assistance payment, payment standards, family share calculations, negotiating rent with the owner, adjustment of rent to the owner, reasonable rent, maximum initial rent, utility allowance schedule, and higher payment standard as a reasonable accommodation For PBVs: Payment standards and family share calculations are not used to determine the tenant rent. A family's initial monthly rent is either: The greater of the following minus a utility allowance: • 30% of their adjusted income, • 10% their monthly income, or • The PHA determined minimum rent (up to $50) OR The welfare rent if a family receives benefits in an "as paid" state. The owner and the family do not negotiate the rent. The rent reasonableness process is not on a unit-by-unit basis, but by contract unit size and type. PBVs must use the tenant-based utility allowance schedule. There is not a need for a higher payment standard as a reasonable accommodation. A higher payment standard does not affect the availability of PBV occupancy by a family or the amount a family pays for rent. Contract rent adjustments must align with the anniversary date of the HAP contract. They are not based on the lease effective date for each family. Requirements in 24 CFR 982.503 for HUD approval of exception payment standards above 120% apply.

Inapplicable 24 CFR Tenant-Based Rules	PBV Rule 24 CFR Citations	Topic
Parts of 982.601, 982.615- 618, 982.619, 982.622-624, and 982.625-641	983.2(b)(3), 983.9, 983.2(c)(7)(ii)	Special housing types Shared housing, manufactured home space rental, and the homeownership option are ineligible housing types.
982.603	983 subpart E	SRO: Lease and HAP contract There is no separate HAP contract for each PBV lease.
982.607	983 subpart E	Congregate housing: Lease and HAP contract There is no separate HAP contract for each PBV lease.
982.611	983 subpart E	Group home: Lease and HAP contract There is no separate HAP contract for each PBV lease.
982.613(c)(2)	983 subpart E	Group home: Rent and voucher housing assistance payment Family rent is not calculated using the payment standard.

Copyright © 2026 by Nan McKay & Associates

Section 3 Differences Between Standard PBV and RAD PBV

AUTHORIZED UNITS CAP

24 CFR 983.6

Standard PBV: A PHA may allocate up to 20 percent of its housing choice voucher (HCV) program authorized units for the standard PBV program. The PHA may project-base an additional 10 percent of its units above the 20 percent program limit, if the units:

- Are specifically made available to house individuals and families that meet the definition of homeless under section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302).
- Are specifically made available to house families that are comprised of or include a veteran.
  - Veteran means an individual who has served in the United States Armed Forces.
- Provide supportive housing to persons with disabilities or elderly persons as defined in 24 CFR 5.403.
- Are located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year Estimates.
  - The cap is the greater of 25 units or 40 percent of the units in the project.

Notice PIH 2019-23

RAD PBV: There is no cap. Conversion units and their associated authorized units are exempt from the authorized units cap.

CAP ON THE NUMBER OF ASSISTED UNITS

24 CFR 983.5(b); 983.56(b)(2)(ii)(B); FR Notices 1/18/17 and 7/14/17 Notice PIH 2017-21

Standard PBV: PBV assistance may not be provided in more than the greater of 25 units or 25 percent of units in a project, unless certain exceptions (outlined below) are met.

- Note that for HAP contacts executed prior to 4/18/17, the cap is 25 percent.

RAD PBV:

- There is no cap for projects under the January 16, 2025, Supplemental Notice 4C.

- REV-2: The limitation on the number of PBV units in a project for projects under Notice PIH 2012-32, REV-2 (those that close on or after 1/19/17) is 50 percent, unless certain exceptions are met.

For projects governed by PIH 2012-32, REV-2, the definition of *excepted unit* differs depending on when the HAP contract was executed. Contracts executed prior to 4/18/17 follow "old" statutory PBV requirements for excepted units. Projects where the HAP contract was executed on or after 4/18/17 follow the new requirements that were implemented as a result of the Housing Opportunity Through Modernization Act (HOTMA).

Under the "old" statutory regulations, the project 50 percent cap did not apply to units for:

- Elderly and/or disabled families
- Families receiving supportive services
  - The family must have at least one member receiving at least one qualifying supportive service
  - The PHA may not require participation in medical or disability-related services other than drug and alcohol treatment

24 CFR 983.56(b)(2)(i)

Under the new HOTMA provisions, units that are not subject to the project cap include:

- Units that are exclusively for elderly families
- Units that are for households *eligible* for supportive services available to all families receiving PBV assistance in the project, although the family is not required to accept or receive such services
- Units where the project is located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year estimates
  - The cap is the greater of 25 units or 40 percent of the units in the project.
  - The project would continue to qualify for the length of the contract regardless of subsequent changes in the poverty rate for that census tract.

Notice PIH 2017-21

The PHA may not rely solely on a supportive service program that would require the family to engage in the services once enrolled, such as FSS, for the unit to qualify for the supportive services exception.

- In other words, if the PHA offers FSS in excepted units, some other type of supportive service option must also be offered.

Further, if a family chooses to participate in a supportive service and completes the objective, the unit continues to be eligible as long as the family lives there. However, if the family becomes ineligible for services for any reason other than successfully completing the supportive service objective, the unit will no longer be considered excepted.

- The family must be ineligible for all supportive services made available.
- For example, if a family signs up for FSS and later drops out, the unit would continue to be excepted if the family is eligible for any non-FSS supportive services.

Otherwise, the PHA may:

- Reduce the number of excepted units
- Substitute the unit for a non-excepted unit
- Temporarily remove the unit from the HAP contract and provide the family with a tenant-based voucher

In short, HOTMA eliminated the exception for disabled families and modified the supportive services component to make it optional. However, projects under the "old" regulations would continue to use the former exceptions to the cap, unless the PHA and owner mutually agree to change the HAP contract. The change can only be made if it would not jeopardize an assisted family's eligibility for continued assistance. For example, if excepted units in a project are for disabled individuals, removing the disabled unit designation would mean that those units are no longer eligible as excepted units unless the owner makes supportive services available to those residents.

Copyright © 2026 by Nan McKay & Associates

For projects that closed prior to January 19, 2017, the PHA may project-base up to 50 percent cap or may have decided to include excepted units in order to exceed the cap. These excepted units would fall under "old" rules. However, since the "new" HOTMA rules allow the PHA and owner to mutually agree to make changes, these projects may subsequently adopt the "new" rules.

SECTION 18 APPLICATIONS

Standard PBV: Not applicable in standard PBV.

Notice PIH 2019-23

RAD PBV: In some instances, PHAs may be able to combine RAD and Section 18 toward preservation of a project. Once HUD confirms that the PHA is eligible to combine RAD with Section 18, HUD will offer the PHA a streamlined process for getting HUD approval for the units eligible under Section 18.

Note: Demolition and disposition of public housing is authorized under Section 18 of the US Housing Act of 1937. PHAs interested in pursuing a Section 18 Application need to work closely with HUD's Special Application Center (SAC). PHAs generally need to provide sufficient justification for demolition or disposition of public housing property in order to receive approval under Section 18. PHAs may be able to receive Tenant Protection Vouchers (TPVs) for certain units that have been approved by HUD for removal. Detailed information on the requirements for requesting approval for demolition and disposition, including permissible justifications, can be found in Notice PIH 2021-07 and Notice PIH 2019-23. The notice also covers TPV eligibility for such actions.

Definitions of Existing, New Construction, and Rehabilitation Housing

24 CFR 983.52

Standard PBV: *Existing units* are defined as units that already exist and "substantially comply" with HQS on the proposal selection date. PHAs may use their discretion in placing a dollar limit on the amount of rehabilitation work per unit in order for a property to qualify as existing housing. HUD is considering revisions to the definition of *existing housing*.

Units for which rehabilitation or new construction began after the owner's proposal submission but prior to the execution of an Agreement to Enter into a Housing Assistance Payments Contract (AHAP) do not subsequently qualify as existing housing. The PBV contract for new construction and rehabilitation housing is used for all RAD public housing conversion. Additionally, units that were newly constructed or rehabilitated in violation of program requirements do not qualify as existing housing.

Newly constructed housing is defined as housing units that do not exist on the proposal selection date and are developed after the date of selection pursuant to an AHAP between the PHA and owner for use under the PBV program.

Rehabilitated housing is defined as housing units that exist on the proposal selection date, but do not substantially comply with HQS on that date, and are developed, pursuant to an AHAP between the PHA and owner, for use under the PBV program.

Notice PIH 2019-23

RAD PBV: The definitions for *proposal selection date*, *new construction, rehabilitation,* and *existing housing* are not applicable. An AHAP is not required. Instead, a RAD conversion commitment (RCC) between HUD and the PHA governs the construction work.

Effective Date of the HAP Contract

24 CFR 983.301 and Notice PIH 2012-32, REV-1

Standard PBV: For new construction and rehabilitation properties, the contract effective date must be after the first project stage or project is completed and inspected. For existing properties, the effective date must be after all PBV units meet HQS.

RADBlast! 7/11/16

RAD PBV: The HAP contract is executed after the financial closing for the property. Project owners may select the effective date of the HAP contract as the first day of either of the two months following the completed closing. For example, if the project closes on October 20, 2025, the HAP contract can be effective on either November 1, 2025 or December 1, 2025.

OWNERSHIP AND CONTROL

Standard PBV:

There are no restrictions on ownership structures. The owner may be a public entity, a nonprofit, or a private, for-profit investor that does not have a conflict of interest or is not debarred from doing business with HUD. A PHA may set local requirements for owners in its administrative plan.

RAD PBV:

REV-4: Except where permitted to facilitate the use of low-income housing tax credits, during both the initial term and renewal terms of the HAP contract, ownership must be by a public or nonprofit entity. HUD may also allow ownership of the project to be transferred to a tax credit entity controlled by a for-profit entity to facilitate the use of tax credits for the project, but only if HUD determines that the PHA or a nonprofit entity preserves an interest in the profit. The requirement for a public or nonprofit entity, or preservation of an interest by a PHA or nonprofit in a property owned by a tax credit entity controlled by a for-profit entity, is satisfied if a public or nonprofit entity (or entities), directly or through a wholly owned affiliate:

- Holds a fee simple interest in the property;
- Is the lessor under an Option to Enter into a Ground Lease Agreement with the property owner;
- Has the direct or indirect legal authority to direct the financial and legal interest of the property owner with respect to the RAD units;
- Owns 51 percent or more of the general partner interests in a limited partnership or 51 percent or more of the managing member interests in a limited liability company with all powers of a general partner or managing member, as applicable;

Copyright © 2026 by Nan McKay & Associates

- Owns a lesser percentage of the general partner or managing member interests and holds certain control rights as approved by HUD;
- Owns 51 percent or more of all ownership interests in a limited partnership or limited liability company and holds certain control rights as approved by HUD; or
- Demonstrates other ownership and control arrangements approved by HUD.

Control may be established through the terms of the project owner's governing documents or through a Control Agreement, provided that in either case amendment of the terms of control requires consent from HUD.

REV-3: For public housing conversions, ownership must be a public or non-profit entity (or entities), directly or through a wholly owned affiliate:

- Holds a fee simple interest in the real property of the Covered Project;
- Is the leaser under an Option to Enter into a Ground Lease Agreement with the Project Owner;
- Has the direct or indirect legal authority (via contract, partnership share or agreement of an equity partnership, voting rights, or otherwise) to direct the financial and legal interests of the Project Owner with respect to the RAD units;
- Owns 51 percent or more of the general partner interests in a limited partnership or 51 percent or more of the managing member interests in a limited liability company with all powers of a general partner or managing member, as applicable;
- Owns a lesser percentage of the general partner or managing member interests and holds certain control rights as approved by HUD;
- Owns 51 percent or more of all ownership interests in a limited partnership or limited liability company and holds certain control rights as approved by HUD; or
- Other ownership and control arrangements approved by HUD.

REV-2: During both the initial term and renewal terms of the HAP contract, 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; or
- A private entity, if the property has low-income tax credits. The PHA must maintain control under an Option to Enter into a Ground Lease Agreement.

INITIAL CONTRACT RENTS

24 CFR 983.301(b)

Standard PBV: Except for certain LIHTC units, the initial rents are set at the lower of:

- 110 percent of the fair market rent (FMR) or the PHA's exception payment standard approved by HUD minus any utility allowance
- The reasonable rent
- The owner's request

RAD PBV: As a guide, HUD provides estimated initial rents for each public housing project based on current funding. Current funding includes the prior year's public housing subsidy, including operating funds, capital funds, replacement housing funds, and tenant rent. These rents provide a benchmark for determining whether the converted public housing funding is sufficient to support the proposed conversion. Notwithstanding the current funding level, the initial rents are set at the lower of:

- 110 percent of the fair market rent (FMR) minus any utility allowance or the PHA's exception payment standard approved by HUD
- Reasonable rent in comparison to the unassisted housing market
- An amount determined by current funding
  - As adjusted through rent bundling or reconfiguration of units

PHAs are permitted to use available public housing funding, including operating reserves, capital funds, and Replacement Housing Factor (RHF) funds, and Demolition and Disposition Transitional Funding (DDTF), as a source of capital in the development budget to support conversion, whether for rehabilitation or new construction, as well as to increase initial contract rents. Eligible conversion-related uses for these funds include pre-development, development, or rehabilitation costs of the covered project, establishment of a capital replacement reserve or operating reserve, payment of Capital Fund Financing Program (CFFP), Operating Fund Financing Program (OFFP), or Energy Performance Contract (EPC) debt, and increase of the initial contract rent pursuant. In order to use such funds on a covered project, these funds must be identified in the financing plan and RCC.

RENT ADJUSTMENTS/REDUCTION BELOW INITIAL RENT

Standard PBV: PHAs may elect within the HAP contract to cap rent reductions due to rent reasonableness determinations at the initial rent to owner.

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

PROPERTY SELECTION

24 CFR 983.51

Standard PBV: A PHA must select a standard PBV proposal through a competitive process or may select a project through a noncompetitive process.

RAD PBV: HUD waives the owner proposal selection procedures at 24 CFR 983.51. HUD selects the RAD properties through a competitive selection process.

All PBV regulations related to proposal or project selection apply to RAD, except the PHA is not required to describe in the administrative plan the procedures for owner submission of proposals or selection of PBV units.

WAITING LIST

24 CFR 983.251(c)

Standard PBV: The PHA has several options for setting up the standard PBV waiting list. A PHA may:

- Use its housing choice voucher waiting list
- Establish a waiting list for the PHA's entire PBV program
- Establish waiting lists for each PBV property or building in a property
- Merge the PBV waiting list with that of another assisted housing program

Families on a PHA's tenant-based waiting list must be given the option of being on any project-based voucher waiting list.

Eligible in-place families must be placed on the PBV waiting list and given an "absolute preference" for continued occupancy at the project with project-based assistance.

RAD PBV: If a project-specific waiting list exists, it may be used after conversion. Otherwise, the PHA must establish waiting lists and provide families on the public housing community-wide list the opportunity to apply. Families on the community-wide list must be placed on the new RAD waiting list based on their original public housing application date and time.

- Provide applicants information on location, occupancy, number, and size of accessible units, amenities such as day care, security, transportation and training programs, and estimated waiting time for different unit sizes and types (e.g., regular, accessible, income-level restrictions).
- Do not violate any court order, settlement agreement, or be inconsistent with a HUD pending complaint.
- Affirmatively furthering fair housing.

Thereafter, the waiting list is managed under project-based voucher rules above.

Copyright © 2026 by Nan McKay & Associates

INCOME LIMITS

Standard PBV: The income limits are 50 percent of the area median income or 80 percent of the area median income as stipulated in a PHA's administrative plan.

RAD PBV: In-place families are not rescreened for income. For families who move in after the conversion, like in the standard PBV program, the income limit is 50 percent of AMI unless the PHA amends its administrative plan in order to admit families under the low-income limit of 80 percent of AMI.

INCOME TARGETING

Standard PBV: Families' admission to project-based units is subject to the overall HCV income targeting requirement. Under these provisions, at least 75 percent of the families admitted to the PHA's tenant-based voucher program must be below the greater of 30 percent of median income for the area or the federal poverty level. HUD regulations define such families as *extremely low-income families* at 24 CFR 5.603.

RAD PBV: The income targeting requirement does not apply to existing tenants at the time of conversion. Subsequent new admissions count in the PHA's calculation.

CONTRACT TERM

24 CFR 983.205

Standard PBV: A PHA may enter into a PBV HAP contract for an initial term of at least one year and up to 20 years. If the HAP contact's initial term is less than 20 years, a PHA may renew the initial term of the contract for a cumulative period not to exceed 20 years.

At any time during the contract term, the PHA may extend the HAP contract with an owner for a period appropriate to achieve long-term affordability or to expand housing opportunities, not to exceed a maximum of 20 years. Extensions are subject to availability of appropriated funds.

Copyright © 2026 by Nan McKay & Associates

RAD PBV: 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, for the prescribed number and mix of units, either on the site of the project subject to the expiring contract or, upon request of the project owner and subject to PHA and HUD approval, at another site through a future transfer of assistance. Contracts are 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 United States Housing Act of 1937, which permits a minimum term of one year, as well as 24 CFR 983.205(a), which governs the contract term.

CONTRACT RENT ADJUSTMENTS

Standard PBV: Rent adjustments are made on the contract anniversary date for all PBV units.

The PHA may elect not to reduce rents below the initial contract rent. However, if a PHA reduces the property rents below the initial rent level, the owner may terminate the contract.

RAD PBV: 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.

Copyright © 2026 by Nan McKay & Associates

TENANT RENT

24 CFR 983.353

Standard PBV: Families pay the greater of 30 percent of their adjusted monthly income, 10 percent of gross income, the welfare rent (where applicable), or the minimum rent towards rent and utilities.

Notice PIH 2019-23

RAD PBV: Once the contract rent is established, the standard PBV rent determination rules apply when calculating the family's share of the rent with one exception. If the amount the tenant would pay for rent and utilities would increase purely as a result of a RAD conversion by more than the greater of 10 percent or $25, the rent increase must be phased in over three or five years. PHAs must establish the length of the phase-in period in their administrative plan, must be in place at the time of conversion, and may not be modified after the conversion date. The PHA must communicate this policy in writing to affected tenants.

PRE-HAP INSPECTION

24 CFR 983.204

Standard PBV: All assisted units must be inspected for housing quality standards (HQS) compliance before the PHA enters into a HAP contract with an owner. Units in new construction and rehabilitation projects may enter into the HAP contract in stages.

RAD PBV: Under standard PBV regulations at 24 CFR 983.103(b), a PHA may not enter into a HAP contract until the PHA has determined all units comply with HQS. It is the responsibility of the contract administrator to perform this initial inspection (unless units are PHA-owned). In order to accommodate projects in which repairs are conducted, however, HUD has waived this requirement when units are undergoing rehabilitation. In this case, units must meet HQS by the date indicated in the RAD Conversion Commitment (RCC).

Copyright © 2026 by Nan McKay & Associates

Section 4 Public Housing Requirements and RAD PBV

Unlike in the standard PBV program, certain rules differ for the RAD PBV program since the units converted under RAD were originally public housing units.

FSS AND ROSS PROGRAMS

Public housing residents who are current FSS participants continue to be eligible for FSS after conversion. PHAs are allowed to use any remaining PH FSS funds to serve participants living in converted units.

Due to the program merger between PH FSS and HCV FSS that took place pursuant to the FY14 Appropriations Act (and was continued in the FY15 Appropriations Act), no special provisions are required to continue serving FSS participants that live in public housing units converting to PBV under RAD. However, PHAs should note that there are certain FSS requirements (e.g., escrow calculation and escrow forfeitures) that apply differently depending on whether the FSS participant is a participant under the HCV program or a public housing resident, and PHAs must follow such requirements accordingly.

All PHAs will be required to administer the FSS program in accordance with FSS regulations at 24 CFR Part 984, the participants' contracts of participation, and the alternative requirements established in the "Waivers and Alternative Requirements for the FSS Program" Federal Register notice, published on December 29, 2014, at 79 FR 78100. Further, upon conversion to PBV, already escrowed funds for FSS participants will be transferred into the HCV escrow account and be considered TBRA funds. Regardless of the program, forfeited escrow account funds must be used for the benefit of FSS participants, as specified at 24 CFR 984.305(f)(2).

Current ROSS-SC grantees will be able to finish out their current ROSS-SC grants once their housing is converted under RAD. PHAs may apply for their ROSS-SC grant to be renewed, subject to the requirements of the ROSS-SC NOFO. To implement this provision, HUD is using its RAD authority to waive and establish alternative requirements to the language in the Self-Sufficiency program account in the Appropriations Acts and to Section 34 of the Act that would limit ROSS-SC to serving only public housing units or residents.

Copyright © 2026 by Nan McKay & Associates

In addition, Covered Projects where the project previously received a ROSS-SC grant prior to conversion but was ineligible to renew the grant after conversion are eligible to apply for a ROSS-SC grant, subject to the requirements of the ROSS-SC NOFO. Authority for this provision is provided under the recent Appropriation Acts (see, for example, the FY2023 and FY2024 Appropriation Acts under the heading "Self-Sufficiency Programs") which allow a PHA to continue to serve (or restart service to) residents of a project with assistance converted from public housing to RAD PBV

All information on specific eligibility and application requirements will be described in forthcoming ROSS NOFOs. Upon completion of a ROSS-SC grant, PHAs should follow the normal closeout procedures outlined in the grant agreement. To facilitate the uniform treatment of residents and units at a Covered Project previously served by a ROSS-SC grant, any Legacy Non-RAD PBV units in a Covered Project that replace former public housing at the time of conversion must be subject to the terms of this provision

Resident Participation and Funding

Covered projects with converted PBV assistance have the right to establish and operate a resident organization to address issues related to their living environment and are eligible for resident participation funding. The public housing rules governing resident organizations at 24 CFR 964 do not apply. Funding for resident organizations is $25 per occupied unit per year for resident participation. These funds come from the property's operating budget, and $15 of these funds must be provided to legitimate resident organizations. These are defined as organizations that:

- Have been established by the residents of a covered project
- Meet regularly
- Operate democratically
- Are representative of all residents in the project
- Are completely independent of the project owner, management, and their representatives

Copyright © 2026 by Nan McKay & Associates

If a legitimate resident organization does not exist, the owner and residents should work together and may form a new resident organization.

RESIDENT PROCEDURAL RIGHTS

Additional termination notification and procedural rights requirements apply to public housing projects converted to RAD PBV and must be incorporated into both the administrative plan and the owner's lease. This provision applies to Legacy Non-RAD PBV units in the project as well. These will be discussed in detail in a later chapter.

Copyright © 2026 by Nan McKay & Associates

Section 5 Summary of Standard PBV, RAD, and Public Housing Differences

The RAD PBV program waives certain PBV rules. The chart on the following pages summarizes the RAD PBV similarities and differences from the standard PBV and public housing rules.

Topic	Standard PBV Rules	RAD Public Housing Conversions	Public Housing Citation	Standard PBV Citation	RAD Citation
AHAP	Must use	Not used	N/A	24 CFR Part 983 Subpart D	PIH 2019-23, Rev. 4: Section 1.6(D)(6)
Addition of New Contract Units	Units may be added within first three years of contract subject to cap on units	Units may not be added to the HAP contract, except units that have previously been removed	Units may not be added to the ACC	24 CFR 983.207(b)	RAD Quick Reference Guide for PBV, Section 2.5
Cap on PBV Units in a Project	Greater of 25 units or 25% of units in a project	No cap on the number of units in a project	No cap on public housing units in a project	24 CFR 983.56	PIH 2019-23, Rev. 4: Section 1.6(A), 2.2.5 (A)(2), and 3.5(A)
Choice-Mobility (Right to Move)	After 12 months of occupancy	PBV rules, except PHA may establish an annual cap on turnover vouchers	Assistance is project-based	24 CFR 983.261	PIH 2019-23, Rev. 4: Section 1.6(C)(5)
Contract Execution	After units inspected & meet HQS	After property financial closing, even if all units do not meet HQS	N/A	24 CFR Part 983 Subpart D	PIH 2019-23, Rev. 4: Section 1.13(A)(4), 2.3.4(E), 3.65, and 3.72
Contract Format	PBV HAP contracts: New Construction or Rehabilitation (HUD-52530A) or Existing Housing (HUD-52530B)	PBV HAP contract forms New Construction or Rehabilitation (HUD-52530A) RAD Rider (HUD-52623) RAD Use Agreement (HUD 52625)	No HAP contract	N/A	N/A
Contract Rents–Initial	Except for certain tax credit units, lowest of: (a) Reasonable rent; (b) Up to 110% of applicable FMR (or exception rent), minus utility allowance; or (c) Rent requested by the owner	The lower of: (a)Reasonable rent; or (B) 110% of the FMR (minus the utility allowance), unless an exception payment standard has been approved by the Secretary, or the alternate rent cap in a PHA's MTW Agreement; or (c)The amount determined by current funding as adjusted through rent bundling or reconfiguration of units in the property	No contract rents. Rents are income-based or flat.	24 CFR 983.205(a)	PIH 2019-23, Rev. 4: Section 1.6(B)(5), 2.2.5(B)(2), and 3.5(D)
Contract Rent Adjustments	Same as initial rents. PHA discretion to increase or decrease rents below initial contract rent amounts.	Lower of current rent increased by OCAF or reasonable rent. PHA must not decrease rent below initial contract rent (with a few exceptions)	No contract rents. Rents are income-based or flat.	24 CFR 983.301 and 983.302	PIH 2019-23, Rev. 4: Section1.6(B)(6), 2.2.5(B)(3), 2.3.3, and 3.5(D)
Initial Contract Term	Anywhere from 1 to 20 years	Minimum of 15 years, maximum of 20 years	N/A	24 CFR 983.205(a)	PIH 2019-23, Rev. 4: Section 1.4(B)(1), 2.2.5(B)(1), and 3.7.2
Contract Extension	Optional, 1-20 year term	Mandatory contract renewals of initial and renewal contracts	Contract continues indefinitely	24 CFR 983.205(b)	PIH 2012-32, Rev. 2: Section 1.4(A)(2)

Topic	Standard PBV Rules	RAD Public Housing Conversions	Public Housing Citation	Standard PBV Citation	RAD Citation
Contract Effective Date	Established in contract after terms of AHAP met or units inspected & meet HQS	First of the month following the closing date of the property, even if construction or rehabilitation has not been completed	N/A	Established on the HAP Contract	PIH 2019-23, Rev. 4: Section 3.4(D)(1-2), 3.5, and 3.6.5
Contract Units Eligible	Units that meet all PBV requirements, including proposal specifications and cap limitations	All public housing units	N/A	24 CFR 983.103(b)	PIH 2019-23, Rev. 4: Section 2.3.2(C) and 3.4(C)
Contract Amendments to Substitute, Subtract, or Add Units	Substitution: May substitute like unit with inspection and rent reasonableness determination Addition: Units may be added within first 3 years of contract subject to property not exceeding 25% PBV cap	Substitution: May substitute like unit Addition of units: Units must be removed from contract if family requires no subsidy for 180 days. Owners may only add back units that have been previously removed from HAP contract when tenant moves out. Owner may not add units that exceed the RAD commitment.	No additional public housing units after 10/1/99 with minor exceptions	24 CFR 983.207(b),	Quick Reference Guide 10/14, 2.5, page 8-9 Welcome Guide for New Awardees: RAD 1st Component –3/15
Contract Stages	Multiple stages of construction completion permitted	One stage only for public housing	N/A	PBV HAP contract for new construction/rehabilitation	N/A
Family Self-Sufficiency	PHA may withhold or terminate assistance if family does not complete FSS contract	Continuation of participation in HCV FSS program. PHA must establish a program, if one does not exist. Families may not be terminated if they do not complete FSS contract.		24 CFR 984.303(b)(5)(iii)	PIH 2019-23, Rev. 4 Section 1.5(H), 1.6(C)(5)
Floating Units	Units may be substituted by contract amendment	Units may be substituted by contract amendment Floating units permitted in mixed-finance developments	N/A	24 CFR 983.207(a)	PIH 2019-23, Rev. 4 Section 1.6(C)(11)
Income Targeting (existing tenants only)	75% of new admissions for HCV (including PBV) must be at or below 30% AMI	Does not apply to existing tenants. Subsequently, new admissions are counted in HCV income targeting calculation	40% of new admissions must be at or below 30% AMI	24 CFR 982.201(2)	PIH 2019-23, Rev. 4 Section 1.6(C)(1) ***and*** 2.2.5(C)(1) RAD FAQs 04/10/14
Applicant right to review	HCV process for informal review	Same as HCV/PBV	Informal hearing	***24 CFR 982.554***	Same

Topic	Standard PBV Rules	RAD Public Housing Conversions	Public Housing Citation	Standard PBV Citation	RAD Citation
Participant right to Hearing	HCV rules	• HCV rules • Plus evictions and any dispute about resident's rights, obligations, welfare, or status follow public housing requirements	Grievance procedure for terminations	24 CFR 982.555 24 CFR 982.555(b) is waived in part	PIH 2019-23, Rev. 4 Section 1.6(C)(7)(b), and 3.5
Inspections	Housing Quality Standards 20% of units in each project must be inspected	Same as PBV	National Standards for the Physical Inspection of Real Estate (NSPIRE)	24 CFR 983.101–983.103.	Same
Lease Renewals	Mandatory lease renewals unless cause exists	Mandatory lease renewals unless cause exists	Mandatory lease renewals unless cause exists	24 CFR 983.257(b)(3)	PIH 2019-23, Rev. 4 Section 1.6(C)(3) and 2.2.5(C)(3) RAD FAQs 10/17/2013
Lease Termination Notices	Owner must terminate the lease for good cause. Notice period in accordance with state and local law.	Same as public housing	• 30-day notice for nonpayment of rent • Reasonable period but not more than 30 days for activities that threaten others or for drug related or violent criminal activity and felony convictions • 30 days or period required by state or local law for other lease violations	24 CFR 983.257	PIH 2019-23, Rev. 4 Section 1.7(B)(6)
Mandatory Insurance Coverage	Flood Insurance required for new construction/rehab properties if in flood zone	Mandatory flood and liability insurance	Mandatory flood and liability insurance	N/A	PIH 2019-23, Rev. 4 Section 1.6(D)(5) and 2.2.5(D)(2)
Owner Proposal Selection Process	Owners must be selected through either: (a) A competitive process , or (b) A non-competitive process, if the property was selected in a governmental competition for affordable housing, community development, or supportive services program, within 3 years of the PHAs selection, and the prior selection did not consider PBVs	HUD selects PHAs through competitive process.	N/A	24 CFR 983.51	N/A

Topic	Standard PBV Rules	RAD Public Housing Conversions	Public Housing Citation	Standard PBV Citation	RAD Citation
Overhoused Existing Tenants	Families must be offered appropriate size unit at project, a comparable assisted unit or a voucher to move. Family must move within time frame established by PHA.	Overhoused families should be moved into appropriately sized units if such units are available in the new or rehabbed project. If appropriately sized units are not available, the existing tenants may continue to be over-housed until an appropriately sized unit becomes available or until the tenant leaves the project. Once the unit turns over, it must be leased to an appropriately sized family.	N/A	24 CFR 983.259(b)(1)(2) and (c).	RAD PBV Quick Reference Guide Section 5.4
Parties to Contract	PHA and Owner	PBV rules	HUD has an ACC with the PHA	N/A	N/A
Phase-In of Rent Increases for Existing Tenants	N/A	If at conversion, tenant rent increases more than 10% or $25, must be phased in over 3 years. PHA may extend to 5 years.	N/A	N/A	PIH 2019-23, Rev. 4 Section 1.6(C)(4)
Recertification Date	Recertification date established in accordance with admin plan	Families may retain recertification date Recertification date established in accordance with admin plan	Established in accordance with ACOP		RAD PBV Quick Reference Guide Section 3.10 RAD FAQs 4/14/14
Resident Organizations	N/A	PHA must budget $25 per occupied unit per year, $15 of which goes to legitimate resident organizations	PHA must budget $25 per occupied unit per year, $15 of which goes to resident organizations that meet criteria in 24 CFR 964	N/A	PIH 2019-23, Rev. 4 Section 1.6(C)(6)
Reduction of Contract Units	PHA may remove units that are vacant for 120 days or more	Units may not be removed without HUD approval	N/A	***24 CFR 983.255(b)***	RAD PBV Quick Reference Guide Section 2.5
Screening of Existing or In-Place Tenants	PHAs and owner cannot project-base units where existing tenants are over-income. PHA may screen in-place tenants.	No rescreening	N/A	24 CFR 982.201 waived for existing tenants	1.7(B)(1) 2.2.5(C)(1)
Security Deposit	The owner may collect a security deposit	Same as PBV, except for existing tenants, the security deposit paid at move-in transfers and no additional payments are required	At the option of the PHA. May be paid in installments	24 CFR 983.259	RAD FAQs 10/22/2012

Topic	Standard PBV Rules	RAD Public Housing Conversions	Public Housing Citation	Standard PBV Citation	RAD Citation
Utility Allowances	Applied at tenant recertification Must use HCV utility allowance schedule	Applied at tenant recertification Must use HCV utility allowance schedule Waiver may be requested for project-based utility allowance No excess utility charges	Applied at tenant recertification Public Housing site-based utility allowance schedules Families may be charged for excess utility usage	24 CFR 983.302 and 983.354(d)	Attachment 1C of PIH 2019-23, Rev. 4
Vacancy Payments	Optional HAP contract provision; up to monthly rent to owner for up to 2 months if requirements are met	Same as PBV	PHA receives operating subsidy	24 CFR 983.352	Same
Tenant-Based Waiting List—Change of Position or Removal	Family must not be removed nor their position changed on the tenant-based waiting list if on PBV list or if offered or rejected unit.	Same as PBV	Family may be removed from other public housing site-based waiting lists when they move into a public housing unit but not from other waiting lists the PHA operates	24 CFR 983.251(e)(3)(i) and (e)(3)(iv)	Same

Section 6 Chapter 4 Post-Test

1. The PHA must include resident procedural rights for termination notifications and grievance procedures in both the administrative plan and the owner's lease in RAD PBV.
   a. True
   b. False

2. At the time of conversion, the PHA must issue a voucher to all public housing families living in units converted to PBV under RAD.
   a. True
   b. False

3. In RAD PBV, rent adjustments may be made at any time as long as the rent remains reasonable.
   a. True
   b. False

4. Unlike in the HCV program, the initial term of the lease agreement is not tied to the HAP contract.
   a. True
   b. False

5. RAD PBV follows some of the same rules as the standard PBV program and the Housing Choice Voucher program.
   a. True
   b. False

6. Project-based vouchers are not portable as they are attached to specific units within a property.
   a. True
   b. False

7. The PHA is capped at 20 percent of its HCV authorized units for both the standard PBV program and the RAD PBV program.
   a. True
   b. False

Copyright © 2026 by Nan McKay & Associates

8. For in-place residents, the lease effective date must always be the same as the family's annual recertification date.
   a. True
   b. False

9. Income eligibility determinations for new admissions to the PHA's RAD PBV program are conducted using the same income limits as for the PHA's HCV and standard PBV programs.
   a. True
   b. False

10. In-place families at the time of conversion count toward the PHA's income targeting requirements for the HCV program in the year units convert under RAD.
    a. True
    b. False

11. The administrative plan defines the PHA's discretionary policies and procedures related to the RAD PBV program.
    a. True
    b. False

12. If resident organizations did not exist prior to conversion, after conversion residents do not have the right to establish them.
    a. True
    b. False

13. HUD provides estimated initial rents for each public housing project converting to RAD PBV based on current funding.
    a. True
    b. False

Copyright © 2026 by Nan McKay & Associates

14. If the amount the tenant would pay for rent and utilities would increase purely as a result of a RAD conversion by more than the greater of 10 percent or $25, the rent increase must be phased in over three or five years.
    a. True
    b. False

15. In the RAD PBV program, 100 percent of the units in a property may be PBV.
    a. True
    b. False

CHAPTER 5 Project-Based Voucher RAD Contracts

Section 1 Learning Outcomes and Overview

LEARNING OUTCOMES

Upon completion of this chapter, you should be able to:

- Describe the purpose of the Commitment to Enter into a Housing Assistance Payments Contract (CHAP)
- Describe and explain Part I and Part II of the PBV HAP contract
- Understand the use agreement and riders required for RAD PBV HAP contracts
- Discuss why contract exhibits are essential elements of HAP contracts
- State when and how to amend HAP contracts

OVERVIEW

In August 2022, HUD published a new "Rental Assistance Demonstration (RAD) for the Conversion of Public Housing to the Section 8 Project-Based Voucher (PBV) Program" HAP contract (form HUD-52621A and HUD-52621B). This new form is to be used for all transactions which have HUD documents signed on or after November 1, 2021, regardless of when the draft closing package was submitted.

Copyright © 2026 by Nan McKay & Associates

Previously, HUD published a RAD PBV HAP contract incorporating changes of the RAD Rider directly into the standard PBV HAP contract. This version must be used for any closing packages submitted on or after January 1, 2018. The form merges form HUD-52530A and HUD-52561. Conversions prior to this date use the standard PBV Housing Assistance Payments (HAP) Contract for New Construction or Rehabilitated Housing (form HUD-52530A-1 and HUD-52530A-2) and include the RAD Use Agreement and RAD Rider (form HUD-52621), which overrides certain provisions of the standard contract with RAD requirements and other riders. HAP contracts that were executed prior to the release of the combined HAP contract and RAD rider must include the language from the RAD rider in the HAP contract.

The HAP contract must be used word for word and must not be altered, unless the PHA has received authorization to do so under a moving to work (MTW) agreement.

The PBV HAP contract is different from tenant-based HAP contracts in that it covers multiple units a project and contains clauses specific to PBV program regulations. Unlike in the HCV program, there is not an individual HAP contract for each unit. Therefore, no request for tenancy approval (RFTA) form is required in PBV. Rather, a single HAP contract covers all RAD PBV units under contract in the project. The HAP contract lays out utility responsibilities between the owner and the tenant for all RAD PBV units in the development. The responsibilities may vary by unit types and sizes. Unlike in the HCV program, utility responsibilities do not change based on individual tenancy and may only be changed through a formal contract amendment. Further, official contract records are not required to be maintained in individual family files, but rather in a master contract file for each project. The PHA decides how much contract information to include in the family file.

The HAP contract must be executed on or before the effective date of any leases. Housing assistance payments may begin on the effective date of the HAP contract. The family lease terms are not required to correspond with the effective date of the HAP contract. However, the lease for a family receiving project-based assistance may not begin prior to the effective date of the executed HAP contract. The effective date of the family lease and the PBV tenancy addendum must be the same.

Copyright © 2026 by Nan McKay & Associates

Notice PIH 2019-23

In partially assisted projects, the project owner may request from the voucher agency that assistance float between comparable units in the project that have the same bedroom size and contract rent, although the project must maintain the same number and type of RAD units as at the time of the initial contract execution. Units that float are not specifically designated on the HAP contract. Instead, the HAP contract specifies the number and type of units in the property that are designated as RAD units.

PHAs should carefully proofread the contracts for accuracy and completeness. By doing so, your PHA will reduce the risk of audit findings and possible repayment of funds. One of the Office of Inspector General's major PBV program findings is that PHAs did not use or incorrectly completed required forms such as the HAP contract and tenancy addendum.

Copyright © 2026 by Nan McKay & Associates

Section 2 The Commitment to Enter into a Housing Assistance Payments Contract (CHAP)

The Commitment to Enter into a Housing Assistance Payments Contract (CHAP) is the written award letter provided to PHAs by HUD indicating that the project has been selected for conversion to RAD PBV. The CHAP sets milestones and describes the terms and conditions that must be met prior to execution of a HAP contract for the property. For multi-phase or portfolio awards, HUD will reserve RAD conversion authority for the phases or projects covered by the award. Important milestones must be met for submission of the applications for the remaining phases or projects. HUD may revoke the CHAP in the following instances:

- If the PHA or project becomes ineligible under the provisions of Notice PIH 2019-23
- If HUD has made a determination of financial infeasibility
- If the PHA cannot demonstrate to HUD's satisfaction that it is making adequate progress towards closing
- If the PHA has been non-cooperative
- If the PHA has violated program rules and restrictions, including fraud
- If the PHA fails to submit an approved significant amendment to HUD
- If HUD determines that the terms of the conversion are inconsistent with fair housing and civil rights laws, court order, settlement agreement, or VCA

A PHA must confirm acceptance of the CHAP by submitting an application into the Inventory Removals module in PIC, identifying the units that will be removed from the PHA's ACC when the project completes the conversion.

Copyright © 2026 by Nan McKay & Associates

FINANCING PLAN

Notice PIH 2019-23

The financing plan is due within nine months (270 days) of the CHAP award. The PHA may receive an extension from HUD upon reasonable justification.

RAD CONVERSION COMMITMENT (RCC)

Once HUD has accepted the PHA's financing plan, HUD will issue a RAD Conversion Commitment (RCC). The RCC identifies the key components of the RAD conversion and the conditions that must be satisfied in order to close the conversion.

Section 3 The Housing Assistance Payments (HAP) Contract, Part I

When the conditions of the CHAP and the RCC are met and the conversion has closed, the PHA executes the HAP contract.

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Rental Assistance Demonstration (RAD) for the Conversion of Public Housing to the Section 8 Project-Based Voucher (PBV) Program[1]

PART 1 OF HAP CONTRACT

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This collection of information is required to apply to the Rental Assistance Demonstration program as authorized by the Consolidated and Further Continuing Appropriations Act of 2012 and subsequent appropriations. Requirements for RAD were established in PIH 2012-32 and subsequent notices. The information will be used to enter into a contract for housing assistance payments and to dictate the terms under which such payments will be made. There are no assurances of confidentiality.

1. CONTRACT INFORMATION

a. Parties

This housing assistance payments (HAP) Contract is entered into between:

_____ (Contract Administrator) (CA)[2] and

_____ (owner).

b. Contents of contract

The HAP Contract consists of Part 1, Part 2, and the Contract exhibits listed in paragraph c.

c. Contract exhibits

The HAP Contract includes the following exhibits:

EXHIBIT A: TOTAL NUMBER OF UNITS IN PROJECT COVERED BY THIS HAP CONTRACT; INITIAL RENT TO OWNER; AND THE NUMBER AND DESCRIPTION OF THE CONTRACT UNITS. (See 24 CFR

[1] This form merges HUD 52530A and HUD 52621
[2] In Public Housing to PBV conversions, the Contract Administrator will be the Public Housing Agency that executes the HAP Contract with the Owner and administers the voucher funding under the Consolidated Annual Contributions Contract with HUD.

983.203 for required items.) If applicable as the result of Tenant-Paid Utility Savings in accordance with the provision of the RAD Notice governing such savings for Project Based Voucher Conversions (i.e., Attachment 1C of the RAD Notice), or successor provision, Exhibit A to this HAP Contract shall contain both the initial and revised rent to owner for each contract unit.

EXHIBIT B: SERVICES, MAINTENANCE AND EQUIPMENT TO BE PROVIDED BY THE OWNER WITHOUT CHARGES IN ADDITION TO RENT TO OWNER

EXHIBIT C: UTILITIES AVAILABLE IN THE CONTRACT UNITS, INCLUDING A LISTING OF UTILITIY SERVICES TO BE PAID BY THE OWNER (WITHOUT CHARGES IN ADDITION TO RENT TO OWNER) AND UTILITIES TO BE PAID BY THE TENANTS

EXHIBIT D: FEATURES PROVIDED TO COMPLY WITH PROGRAM ACCESSIBILITY FEATURES OF SECTION 504 OF THE REHABILITATION ACT OF 1973

EXHIBIT E: ADDENDUM TO THE HAP CONTRACT – LABOR STANDARDS

ADDITIONAL EXHIBITS

d. Term of the HAP Contract

1. Beginning of Term

The Contract begins on _____.

2. Length of initial term

a. Subject to paragraph 2.b, the initial term of the HAP Contract for any contract unit is_____.

b. The initial term of the HAP Contract for any unit may not be less than 15 years, and may be for a term of up to 20 years upon the request of the Owner and with the approval of the CA.

3. Contract Administrator's Obligation to Offer to Renew and Owner Obligation to Accept Offers to Renew

The CA and the Owner acknowledge and agree upon expiration of the initial term of the HAP Contract, and upon each renewal term of the HAP Contract, the CA shall offer to renew the HAP Contract and the Owner shall accept each offer to renew the HAP

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.

4. Funding of PBV HAP Contract

a. **Funding for the Year of Conversion.** In the Year of Conversion, the Owner shall be due payment up to the public housing amounts obligated prior to the effective date of the HAP Contract, and any additional public housing amounts that HUD obligates in full or in part, subject to the availability of sufficient appropriated funding, for the Year of Conversion. Owner acknowledges that this amount for the Year of Conversion may be less than the contract rent for subsequent years.[3]

b. **Funding for remainder of the initial term and any renewal term.** Starting in the First Full Year and in each subsequent year in which the HAP Contract is effective, for the remainder of the initial term and any renewal term, subject to the availability of sufficient appropriated funding (budget authority), as provided in appropriations acts and, in the CA's, Consolidated Annual Contributions Contract with HUD, the CA will make full payments of housing assistance payments due to an Owner for any contract year in accordance with the HAP Contract. The availability of sufficient funding must be determined by HUD or the CA in accordance with HUD requirements. If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP Contract, the CA has the right to terminate the HAP Contract by notice to the Owner for all or any of the Contract units. Such action by the CA shall be implemented in accordance with HUD requirements.

c. Occupancy and payment

1. Payment for occupied unit

During the term of the HAP Contract, the CA shall make housing assistance payments to the Owner for the months during which a contract unit is leased to and occupied by an eligible family. If an assisted family moves out of a Contract unit, the Owner may keep the housing assistance payment for the calendar month when the family moves out ("move-out month"). However, the Owner may not keep the payment if the CA determines that the vacancy is the Owner's fault.

2. Vacancy payment

THE PHA HAS DISCRETION WHETHER TO INCLUDE THE VACANCY PAYMENT PROVISION (PARAGRAPH f.2), OR TO STRIKE THIS PROVISION FROM THE HAP CONTRACT FORM.

[3] Note that new definitions of First Full Year, HUD requirements and Year of Conversion are added to Section 2 of Part 2 of the HAP Contract.

a. If an assisted family moves out of a Contract unit, the CA may provide vacancy payments to the Owner for a CA-determined vacancy period extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month.

b. The vacancy payment to the Owner for each month of the maximum two-month period will be determined by the CA and cannot exceed the monthly rent to Owner under the assisted lease, minus any portion of the rental payment received by the Owner (including amounts available from the tenant's security deposit). Any vacancy payment may only cover the period the unit remains vacant.

c. The CA may only make vacancy payments to the Owner if:

   1. The Owner gives the CA prompt, written notice certifying that the family has vacated the unit and the date when the family moved out (to the best of the Owner's knowledge and belief);

   2. The Owner certifies that the vacancy is not the fault of the Owner, and that the unit was vacant during the period for which payment is claimed;

   3. The Owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and

   4. The Owner provides any additional information required and requested by the CA to verify that the Owner is entitled to the vacancy payment.

d. The CA must take every reasonable action to minimize the likelihood and length of vacancy.

e. The Owner may refer families to the CA and recommend selection of such families from the CA waiting list for occupancy of vacant units.

f. The Owner must submit a request for vacancy payments in the form and manner required by the CA and must provide any information or substantiation required by the CA to determine the amount of any vacancy payments.

3. PHA is not responsible for family damage or debt to Owner.

Except as provided in this paragraph e (Occupancy and Payment), the CA will not make any other payment to the Owner under the HAP Contract. The CA will not make any payment to Owner for any damages to the unit, or for any other amounts owed by a family under the family's lease.

a. **Non-Applicability of Income Mixing Requirement.**

There is no cap on the number of units that may receive PBV assistance in a project.

EXECUTION OF HAP CONTRACT

CONTRACT ADMINISTRATOR (CA) *Name of CA (Print)*
By:
Signature of Authorized Representative
Name and official title (Print)
Date
OWNER *Name of Owner (Print)*
By:
Signature of Authorized Representative
Name and official title (Print)
Date

Learning Activity 5-1: RAD PBV HAP Contract, Part I

Section 1

1. List the five exhibits in Section 1 of the RAD PBV HAP contract and describe what information is included in each exhibit.

2. Does HUD allow any additional exhibits?

Section 4

3. Who decides whether to pay vacancy payments?

4. For how long may the PHA pay vacancy payments to the owner?

5. Is the CA responsible for any family-caused damages to the unit?

6. What is the maximum amount of a vacancy payment?

Section 4 PBV HAP Contract Part II

Part II of the HAP contract is Form HUD-52621B.

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Rental Assistance Demonstration (RAD) for the Conversion of Public Housing to the Section 8 Project-Based Voucher (PBV) Program

PART 2 OF HAP CONTRACT

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This collection of information is required to apply to the Rental Assistance Demonstration program as authorized by the Consolidated and Further Continuing Appropriations Act of 2012 and subsequent appropriations. Requirements for RAD were established in PIH 2012-32 and subsequent notices. The information will be used to enter into a contract for housing assistance payments and to dictate the terms under which such payments will be made. There are no assurances of confidentiality.

1. DEFINITIONS

Contract Administrator (CA). The Public Housing Agency that executes the HAP Contract with the Owner and administers the voucher funding under the Consolidated Annual Contributions Contract with HUD.

Contract units. The housing units covered by this HAP Contract. The contract units are described in Exhibit A.

Family. The persons approved by the CA to reside in a contract unit with assistance under the program.

First Full Year. The first full calendar year of the HAP Contract beginning the year after the calendar year of the effective date. To clarify, in cases in which a project converts in December and the effective date of the HAP Contract is January 1, the Year of Conversion is the calendar year starting on the effective date and the First Full Year begins the year following.

HAP Contract. This housing assistance payments contract between the CA and the owner. The contract consists of Part 1, Part 2, and the contract exhibits (listed in section 1.c of the HAP Contract).

Housing assistance payment. The monthly assistance payment by the CA for a contract unit, which includes: (1) a payment to the Owner for rent to the Owner under the family's lease minus the tenant rent; and (2) an additional payment to or on behalf of the family if the utility allowance exceeds total tenant payment.

Household. The family and any CA-approved live-in aide.

Housing quality standards (HQS). The HUD minimum quality standards for dwelling units occupied by families receiving project-based voucher program assistance.

HUD. U.S. Department of Housing and Urban Development.

HUD requirements. HUD requirements which apply to the project-based voucher program. HUD requirements are issued by HUD headquarters, as regulations, Federal Register notices or other binding program directives. HUD requirements include Notice H-2019-09 PIH 2019-23 (HA), "Rental Assistance Demonstration—Final Implementation, Revision 4," as revised or amended from time to time (or any successor document) (RAD Notice), and the RAD Civil Rights Notice, PIH 2016-17 (HA). Any references in this HAP Contract to specific sections of the RAD Notice include any successor provisions whether explicitly stated or not.

Owner. Any person or entity who has the legal right to lease or sublease a unit to a participant.

Premises. The building or complex in which a contract unit is located, including common areas or grounds.

Principal or interested party. This term includes a management agent and other persons or entities participating in project management, and the officers and principal members, shareholders, investors, and other parties having a substantial interest in the HAP Contract, or in any proceeds or benefits arising from the HAP Contract.

Program. The project-based voucher program (see authorization for project-based assistance at 42 U.S.C. 1437f(o)(13)).

PHA. Public Housing Agency. A public housing agency as defined in the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)).

Rent to Owner. The total monthly rent payable to the Owner under the lease for a contract unit. Rent to Owner includes payment for any housing services, maintenance and utilities to be provided by the Owner in accordance with the lease.

Tenant. The person or persons (other than a live-in aide) who executes the lease as a lessee of the dwelling unit.

Tenant rent. The portion of the rent to Owner payable by the family, as determined by the CA in accordance with HUD requirements. The CA is not responsible for paying any part of the tenant rent.

Year of Conversion. The time from the effective date of the HAP Contract through the end of that calendar year.

2. PURPOSE

a. This is a HAP Contract between the CA and the Owner.

b. The purpose of the HAP Contract is to provide housing assistance payments for eligible families who lease contract units that comply with the HUD HQS from the Owner.

c. The CA must make housing assistance payments to the Owner in accordance with the HAP Contract for contract units leased and occupied by eligible families during the HAP Contract term. HUD provides funds to the CA to make housing assistance payments to Owners for eligible families.

3. RENT TO OWNER; HOUSING ASSISTANCE PAYMENTS

a. Amount of initial rent to Owner

The initial rent to Owner for each contract unit is stated in Exhibit A, which is attached to and made a part of the HAP Contract. At the beginning of the HAP contract term, and until rent to Owner is adjusted in accordance with section 5 of the HAP Contract, the rent to Owner for each bedroom size (number of bedrooms) shall be the initial rent to Owner amount listed in Exhibit A.

b. HUD rent requirements

Notwithstanding any other provision of the HAP Contract, the rent to Owner may in no event exceed the amount authorized in accordance with HUD requirements. The CA has the right to reduce the rent to Owner, at any time, to correct any errors in establishing or adjusting the rent to Owner in accordance with HUD requirements. The CA may recover any overpayment from the Owner.

c. CA payment to Owner

1. Each month the CA must make a housing assistance payment to the Owner for a unit under lease to and occupied by an eligible family in accordance with the HAP Contract.

2. The monthly housing assistance payment to the Owner for a contract unit is equal to the amount by which the rent to Owner exceeds the tenant rent.

3. Payment of the tenant rent is the responsibility of the family. The CA is not responsible for paying any part of the tenant rent, or for paying any other claim by the Owner against a family. The CA is only responsible for making

housing assistance payments to the Owner on behalf of a family in accordance with the HAP Contract.

4. The Owner will be paid the housing assistance payment under the HAP Contract on or about the first day of the month for which payment is due, unless the Owner and the CA agree on a later date.

5. To receive housing assistance payments in accordance with the HAP contract, the Owner must comply with all the provisions of the HAP contract. Unless the Owner complies with all the provisions of the HAP Contract, the Owner does not have a right to receive housing assistance payments.

6. If the CA determines that the Owner is not entitled to the payment or any part of it, the CA, in addition to other remedies, may deduct the amount of the overpayment from any amounts due the Owner, including amounts due under any other housing assistance payments contract.

7. The Owner will notify the CA promptly of any change of circumstances that would affect the amount of the monthly housing assistance payment, and will return any payment that does not conform to the changed circumstances.

8. Notwithstanding anything else in this HAP Contract, in the Year of Conversion, any housing assistance payments shall equal amounts funded in accordance with Section 1.d.4.a (Funding for the Year of Conversion) of this HAP Contract.

d. Termination of assistance for family

The CA may terminate housing assistance for a family under the HAP Contract in accordance with HUD requirements. The CA must notify the Owner in writing of its decision to terminate housing assistance for the family in such case.

4. ADJUSTMENT OF RENT TO OWNER

a. PHA determination of adjusted rent

1. Subject to section 5.b. of the HAP Contract, at each anniversary date during the term of the HAP Contract, the CA will adjust the rent to Owner by applying HUD's operating cost adjustment factor (OCAF), subject to the availability of appropriations for each year of the HAP Contract term.

2. The adjustment of rent to Owner shall always be determined in accordance with all HUD requirements. The amount of the rent to Owner may be adjusted up or down, in the amount defined by the CA in accordance with HUD requirements. Notwithstanding any other provisions of the HAP Contract, the rent to Owner shall not be adjusted below the initial rent to Owner.

b. Reasonable rent

The rent to Owner for each contract unit may at no time exceed the reasonable rent charged for comparable units in the private unassisted market, as determined by the CA in accordance with 24 C.F.R. § 983.303. However, the rent to Owner shall not be reduced below the initial rent to Owner for dwelling units under the HAP Contract except in the following cases: (1) to correct errors in calculations in accordance with HUD requirements; (2) if additional housing assistance has been combined with PBV assistance after the execution of the HAP Contract and a rent decrease is required pursuant to 24 C.F.R. § 983.55; or (3) 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..

c. No special adjustments

The CA will not make any special adjustments of the rent to Owner.

d. Owner compliance with HAP contract

The CA shall not approve, and the Owner shall not receive, any increase of rent to Owner unless all contract units are in accordance with the HQS, and the Owner has complied with the terms of the assisted leases and the HAP Contract.

e. Notice of rent adjustment

Rent to Owner shall be adjusted by written notice by the CA to the Owner in accordance with this section. Such notice constitutes an amendment of the rents specified in Exhibit A.

5. OWNER RESPONSIBILITY

The Owner is responsible for:

a. Performing all management and rental functions for the contract units.

b. Maintaining the units in accordance with HQS.

c. Complying with equal opportunity requirements.

d. Enforcing tenant obligations under the lease.

e. Paying for utilities and housing services (unless paid by the family under the lease).

f. Collecting from the tenant:

1. Any security deposit;

2. The tenant rent; and

3. Any charge for unit damage by the family.

6. OWNER CERTIFICATION

The owner certifies that during the term of the HAP Contract:

a. All contract units meet HQS, or successor standard, or will meet HQS no later than the date of completion of the "Work" (including any environmental mitigation measures) as indicated in the RAD Conversion Commitment (RCC) which will be no later than _____, 20____.

b. The Owner is providing all the services, maintenance and utilities as agreed to under the HAP Contract and the leases with assisted families.

c. Each contract unit for which the Owner is receiving housing assistance payments is leased to an eligible family referred by the CA, and the lease is in accordance with the HAP Contract and HUD requirements.

d. To the best of the Owner's knowledge, the members of the family reside in each contract unit for which the Owner is receiving housing assistance payments, and the unit is the family's only residence.

e. The Owner (including a principal or other interested party) is not the parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit.

f. The amount of the housing assistance payment is the correct amount due under the HAP Contract.

g. The rent to Owner for each contract unit does not exceed rents charged by the Owner for other comparable unassisted units.

h. Except for the housing assistance payment and the tenant rent as provided under the HAP Contract, the Owner has not received and will not receive any payments or other consideration (from the family, the CA, HUD, or any other public or private source) for rental of the contract unit.

i. The family does not own, or have any interest in the contract unit. If the Owner is a cooperative, the family may be a member of the cooperative.

7. CONDITION OF UNITS

a. Owner maintenance and operation

The Owner must maintain and operate the contract units and premises to provide decent, safe and sanitary housing in accordance with the HQS, including performance of ordinary and extraordinary maintenance. The Owner must provide all the services, maintenance and utilities set forth in Exhibits B and C, and in the lease with each assisted family.

b. PHA inspections

1. The CA must inspect each Contract unit after rehabilitation is completed in accordance with the RCC.

2. Before providing assistance to a new family in a contract unit, the CA must inspect the unit. The CA may not provide assistance on behalf of the family until the unit fully complies with the HQS.

3. At least annually during the term of the HAP Contract, the CA 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 the HQS. Turnover inspections pursuant to paragraph 2 of this section are not counted towards meeting this annual inspection requirement.

4. If more than 20 percent of the annual sample of inspected contract units in a building fail the initial inspection, the CA must reinspect 100 percent of the contract units in the building.

5. The CA must inspect contract units whenever needed to determine that the contract units comply with the HQS and that the Owner is providing maintenance, utilities, and other services in accordance with the HAP Contract. The CA must take into account complaints and any other information that comes to its attention in scheduling inspections.

c. Violation of the housing quality standards

1. If the CA determines a contract unit is not in accordance with the HQS, the CA may exercise any of its remedies under the HAP Contract for all or any contract units. Such remedies include suspension or reduction of housing assistance payments, and, with HUD approval, termination of the HAP Contract.

2. The CA may exercise any such contractual remedy respecting a contract unit even if the family continues to occupy the unit.

3. The CA shall not make any housing assistance for a dwelling unit that fails to meet the HQS, unless the Owner corrects the defect within the period specified by the CA and the CA verifies the correction. If a defect is life threatening, the Owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any CA-approved extension).

d. Maintenance and replacement—owner's standard practice

Maintenance and replacement (including redecoration) must be in accordance with the standard practice for the building concerned as established by the Owner.

8. LEASING CONTRACT UNITS

a. Selection of tenants

1. During the term of the HAP Contract, the Owner must lease all Contract units to eligible families selected and referred by the CA from the CA's waiting list. The waiting list shall be established and maintained in accordance with HUD requirements, including the special PBV waiting list provisions in the RAD Notice (including Section 1.6.D.4 or successor provision).

2. 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 applicant's ability to perform the lease obligations.

3. Consistent with HUD requirements, the Owner may apply its own admission procedures in determining whether to admit a family referred by the CA for occupancy of a contract unit. The Owner may refer families to the CA, and recommend selection of such families from the CA waiting list for occupancy of vacant units.

4. The Owner must promptly notify in writing any rejected applicant of the grounds for rejection.

5. The CA must determine family eligibility in accordance with HUD requirements.

4. The contract unit leased to each family must be appropriate for the size of the family under the CA's subsidy standards.

5. If a contract unit was occupied by an eligible family at the time the unit was selected by the CA, or is so occupied on the effective date of the HAP Contract, the Owner must offer the family the opportunity to lease the same or another appropriately-sized contract unit with assistance under the HAP Contract.

6. The Owner is responsible for screening and selecting tenants from the families referred by the CA from its waiting list.

b. Vacancies

1. The Owner must promptly notify the CA of any vacancy in a contract unit. After receiving the Owner notice, the CA shall make every reasonable effort to refer a sufficient number of families for Owner to fill the vacancy.

2. The Owner must rent vacant contract units to eligible families on the CA waiting list referred by the CA.

3. The CA and the Owner must make reasonable good faith efforts to minimize the likelihood and length of any vacancy.

4. If any contract units have been vacant for a period of 120 or more days since Owner notice of vacancy (and notwithstanding the reasonable good faith efforts of the CA to fill such vacancies), the CA may give notice to the Owner amending the HAP Contract to reduce the number of contract units by subtracting the number of contract units (by number of bedrooms) that have been vacant for such period.

9. TENANCY

a. Lease

The lease between the Owner and each assisted family must be in accordance with HUD requirements. In all cases, the lease must include the HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

b. Termination of tenancy

1. The Owner may only terminate a tenancy in accordance with the lease and HUD requirements.

2. The Owner must give the CA a copy of any Owner eviction notice to the tenant at the same time that the Owner gives notice to the tenant. Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used to commence an eviction action under State or local law.

3. The Owner shall provide adequate written notice of termination of the lease, which shall be (A) a reasonable period of time, but not to exceed 30 days if the health or safety of other tenants, Owner 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; (B) Not less than 14 days in the case of nonpayment of rent; and (C) Not less than 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.

4. The Owner must renew all tenant leases upon expiration, unless good cause under 24 C.F.R. § 983.257(a) exists for non-renewal of a lease.

c. Family payment

1. The Tenant Rent will be determined by the CA in accordance with HUD requirements. The amount of the tenant rent is subject to change during the term of the HAP Contract. Any changes in the amount of the tenant rent will be effective on the date stated in a notice by the CA to the family and the Owner.

2. The amount of the tenant rent as determined by the CA is the maximum amount the Owner may charge the family for rent of a contract unit, including all housing services, maintenance and utilities to be provided by the Owner in accordance with the HAP Contract and the lease.

3. The Owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the CA. The Owner must immediately return any excess rent payment to the tenant.

4. The family is not responsible for payment of the portion of the contract rent covered by the housing assistance payment under the HAP Contract. The Owner may not terminate the tenancy of an assisted family for nonpayment of the CA housing assistance payment.

5. The CA is only responsible for making the housing assistance payments to the Owner on behalf of the family in accordance with the HAP Contract. The CA is not responsible for paying the tenant rent, or any other claim by the Owner.

d. Other Owner charges

1. Except as provided in paragraph 2, the Owner may not require the tenant or family members to pay charges for meals or supportive services. Nonpayment of such charges is not grounds for termination of tenancy.

2. In assisted living developments receiving project-based voucher assistance, Owners may charge tenants, family members, or both for meals or supportive services. These charges may not be included in the rent to Owner, nor may the value of meals and supportive services be included in the calculation of reasonable rent. Non-payment of such charges is grounds for termination of the lease by the Owner in an assisted living development.

3. The Owner may not charge the tenant or family members extra amounts for items customarily included in rent in the locality or provided at no additional cost to the unsubsidized tenant in the premises.

e. Security deposit

1. The Owner may collect a security deposit from the family.

2. The Owner must comply with HUD and CA requirements, which may change from time to time, regarding security deposits from a tenant.

3. The CA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the Owner to unassisted families.

4. When the family moves out of the contract unit, the Owner, subject to State and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit or other amounts which the family owes under the lease. The Owner must give the family a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the Owner, the Owner must promptly refund the full amount of the balance to the family.

5. If the security deposit is not sufficient to cover amounts the family owes under the lease, the Owner may seek to collect the balance from the family. However, the CA has no liability or responsibility for payment of any amount owed by the family to the Owner.

10. FAMILY RIGHT TO MOVE

a. The family may terminate its lease at any time after the first year of occupancy. The family must give the Owner advance written notice of intent to vacate (with a copy to the CA) in accordance with the lease. If the family has elected to terminate the lease in this manner, the CA must offer the family the opportunity for tenant-based rental assistance in accordance with HUD requirements.

b. Before providing notice to terminate the lease under paragraph a, the family must first contact the CA to request tenant-based rental assistance if the family wishes to move with continued assistance. If tenant-based rental assistance is not immediately

available upon lease termination, the CA shall give the family priority to receive the next available opportunity for tenant-based rental assistance.

11. OVERCROWDED, UNDER-OCCUPIED, AND ACCESSIBLE UNITS

The CA subsidy standards determine the appropriate unit size for the family size and composition. The CA and Owner must comply with the requirements in 24 CFR 983.260.

12. PROHIBITION OF DISCRIMINATION

a. The Owner may not refuse to lease contract units to, or otherwise discriminate against any person or family in leasing of a contract unit, because of race, color, religion, sex, national origin, disability, age or familial status.

b. The Owner must comply with the following requirements: The Fair Housing Act (42 U.S.C. 3601–19) and implementing regulations at 24 CFR part 100 *et seq.* ; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959– 1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.* ; 28 CFR part 35; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964– 1965 Comp., p. 339; 3 CFR, 1966–1970 Comp., p. 684; 3 CFR, 1966–1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971–1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise).

c. The CA and the Owner must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

13. PHA DEFAULT AND HUD REMEDIES

If HUD determines that the CA has failed to comply with the HAP Contract, or has failed to take appropriate action to HUD's satisfaction or as directed by HUD, for enforcement of the CA's rights under the HAP Contract, HUD may assume the CA's rights and obligations under the HAP Contract, and may perform the obligations and enforce the rights of the CA under the HAP Contract.

14. OWNER DEFAULT AND PHA REMEDIES

a. Owner default

Any of the following is a default by the Owner under the HAP Contract:

1. The Owner has failed to comply with any obligation under the HAP Contract, including the Owner's obligations to maintain all contract units in accordance with the housing quality standards, or under the RCC.

2. The Owner has violated any obligation under any other housing assistance payments contract under Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

3. The Owner has committed any fraud or made any false statement to the CA or HUD in connection with the HAP Contract.

4. The Owner has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing assistance program.

5. If the property where the contract units are located is subject to a lien or security interest securing a HUD loan or a mortgage insured by HUD and:

   A. The Owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement; or

   B. The Owner has committed fraud, bribery or any other corrupt or criminal act in connection with the HUD loan or HUD-insured mortgage.

6. If the property where the contract units are located is subject to the lien of a use restriction or covenant for the benefit of HUD, and the Owner has failed to comply with the requirements of such use restriction or covenant.

7. The Owner has engaged in any drug-related criminal activity or any violent criminal activity.

b. **CA remedies**

1. If the CA determines that a breach has occurred, the CA may exercise any of its rights or remedies under the HAP Contract.

2. The CA must notify the Owner in writing of such determination. The notice by the CA to the Owner may require the Owner to take corrective action (as verified by the CA) by a time prescribed in the notice.

3. The CA's rights and remedies under the HAP Contract include the ability to take any of the following actions:

   A. Suspend any distributions of cash to the Owner;

   B. Require a substitution of the management agent;

   C. Recover any overpayments;

   D. Reduce or suspend the housing assistance payments;

   E. Take possession of the project, bring any action necessary to enforce any rights of the Owner growing out of the project operation, and operate the project in accordance with the terms of this HAP Contract until such time as the CA determines that the Owner is again in a position to operate the project in accordance with this HAP Contract. If the CA takes possession, housing assistance payments shall continue in accordance with the HAP Contract;

   F. Collect all rents and charges in connection with the operation of the project and use these funds to pay the necessary expenses of preserving the property and operating the project and to pay the Owner's obligations under the note and mortgage or other loan documents;

   G. Apply to any court, State or Federal, for specific performance of this HAP Contract, for an injunction against any violation of the HAP Contract, for the appointment of a receiver to take over and operate the project in accordance with the HAP Contract, or for such other relief as may be appropriate. These remedies are appropriate since the injury to the CA and/or HUD arising from a default under any of the terms of this HAP Contract could be irreparable and the amount of damage would be difficult to ascertain;

   H. Terminate the Owner's interest in the HAP Contract, including all of the Owner's rights and obligations therein, and transfer the HAP Contract to another "Owner," as defined in section 8(f)(1) of the Act, to ensure the continuation of rental assistance, as authorized under the

HAP Contract, provided however, that the CA shall provide the Owner a period of not less than thirty (30) days to cure any breach under this HAP Contract prior to exercising this remedy;

I. Take any other remedial action permitted at law or in equity; and

J. If the corrective actions listed above prove inadequate to achieve the Owner's compliance with this HAP Contract to the satisfaction of the CA, and only with explicit HUD approval in writing, the CA may terminate this HAP Contract, in whole or in part.

c. **CA remedy is not waived**
The CA's exercise or non-exercise of any remedy for Owner breach of the HAP Contract is not a waiver of the right to exercise that remedy or any other right or remedy at any time.

d. **HUD Rights.**
Notwithstanding any other provisions of this HAP Contract, in the event HUD determines that the Owner is in default of its obligations under the HAP Contract and the CA has failed to exercise its rights as set forth in the HAP contract, HUD shall have the right, only after notice to the Owner, the trustee, if any, and the CA giving them a reasonable opportunity to take corrective action, which shall not be less than sixty (60) days or such other longer timeframe as may be required by the circumstances, to proceed in accordance with paragraph (b) of this section. In the event HUD takes any action under this section, the Owner and the CA hereby expressly agree to recognize the rights of HUD to the same extent as if the action were taken by the CA. HUD shall not have the right to terminate the HAP Contract except by proceeding in accordance with paragraphs (a) and (b) of this section.

15. OWNER DUTY TO PROVIDE INFORMATION AND ACCESS REQUIRED BY HUD OR PHA

a. **Required information**

The Owner must prepare and furnish any information pertinent to the HAP Contract or the RCC as may reasonably be required from time to time by the CA or HUD. The Owner shall furnish such information in the form and manner required by the CA or HUD.

b. **PHA and HUD access to premises**

The Owner must permit the PHA or HUD or any of their authorized representatives to have access to the premises during normal business hours and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the Owner to the extent necessary to determine compliance with the HAP Contract,

reserve deposit requirements, or the RCC, including the verification of information pertinent to the housing assistance payments or the HAP Contract.

16. CA AND OWNER RELATION TO THIRD PARTIES

a. Injury because of Owner action or failure to act

The CA has no responsibility for or liability to any person injured as a result of the Owner's action or failure to act in connection with the implementation of the HAP Contract, or as a result of any other action or failure to act by the Owner.

b. Legal relationship

The Owner is not the agent of the CA. The HAP Contract does not create or affect any relationship between the CA and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with the implementation of the HAP Contract.

c. Exclusion of third party claims

Nothing in the HAP Contract shall be construed as creating any right of a family or other third party (other than HUD) to enforce any provision of the HAP Contract, or to assert any claim against HUD, the CA or the Owner under the HAP Contract.

d. Exclusion of Owner claims against HUD

Nothing in the HAP Contract shall be construed as creating any right of the Owner to assert any claim against HUD.

17. PHA-OWNED UNITS

Notwithstanding Section 17 of the HAP Contract, a CA may own units assisted under the PBV program, subject to the special requirements in 24 CFR 983.59 regarding PHA-owned units and all other HUD requirements governing PHA ownership of PBV units.

18. CONFLICT OF INTEREST

a. Interest of members, officers, or employees of CA, members of local governing body, or other public officials

1. No present or former member or officer of the CA (except tenant-commissioners), no employee of the CA who formulates policy or influences decisions with respect to the housing choice voucher program or project-based voucher program, and no public official or member of a governing body or State or local legislator who exercises functions or responsibilities with

respect to these programs, shall have any direct or indirect interest, during his or her tenure or for one year thereafter, or in the HAP Contract.

2. HUD may waive this provision for good cause.

b. Disclosure

The Owner has disclosed to the CA any interest that would be a violation of the HAP Contract. The Owner must fully and promptly update such disclosures.

c. Interest of member of or delegate to Congress

No member of or delegate to the Congress of the United States of America or resident-commissioner shall be admitted to any share or part of this HAP Contract or to any benefits arising from the contract.

19. EXCLUSION FROM FEDERAL PROGRAMS

a. Federal requirements

The Owner must comply with and is subject to requirements of 2 CFR part 2424.

b. Disclosure

The Owner certifies that:

1. The Owner has disclosed to the CA the identity of the Owner and any principal or interested party.

2. Neither the Owner nor any principal or interested party is listed on the U.S. General Services Administration list of parties excluded from Federal procurement and nonprocurement programs; and none of such parties are debarred, suspended, subject to a limited denial of participation or otherwise excluded under 2 CFR part 2424.

20. TRANSFER OF THE CONTRACT OR PROPERTY

a. When consent is required

1. The Owner and the CA agree that neither the HAP Contract nor the premises may be transferred without the written consent of CA and HUD.

2. "Transfer" includes:

   A. Any sale or assignment or other transfer of ownership, in any form, of the HAP Contract or the property;

B. The transfer of any right to receive housing assistance payments that may be payable pursuant to the HAP Contract;

C. The creation of a security interest in the HAP Contract or the property:

D. Foreclosure or other execution on a security interest;

E. A creditor's lien, or transfer in bankruptcy; or

F. Any refinancing or restructuring of permanent debt imposing liens on the property by the Owner of the project, except to such extent permitted pursuant to that certain Rental Assistance Demonstration Use Agreement entered into in connection with the premises.

3. Owner, CA and HUD hereby agree that:

A. CA and HUD hereby consent to any transfer of a passive or non-controlling interest in the Owner entity, including (by way of illustration and not of limitation, such transfers include transfers of the interests of limited partners in a limited partnership, transfers of the interests of members other than managing members or managers in a limited liability company, and transfers of interests in a corporation that cumulatively represent less than half the beneficial interest in the HAP Contract or the premises).

B. The Owner must obtain advance consent of CA and HUD for transfer of any interest of a general partner of a limited partnership or for the transfer, elimination or addition of a manager or managing member of a limited liability company. If such assignment is made in connection with any HUD-approved financing for the premises, including without limitation low-income housing tax credits, subject to the provisions of Section 37 of this HAP Contract, HUD and CA hereby consent to: an assignment by a general partner of a limited partnership Owner to a limited partner; and an assignment by the managing member of a limited liability company Owner to another member of Owner.

C. Limited CA and HUD consent to collateral assignments of the HAP Contract to lenders is provided in Section 36 of this HAP Contract.

b. Transferee assumption of HAP Contract

No transferee (including the holder of a security interest, the security holder's transferee or successor in interest, or the transferee upon exercise of a security interest) shall have any right to receive any payment of housing assistance payments pursuant to the HAP Contract, or to exercise any rights or remedies under the HAP Contract, unless the CA and HUD has consented in advance, in writing to such transfer, and the transferee has agreed in writing, in a form acceptable to the CA and

HUD in accordance with HUD requirements, to assume the obligations of the Owner under the HAP Contract, and to comply with all the terms of the HAP Contract.

c. Effect of consent to transfer

1. The creation or transfer of any security interest in the HAP Contract is limited to amounts payable under the HAP Contract in accordance with the terms of the HAP Contract.

2. The CA and HUD's consent to transfer of the HAP Contract or the property does not to change the terms of the HAP Contract in any way, and does not change the rights or obligations of the PHA or the Owner under the HAP Contract.

3. The CA and HUD's consent to transfer of the HAP Contract or the property to any transferee does not constitute consent to any further transfers of the HAP Contract or the property, including further transfers to any successors or assigns of an approved transferee.

d. When transfer is prohibited

The CA and HUD will not consent to the transfer if any transferee, or any principal or interested party is debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.

21. SUBSIDY LAYERING

a. Owner disclosure

The Owner must disclose to the PHA, in accordance with HUD requirements, information regarding any related assistance from the Federal Government, a State, or a unit of general local government, or any agency or instrumentality thereof, that is made available or is expected to be made available with respect to the contract units. Such related assistance includes, but is not limited to, any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.

b. Limit of payments

Housing assistance payments under the HAP Contract must not be more than is necessary, as determined in accordance with HUD requirements, to provide affordable housing after taking account of such related assistance. The CA will adjust

in accordance with HUD requirements the amount of the housing assistance payments to the Owner to compensate in whole or in part for such related assistance.

22. OWNER LOBBYING CERTIFICATIONS

a. The Owner certifies, to the best of Owner's knowledge and belief, that:

1. No Federally appropriated funds have been paid or will be paid, by or on behalf of the Owner, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of the HAP Contract, or the extension, continuation, renewal, amendment, or modification of the HAP Contract.

2. If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the HAP Contract, the Owner must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

b. This certification by the Owner is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352.

23. INTENTIONALLY OMITTED.

24. TERMINATION OF HAP CONTRACT FOR WRONGFUL SELECTION OF CONTRACT UNITS

The HAP Contract may be terminated upon at least 30 days' notice to the Owner by the CA with the approval of HUD or by HUD if the CA or HUD determines that the contract units were not eligible for selection in conformity with HUD requirements.

25. NOTICES AND OWNER CERTIFICATIONS

a. Where the Owner is required to give any notice to the CA pursuant to the HAP Contract or any other provision of law, such notice must be in writing and must be given in the form and manner required by the CA.

b. Any certification or warranty by the Owner pursuant to the HAP Contract shall be deemed a material representation of fact upon which reliance was placed when this transaction was made or entered into.

26. ENTIRE AGREEMENT; INTERPRETATION

a. The HAP Contract, including the exhibits, is the entire agreement between the CA and the Owner as related to the topics covered hereby.

b. The HAP Contract must be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including amendments or changes in HUD requirements during the term of the HAP Contract. The Owner agrees to comply with all such laws and HUD requirements.

27. RAD REHAB ASSISTANCE PAYMENTS

For any unit (1) that is vacant during the period of Work pursuant to the RCC; and (2) for which the Owner is not otherwise receiving housing assistance payments in accordance with section 4(c) of this HAP Contract; the Owner is entitled to receive a monthly RAD Rehab Assistance Payment calculated in accordance with the provision of the RAD Notice governing RAD Rehab Assistance Payments (i.e., Notice H 2019-09 PIH 2019-23 (HA), REV-4, section 1.6.B.9 or successor provision), in the amount of $__ per unit, as determined by HUD; shall apply to no more than _____ units in any given month; and shall commence upon the effective date of this HAP Contract, so long as the Owner is in compliance with the approved repair schedule as provided in the RCC. All RAD Rehab Assistance Payments shall end, and the Owner will cease to be entitled to any such payments, (1) on_____ ; or (2) upon actual completion of the Work, if sooner. Provided, however, during the Year of Conversion (as defined in Section 2), any RAD Rehab Assistance Payments shall not exceed amounts funded pursuant to Section 1.d.4(a).

28. CA BOARD APPROVAL

The CA's Board must approve the operating budget for the covered project annually in accordance with HUD requirements.

29. PROPERTY AND LIABILITY INSURANCE

The Owner agrees that the project shall be covered at all times by commercially available property and liability insurance to protect the project from financial loss. To the extent insurance proceeds permit, or as determined feasible by the first mortgage lender, the Owner agrees to promptly restore, reconstruct, and/or repair any damaged or destroyed property of a project, except with the written approval of HUD to the contrary.

30. RESIDENT PROCEDURAL RIGHTS' GRIEVANCE PROCESS

The Owner and the CA must comply with the grievance process requirements in the RAD Notice (including section 1.6.C.7.ii. or successor provision) for projects converting to PBV assistance.

31. RESIDENT PARTICIPATION AND FUNDING

In accordance with Attachment 1B.2.B. of the RAD Notice, captioned "PBV Resident Participation and Funding," families in projects that convert to PBV assistance have the right to establish and operate resident organizations for the purpose of addressing issues related to their living environment. The Attachment details all of the requirements governing Resident Participation and Funding, with which the Owner must comply.

32. FLOOD INSURANCE

If the project is located in an area that has been identified by the Federal Emergency Management Agency as an area having special flood hazards and if the sale of flood insurance has been made available under the National Flood Insurance Program, the Owner agrees that: (1) the project will be covered, during the life of the property, by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less; and (2) that it will advise any prospective purchaser or transferee of the property in writing of the continuing requirement to maintain such flood insurance during the life of the property.

33. REPLACEMENT RESERVE REQUIREMENT

a. The Owner shall establish and maintain a replacement reserve in accordance with the RCC.
b. The amount of the deposit to the replacement reserve will be adjusted each year at least by the amount of HUD's operating cost adjustment factor (OCAF) and may be increased by such additional amounts as required in connection with HUD-approved financing.

c. The reserve must be built up to and maintained as set forth in the RAD Conversion Commitment.

d. All earnings, including interest, on the reserve must be added to the reserve.

e. Upon HUD's request, the Owner must provide certifications to HUD related to the deposits, withdrawals, and balances of the replacement reserves

34. LABOR STANDARDS

By execution of this HAP Contract, the Owner warrants that construction or repair Work on the project that is initiated within eighteen (18) months of the effective date of the HAP Contract shall be in compliance with applicable labor standards, including Davis-Bacon wage requirements, as stated in the "Addendum to the HAP Contract—Labor Standards." The "Addendum to the HAP Contract—Labor Standards" shall be included as an "Additional Exhibit" under Section 1.c. of the HAP Contract.

35. LENDER PROVISIONS

Notwithstanding anything else in this HAP Contract:

a. The holder of any HUD-approved mortgage against the project may take action against the Owner and the project that results in the holder of the mortgage or its designee (either referred to herein as the "Lender Temporary Custodian") coming into ownership of the project or assuming the role of "Owner" under this HAP Contract. Transfer of the project or the HAP Contract from the Owner is grounds for termination of the HAP Contract assistance unless otherwise approved by HUD. HUD and CA hereby consent to a collateral assignment of this contract to any Lender Temporary Custodian and pre-approve any Lender Temporary Custodian as a temporary custodian of the project and as a new "Owner" pursuant to this HAP Contract, and continued assistance to the project pursuant to this HAP Contract, subject to the following conditions:

1. HUD and CA must receive thirty (30) days prior written notice of the transfer of the project to the Lender Temporary Custodian and the form of the documents necessary to effectuate such transfer.

2. In connection with the transfer, Lender Temporary Custodian must execute and deliver to HUD and CA an assumption on the HAP Contract, in such form as acceptable to HUD.

3. Such approval and consent to continue assistance pursuant to this HAP Contract is expressly limited to a period of only 90 days that commences the date of such transfer of the project, provided that HUD in its sole discretion may extend such 90-day period by an additional 30 days, or for so long as HUD deems reasonably necessary for Lender to find a permanent replacement Owner. Consistent with Public Law 112-55, in the event that the Lender Temporary Custodian comes into ownership of the project, the Lender Temporary Custodian shall use such interim period to identify a proposed permanent Owner determined by HUD to be capable of abiding by the HAP Contract, Use Agreement, and any and all applicable RAD program requirements. The provision of housing assistance payments to any proposed permanent replacement Owner is subject to HUD's consent.

4. Prior to a transfer of the project to a Lender Temporary Custodian, HUD may at any time by written notice to a Lender Temporary Custodian revoke the approvals given herein if HUD becomes aware of any conditions or circumstances (by way of illustration and not limitation, such conditions or circumstances may include debarment, suspension or limited denial of participation) that would disqualify or compromise the ability of Lender Temporary Custodian from acting as an interim custodian of the project pursuant to the HAP Contract.

b. The provisions of any form that HUD may execute on which HUD consents to the assignment of this HAP Contract as security for financing, including any of the HUD-drafted forms in use for such purpose, shall be subject to the conditions set forth in subparagraph (a) of this section.

c. Any cure of any default by Owner under the HAP Contract, Use Agreement or RCC offered by the holder of any HUD-approved mortgage shall be treated the same as if offered by Owner.

36. LOW-INCOME HOUSING TAX CREDIT PROVISIONS

Notwithstanding anything else in this HAP Contract:

a. **Notice.** As long as the equity investor identified below ("Equity Investor") is a partner or member of Owner, HUD shall endeavor as a courtesy to Equity Investor to deliver to Equity Investor a copy of any notice of default that is delivered to Owner under the terms of the HAP Contract. Use Agreement or RAD Conversion Commitment (RCC). Equity Investor's Address for such purposes is:

_____

_____

_____

_____

b. **Right to Cure.** Any cure of any default by Owner under the HAP Contract, Use Agreement or RCC offered by Equity Investor shall be treated the same as if offered by Owner.

c. **Transfer of Investor Members/Partners.** Equity Investor, and each successor member or partner in Owner, may transfer its interest in the Owner without prior written consent of HUD if:

1. HUD receives prior written notice of such transfer; and

2. HUD receives executed copies of any and all documents necessary to effect such transfer, including any and all amendments to Owner's organizational documents.

d. **Removal of General Partner/Managing Member**

1. HUD and CA have pre-approved the replacement of the Owner's general partner or managing member with an affiliate of Equity Investor, or any successor equity investor ("Interim Replacement GP/MM") as a temporary replacement general partner/managing member of the Owner, in the event Owner's general partner or managing member is removed for cause in accordance with Owner's organizational documents.

2. Interim Replacement GP/MM may remove Owner's general partner or managing member in accordance with the Owner's organizational documents without further written consent from HUD or CA and HUD and CA shall continue assistance to the project in accordance with the HAP Contract, provided that Interim Replacement GP/MM provide HUD and CA with prior written notice of such replacement and HUD and CA receive executed copies of any and all documents necessary to effect such replacement.

3. Such approval of such Interim Replacement GP/MM is expressly limited to a period of only 90 days that commences the date of such removal, provided that HUD in its sole discretion may extend such 90-day period by an additional 30 days, or for so long as HUD deems reasonably necessary to provide for a permanent replacement of the general partner or managing member. After such interim period, any proposed permanent replacement for the Owner's general partner or managing member is subject to HUD's consent.

4. HUD may at any time by written notice to Equity Investor or any successor revoke the approvals given herein if HUD becomes aware of any conditions or circumstances that would disqualify or compromise the ability of Interim Replacement GP/MM from acting as an interim general partner/managing member pursuant to this HAP Contract.

37. CONTINUATION OF HAP CONTRACT

Except where otherwise approved by HUD, this HAP Contract shall continue in effect and housing assistance payments will continue in accordance with the terms of the HAP Contract in the event: (1) Of assignment, sale, or other disposition of this HAP Contract; (2) Of foreclosure, including foreclosure by HUD; (3) Of assignment of the mortgage or deed in lieu of foreclosure; (4) HUD or the CA takes over possession, operation or ownership; or (5) The Owner prepays the mortgage.

38. ALTERNATIVE REQUIREMENTS

f. _____**Owner Proposal Selection Procedures**. Projects will be selected for assistance in accordance with the provisions in the RAD Notice. Therefore, 24 C.F.R. § 983.51 does not apply.

g. _____**Percentage Limitation.** Section 8(o)(13)(B) of the 1937 Act and 24 C.F.R. § 983.6 do not apply to assistance provided under RAD.

h. _____**Consistency with PHA Plan and Other Goals.** Section 8(o)(13)(ii) of the 1937 Act and 24 C.F.R. §§ 983.57(b)(1) and (c) do not apply.

[Signatures appear on the following page.]

Signature Page

Warning: The below signatories certify that the information provided on this form and in any accompanying documentation is true and accurate. The below signatories understand that any misrepresentations may be subject to civil and/or criminal penalties including, but not limited to, fine or imprisonment, or both under the provisions of Title 18, United States Code, Sections 1001 and 1010

As evidenced by the signature below of their authorized representative, the Owner and Contract Administrator hereby agree to the terms of this HAP Contract.

Owner

_____
[Print or type name of Owner]

By: _____
[Signature of authorized representative]

Name: _____
[Print or type name of signatory]

Title: _____
[Print or type title of signatory]

Date: _____

Contract Administrator

_____
[Print or type name of Contract Administrator]

By: _____
[Signature of authorized representative]

Name: _____
[Print or type name of signatory]

Title: _____
[Print or type title of signatory]

Date: _____

Learning Activity 5-2: RAD PBV HAP Contract, Part II

Section 4

1. In RAD PBV, when are rent adjustments done?

2. How are rents increased in RAD PBV?

3. Can the contract rent exceed reasonable rent? If so, in what cases?

4. Does an agency have to amend Exhibit A of the HAP contract when there is a rent adjustment?

Section 7

5. At what times are unit inspections required?

6. If a unit fails to meet HQS, what must be done before HAP may be paid again?

7. What are the correction timeframes for HQS defects?

Section 8

8. Who is responsible for adopting tenant selection procedures?

9. In a RAD PBV building, can an owner lease a unit to a family that is not referred by the PHA?

10. Who determines family eligibility, and who determines family suitability?

Section 9

11. If an owner is going to give the family notification of lease termination, what are the time frames that must be given?

Copyright © 2026 by Nan McKay & Associates

Section 10

12. If a family wishes to terminate the lease after the first year of occupancy, what must the family do?

13. What must the PHA offer the family after one year of occupancy?

Copyright © 2026 by Nan McKay & Associates

Section 5 HAP Contract Amendments

ADDITION AND SUBSTITUTION OF UNITS

FR Notice 1/18/17
Notice PIH 2017-21

Under standard PBV, the PHA and owner may amend the HAP contract to add additional PBV contract units in projects that already have a HAP contract without having to fulfill the selection requirements found at 24 CFR 983.51(b) for those additional PBV units, regardless of when the HAP contract was signed. The additional PBV units, however, are still subject to the PBV program cap and individual project caps.

Under RAD PBV, however, a PHA may not amend a RAD PBV HAP contract to add units above the number included in the initial contract. In a partially assisted project, however, the PHA may substitute units by amending the contract at any time. The units must pass HQS and be rent reasonable. Both the PHA and the owner execute the amendment to the contract. Units may float in mixed-finance developments.

CHANGES IN UTILITY RESPONSIBILITIES

24 CFR 983.256

The PHA and owner may amend the contract to change the allocation of utility responsibilities between the owner and families. The PHA must perform a rent reasonableness determination, adjust the contract rent accordingly, and establish an effective date of the change. The owner and the PHA must execute the contract amendment.

The PHA must also redetermine the tenant rent for each family affected by the change. The owner must modify the existing lease with such families. The PHA must also prepare a new PBV tenancy addendum to be executed by the owner and family.

ZERO HAP FAMILIES

- Requirements differ for zero HAP families depending on if the family was in-place prior to the conversion or moved in after the conversion.
- For pre-conversion residents, if their TTP equals or exceeds gross rent at the time of conversion, the unit must be placed on the RAD PBV HAP contract, and the family is admitted to the program. The resident is considered a program participant under the RAD PBV program and all the family obligations and protections under RAD and PBV apply to the resident.
- During any period when the family's TTP is equals or exceeds the gross rent, the family will pay the lower of:
  - The family's TTP less the utility allowance, subject to any required phase-in; or
  - The Zero-HAP Rent Cap, which is the lower of either:
    - 110% of the applicable FMR less the utility allowance; or
    - In the event the units are subject to more restrictive rent setting requirements under the LIHTC or HOME programs, or other programs approved by HUD on a project-specific basis, the rent to owner set to comply with such requirements.
- If the family's TTP falls below the gross rent, normal PBV requirements apply.

- After an in-place family has paid the Zero-HAP Rent Cap for 180 days, the PHA must remove the unit from the HAP contract and the family's participation in the PBV program ends.
  - Families paying less than their TTP because of the requirement to phase-in rents are not paying the Zero-HAP Rent Cap and are not subject to this 180-day requirement. However, if the family's TTP exceeds the gross rent, the family is a zero-HAP family and the phase in would end when the amount the family pays under the phase-in meets or exceeds the Zero-HAP Rent Cap. At that point in time the family would pay the Zero-HAP Rent Cap and would be subject to all zero-HAP family requirements of this section, including the 180-day requirement.
  - If the project is fully assisted and the family subsequently leaves the property, the PHA must reinstate the unit back onto the HAP contract and admit an eligible family. If the project is partially assisted and the family subsequently leaves the property, the unit must be reinstated back onto the HAP contract unless the PHA previously substituted a different unit on the HAP contract or, where "floating units" have been permitted.
  - If the family continues to reside in the project after the family's unit was removed from the HAP contract, the family may request to return to the PBV program if the family's income subsequently decreases to the extent that the family's TTP is less than the Zero-HAP Rent Cap and the family is otherwise eligible for PBV assistance. The PHA must, at the earliest opportunity, reinstate the family's unit back onto the HAP contract. If the project was partially assisted and the PHA previously substituted a different unit on the HAP contract, the PHA must substitute the family's unit for a vacant unit on the HAP contract if there is a vacant unit at the time of the request, or by doing so as soon as a unit on the HAP contract becomes vacant if there are no vacant units on the HAP contract at the time of the family request.

Copyright © 2026 by Nan McKay & Associates

- For **new admission families**, unless a PHA requests and receives the waiver, any new admission must meet eligibility requirements and require a subsidy payment at admission to the PBV program, which means the family's TTP may not equal or exceed the gross rent for the unit at that time.
- The PHA must remove a new admission family's unit from the PBV HAP Contract when no assistance has been paid for 180 days.
  - If the project is fully assisted and the family subsequently leaves the property, the PHA must reinstate the unit on the HAP Contract and admit an eligible family.
  - If the project is partially assisted, the PHA may substitute a different unit for the unit on the HAP Contract
- The PHA may request a waiver to allow new admission families to be admitted to the project when their TTP exceeds the gross rent. See Supplemental Notice 4B for more information.

REDUCING THE NUMBER OF CONTRACT UNITS

Project owners are required to make available for occupancy by eligible tenants the number of assisted units under the terms of the HAP contract. 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.

Section 6 Other HAP Contract Considerations

MANDATORY RENEWALS

Notice PIH 2019-23

Subject to the terms and conditions applicable at the time of renewal and the availability of appropriations each year, the HAP contract automatically renews upon expiration of the initial contract and for each renewal contract for the prescribed number and mix of units, either on the site of the project subject to the expiring contract or, upon request of the project owner and subject to PHA and HUD approval, at another site through a future transfer of assistance.

After the expiration of a 20-year initial term of the HAP contract, the HAP contract must be renewed on a form approved by HUD, which must include language that requires rents to be redetermined in accordance with 24 CFR 983.301 and 983.302. If the RAD PBV HAP contract was renewed or extended prior to the 20th year after conversion, then starting with the 20th year after execution of the original RAD PBV HAP contract, contract rents must be redetermined in accordance with 24 CFR 983.302 or successor regulation.

Regulations governing the regular PBV program do not apply to RAD PBV.

RIDERS AND AMENDMENTS

Various riders amend the PBV HAP contracts for RAD conversions. The riders are important components of the RAD HAP contracts, and just like the exhibits, must be attached to the contract.

Low-Income Housing Tax Credit (LIHTC) Rider

All public housing RAD conversion properties financed with LIHTC are required to include an LIHTC rider.

The LIHTC rider establishes that:

- Notices of default are to be provided to the equity investor, in addition to the owner. The equity investor may cure the default.
- HUD written consent is not required for changes in equity partners/investors if the owner provides HUD advance written notice and copies of all executed documents.
- HUD pre-approval is required for any changes in general or managing partners.
- In the event of removal of the general partner or managing member, the name of the HUD pre-approved interim general partner is limited to a period of 90-day timeframe that HUD may extend by 30 days. Following this interim period, any proposed permanent replacement for the owner's general partner or managing member is subject to HUD's consent.

Use Agreement

The use agreement specifies that the property is subject to long-term, renewable use and affordability restrictions. In other words, the property must remain as housing for low-income families and may not be used for any other purpose. Even if there is a breach of the HAP contract, the property may only serve families below 80 percent AMI and rents may not be higher than 30 percent of 80 percent AMI.

Attachments to the use agreement include a description of the property and the RAD Conversion Commitment.

HUD does not require the use agreement to be attached to the HAP contract; however, its provisions are to be taken in tandem with the HAP contract.

Section 7 Chapter 5 Post-Test

1. When does the PHA execute the RAD PBV HAP contract?
   a. When the conditions of the CHAP and the RCC are met and the conversion has closed
   b. After the financing plan has been approved
   c. 180 days after the issuance of the CHAP
   d. 30 days after the issuance of the RCC

2. The lease for a RAD PBV unit may begin prior to the start date of the HAP contract if authorized by the PHA.
   a. True
   b. False

3. HUD may revoke the CHAP for all of the following except:
   a. If HUD determines that the terms of the conversion are inconsistent with fair housing laws
   b. If HUD has made a determination of financial infeasibility
   c. If Congress has not yet appropriated HUD funding
   d. The PHA has been non-cooperative

4. The purpose of the RAD Conversion Commitment (RCC) is to:
   a. Act as the written award letter that HUD has selected the project for conversion under RAD
   b. Identify the key components of the RAD conversion
   c. Indicate HUD's acceptance of the financing plan
   d. Both b and c
   e. All of the above

5. Project owners may select the effective date of the HAP contract as the first day of either of the two months following the completed closing.
   a. True
   b. False

Copyright © 2026 by Nan McKay & Associates

6. Subject to the availability of appropriations each year, the RAD PBV HAP contract automatically renews upon expiration
   a. True
   b. False

7. The initial term of the RAD PBV HAP contract may not be for less than 15 years.
   a. True
   b. False

8. The PHA may not add any additional exhibits to the RAD PBV HAP contract.
   a. True
   b. False

9. The PHA has discretion whether or not to provide a vacancy payment to RAD PBV owners.
   a. True
   b. False

10. For new tenants moving into the RAD PBV unit an initial inspection is required.
    a. True
    b. False

11. Vacancy payments may be paid for a maximum of 180 days.
    a. True
    b. False

12. The PHA may reduce the number of contract units without HUD approval.
    a. True
    b. False

Copyright © 2026 by Nan McKay & Associates

13. When an in-place public housing family is zero HAP at the time of conversion, the unit remains under HAP contract, and the family may remain in the unit and pay the lesser of TTP-UA or Zero-HAP Rent Cap.
    a. True
    b. False

14. Like in the tenant-based voucher program, in the PBV program, the family is issued a voucher when they are pulled from the waiting list.
    a. True
    b. False

15. In the PBV program, the PHA must conduct inspections based on a sample of 20% of units under contract in each PBV building.
    a. True
    b. False

16. In RAD PBV, adequate written notice of lease termination for nonpayment of rent is 30 days.
    a. True
    b. False

Copyright © 2026 by Nan McKay & Associates

CHAPTER 6 Eligibility and the Waiting List

Section 1 Learning Outcomes and Overview

LEARNING OUTCOMES

Upon completion of this chapter, you should be able to:

- Explain the requirements for PBV waiting lists
- Identify special considerations for initially transitioning from public housing to PBV waiting lists
- Discuss how the PHA determines family eligibility
- Identify mandatory and discretionary PHA and owner screening criteria
- Understand the admission process
- Identify requirements for oral and written briefings
- Discuss unit offers

OVERVIEW

The PHA will have different considerations when initially establishing the waiting list for RAD PBV developments since families will be transitioning from a public housing list to the RAD PBV list. Once the waiting list is established, however, waiting list requirements are the same as under the standard PBV program. Further, while existing residents may not be re-screened for eligibility or suitability, any new admissions after the conversion are screened using the same criteria the PHA uses for the standard PBV/HCV program, unless the PHA has adopted alternative requirements in the admin plan.

Copyright © 2026 by Nan McKay & Associates

Section 2 Resident Right to Return

Notice PIH 2016-17; Notice PIH 2019-23

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 displacement of residents as a result of conversion. Anyone that is legally on the lease or lawfully occupying the unit at or after the time of submission of the conversion plan has the right to remain, or in the case of rehabilitation and temporary relocation, retains the right to return to the project once it has been completed. To facilitate the uniform treatment of residents and units at the project, any Legacy Non-RAD PBV units located in the same project are subject to the right to return as well.

Families may voluntarily opt for permanent relocation and relinquish their right to return. In connection with any offer and acceptance of alternative housing options, the PHA or Project Owner must ensure that resident's decisions are fully informed, voluntary, and well documented.

The relocation assistance provided varies depending on the length of time of relocation. Residents must be properly notified in advance. PHAs are required to have a written relocation plan if residents will be relocated for longer than 12 months.

On November 10, 2016, HUD published Notice PIH 2016-17 providing PHAs and project owners with guidance relating to planning and implementing public housing (First Component) RAD conversions in a manner consistent with the existing fair housing and other civil rights requirements. The notice explains RAD's front-end fair housing and other civil rights review requirements in greater detail than was provided in the RAD Notice and restates and revises RAD's relocation requirements. Additionally, the notice requires a PHA or project owner to develop a relocation plan if there will be temporary or permanent relocation. This notice supplements the RAD Notice and replaces and supersedes Notice PIH 2014-17.

HUD states that meeting front-end process and review requirements never constitutes compliance with applicable laws. The obligation to comply with applicable fair housing, other civil rights, and relocation laws remains with the PHA and project owner.

Copyright © 2026 by Nan McKay & Associates

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.

In addition, PHAs must undertake a planning process that complies with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, although not all relocations under RAD will trigger requirements under the URA. URA statute and implementing regulations may be found at 49 CFR Part 24.

Generally, resident relocation may not begin until the later of:

- The effective date of the RCC; or
- The expiration of the 30 or 90-day RAD Notice of Relocation period, as applicable.

Eligibility for URA relocation assistance is effective on the date of initiation of negotiations (ION). For RAD projects, the ION date is the effective date of the RCC. The ION date is also typically the date when the PHA can begin to issue RAD Notices of Relocation, with some exceptions. Any person who is in lawful occupancy on the ION date is presumed to be entitled to URA assistance. Some residents may be eligible for assistance prior to the ION date, if determined by HUD. Residents that move contrary to PHA or project owner GIN notices are generally not eligible for URA.

Once residents return to the property, they are not subject to any requirements of the newly created waiting list and are not re-screened for eligibility for PBV assistance. Existing residents will have an end of participation 50058 processed in PIC to terminate their public housing tenancy and are coded as a "special admission" to the HCV program in PIC in order to begin their PBV tenancy.

Notice PIH 2019-23

For any public housing resident with outstanding debt, PHAs may not enter the debt into the Earned Income Verification "Debts Owed" module as a result of the 50058 End of Participation (EOP).

Section 3 The Waiting List

ESTABLISHING THE INITIAL RAD PBV WAITING LIST

Notice PIH 2019-23

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. Any Legacy Non-RAD PBV units in the projects are subject to the same requirements as those converting under RAD.

The PHA may:

- Transfer an existing site-based waiting list to a new site-based waiting list.
- Transfer an existing site-based waiting list to a PBV program-wide or HCV program-wide waiting list.
- Transfer an existing community-wide public housing waiting list to a PBV program-wide or HCV program-wide waiting list, an option particularly relevant for PHAs converting their entire portfolio under RAD.
- Inform applicants on a community-wide public housing waiting list how to transfer their application to one or more newly created site-based waiting lists.

For any applicants on the public housing waiting list that are likely to be ineligible for admission to the converting project because their TTP is likely to exceed the RAD gross rent, the PHA must consider transferring the household to the PHA's remaining public housing waiting list(s) or to another voucher waiting list, in addition to transferring the household to the waiting list for the converted project.

To the extent any wait list relies on the date and time of application, applicants must have priority on the wait list(s) to which their application was transferred in accordance with the date and time of their application to the original waiting list.

24 CFR 903.7(b)(2)(ii)-(iv)

If the PBV waiting list will be site-based, the waiting list must be established in accordance with the regulations governing public housing site-based lists. The PHA must provide applicants full information about each development with a site-based waiting list, including an estimate of the wait time, location, occupancy, number and size of accessible units, amenities (e.g., day care), security, transportation, and training programs. The system for selection from site-based waiting lists must be consistent with all applicable civil rights and fair housing laws and regulations and may not be in conflict with any imposed or pending court order, settlement agreement, or complaint brought by HUD.

PH Site-Based ⇢ PBV Site-Based (New Neighborhood)

If the PHA is transferring assistance to another neighborhood and, as a result of the transfer of the waiting list, the applicant would only be eligible for a unit in a location which is materially different from the location to which the applicant applied, the PHA must notify applicants on the wait-list of the transfer of assistance, and on how they can apply for residency at other sites.

If using a site-based waiting list, applicants on the PHA's public housing community-wide waiting list must be offered placement on the Covered Project's initial waiting list.

The PHA must determine the most appropriate way to inform applicants on the system-wide public housing waiting list of the transition to the new PBV waiting list. This may include:

- Contacting every applicant on the public housing waiting list via direct mailing
- Advertising the availability of housing to the population that is least likely to apply, both minority and non-minority groups, through various forms of media (e.g., radio stations, posters, newspapers) within the marketing area
- Informing local non-profit entities and advocacy groups (e.g., disability rights groups)
- Conducting other outreach as appropriate

Copyright © 2026 by Nan McKay & Associates

Any activities to contact applicants on the public housing waiting list must be conducted in accordance with the requirements for effective communication with persons with disabilities.

WAITING LIST MANAGEMENT AFTER CONVERSION

24 CFR 983.251(c)

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 standard PBV program.

The PHA, not the owner, maintains the RAD PBV waiting list. Families selected for RAD PBV units must be selected by the PHA from the PHA waiting list in accordance with policies in the administrative plan. While the owner may refer families to the PHA if the waiting list is open, no priority or preference is given to owner referrals.

As a note of caution, it is easier to manage and administer a PBV waiting list that is separate from the tenant-based voucher waiting list. A PHA may wish to have separate lists because there are different preferences for occupancy at different properties, especially those providing supportive services. In addition, a PHA may place families referred by the owner on the PBV waiting list. The waiting list must be open to add families referred by the owner and no priority or preference is given to owner referrals.

Notice PIH 2019-23

For properties with low-income housing tax credits (LIHTCs), if HUD allows the ownership of the project to be transferred to a for-profit tax credit entity, the PHA must retain control over the leasing of the project and maintain and administer the waiting list.

A PHA must select families from the waiting list based on their preferences and rank, which may be by date and time or by a random selection process (e.g., lottery), housing types for which there are vacancies, and available bedroom sizes and types of units.

24 CFR 983.251(c)(7)

If the vacant unit has accessible features for persons with disabilities, the PHA must refer the first family on the waiting list who requires the features to the owner.

RAD Resource Desk FAQs 1/24/19

Once the waiting list is transferred, applications and preferences continue to operate in accordance with applicable regulations and locally adopted policies. As a result, new applicants following conversion may get housed ahead of applicants who were on the public housing site-based waiting list at the time of conversion if they qualify for a higher preference, even though they are entering the waiting list at a later date. There is no requirement to house all of the people who were on the public housing site-based waiting list at the time of conversion before housing anyone else.

PREFERENCES

24 CFR 983.251(c)(3); Notice PIH 2019-23

The PHA may establish reasonable, non-discriminatory selection criteria or preferences for occupancy of particular PBV units. The PHA must describe any preferences in the PHA plan or significant amendment to the PHA plan.

24 CFR 983.251(d)

A PHA may provide preferences on waiting lists to families that need the specific services provided in supportive housing. Such preferences include homeless, seniors, families needing supportive services related to specific disabilities, veterans, or families needing assisted living as defined in the property's HAP contract. However, a PHA may not establish a preference for a family based on a specific disability.

A PHA may keep a supportive housing waiting list open for families that meet particular preferences. City agencies or designated local social service agencies may refer families for placement on the waiting list in addition to owners, if the PHA's administrative plan permits it. For example, if no families on the waiting list meet the tenant screening and selection preference for a property (e.g., supportive housing for homeless veterans), the PHA may accept applications limited to homeless veterans and their families to ensure full occupancy of the units in the PBV properties.

A PHA must have a system for verifying that families meet a particular preference in the administrative plan. If the family does not meet the preference, the PHA may place the family back on the waiting list.

Generally, preferences make the waiting list management process more complex and difficult to administer. They may also make the selection process harder for families to understand. Therefore, it is advisable for PHAs to use preferences only where required by law or based on the local housing needs, the supportive services offered, and whether the housing is intended for particular populations (e.g., victims of domestic violence, homeless, disabled, elderly, etc.).

RAD Resource Desk FAQs 1/25/19

Unlike in public housing, PHAs cannot designate buildings as elderly buildings in the PBV program. For REV-2 projects that fall under pre-HOTMA requirements, the PHA could designate specific units for elderly occupancy. However, since excepted units are no longer used in REV-2 and REV-4 projects, and HOTMA eliminated excepted units for elderly families, PHAs can no longer designate units in such a manner. A PHA may, however, adopt a project-specific waiting list and an admission preference for elderly households.

APPLICATIONS

HCV Guidebook, Chapter 4; 24 CFR 983.254(a)(2)

While families must compete a written application, HUD does not dictate the format or content of the application. An initial or pre-application may be used, particularly in situations where the wait for assistance is long. The form HUD-92006 must be included with the application.

Notice PIH 2009-39

The PHA may not charge an application fee to families applying for RAD PBV. The regulations do not address owners charging application fees.

Section 4 Eligibility

EXISTING RESIDENTS

Notice PIH 2019-23

The PHA may not re-screen existing public housing tenants upon conversion. Current households are not subject to rescreening, income eligibility or income targeting. Current households are grandfathered in for conditions that occurred prior to conversion. They are, however, subject to any ongoing eligibility requirements for actions that occur after conversion.

Re-screening provisions apply to current in-place public housing residents that will reside in Legacy Non-RAD PBV units placed in a project that contains RAD PBV units. The families and contract units are otherwise subject to all requirements of 24 CFR 983 for Legacy Non-RAD PBV units. These protections (as well as all protections for current households) also apply when a household is relocated to facilitate new construction or repairs following conversion and subsequently returns.

When determining the eligibility of new admissions, the PBV program follows the same eligibility criteria as the HCV program.

INCOME LIMITS

Existing residents are not subject to income eligibility requirements. An over-income household at the time of conversion continues to be treated as an assisted unit. Once the family moves out of the unit, the unit must then be leased to an income eligible family. All new admissions after conversion must be income eligible.

24 CFR 5.603

In order to establish income eligibility for new admissions, the PHA compares a family's total household annual income to the applicable income limit. Income limits only apply to applicants. Once a family is admitted to the program, the family is no longer subject to income limits. HUD establishes three income limits:

24 CFR 982.201(a) and (b)

- **Extremely low-income limit**: The family's annual gross income does not exceed the higher of 30 percent of area median income or the federal poverty level for the family size.
- **Very low-income limit**: The family's annual gross income does not exceed 50 percent of the area median for the family size.
- **Low-income limit**: The family's annual gross income does not exceed 80 percent of area median.

Both the standard and RAD PBV programs use the same income limit as the HCV program. The PHA may set the income limit at 80 percent of median income in the PHA's administrative plan. If the PHA does not specify another limit, annual income must not exceed the very low-income limit (50 percent AMI) to qualify.

Because income limits are established by family size, a change in family composition while on the waiting list may affect the family's eligibility for admission. Applicants on the waiting list who have an increase in income above the applicable income limit may not be admitted. The PHA establishes policies in the administrative plan for how and when families must report changes in family composition while on the waiting list.

It is the responsibility of the PHA, not the owner, to ensure that applicants are income-eligible prior to admission.

In addition, if there are other types of funding within the property, there will most likely be income limit requirements for those programs, such as the low-income housing tax credit (LIHTC) program, bond, HOME, or other governmental programs. The LIHTC program does not recognize the same right to return requirement as RAD PBV. For units that undergo conversion under RAD and also receive an allocation of tax credits, while families will be eligible for RAD PBV, they must undergo an eligibility determination for the LIHTC program. Some families may not be eligible under tax credit requirements, and the PHA may not be able to claim tax credits on certain units because of this.

Copyright © 2026 by Nan McKay & Associates

INCOME TARGETING

24 CFR 5.603
24 CFR 982.201(b)(2)(i)

In each PHA fiscal year, at least 75 percent of a PHA's new admissions to the housing choice voucher program must have incomes that do not exceed the extremely low-income limit, with adjustments for smaller and larger families. Admissions to the standard and RAD PBV programs count against this targeting requirement. Families in-place at the time of conversion are exempt from the income targeting requirement.

SOCIAL SECURITY NUMBERS

24 CFR 5.216(g)

All applicants and residents must disclose a complete and accurate SSN for each member of the household, including foster children, foster adults, and live-in aides. Some household members are exempt from the SSN disclosure requirement. These include:

Notice PIH 2011-02 and Notice PIH 2018-24

- Individuals who do not contend eligible immigration status ("noncontending" family members in a mixed family paying prorated rent).
- Current residents who had not previously disclosed an SSN, and who were at least 62 years old on January 31, 2010. The exemption applies at all future reexaminations and continues if the individual transfers to a new unit or receives another form of housing assistance.
- Household members who have already provided a valid SSN prior to January 31, 2010.

The PHA must accept any of the following as documentation:

- An original social security card
- An original SSA-issued document containing name and SSN
- Original document issued by a federal, state, or local government agency containing name and SSN

24 CFR 5.216(g)

While PHAs must attempt to gather third-party verification of SSNs prior to admission as listed above, PHAs also have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if the PHA has exhausted all other attempts to obtain the required documentation. If verifying an individual's SSN using this method, the PHA must document why the other SSN documentation was not available

The PHA may reject documents if they are not original, appear to be forged, or are altered or illegible. All social security numbers are verified through EIV. Once a number is verified through EIV, the PHA may, at its discretion, remove and destroy the copy of the documentation.

The PHA must deny assistance for an applicant family if the regulatory requirements for SSN disclosure and documentation are not met. If otherwise eligible, the family may retain its place on the waiting list pending SSN disclosure and documentation.

- If a child under the age of 6 years has been added to the applicant household within 6 months prior to the date of voucher issuance, an otherwise eligible family may be admitted to the program. The family must provide documentation of the child's SSN within 90 days of the effective date of the initial HAP contract. The PHA must allow an additional 90 days if it determines that failure to comply was outside the control of the participant, or was due to unforeseen circumstances. If documentation is not provided within the time allowed, assistance must be terminated.

CITIZENSHIP STATUS

24 CFR 5.508

No family may receive assistance prior to the affirmative establishment that at least one family member is a citizen or has eligible immigrant status. All applicants must be given notice of the requirement to submit evidence of citizenship or eligible immigration status at the time of application. All family members, regardless of age, must declare their citizenship or immigration status. To determine the family type and eligibility status of any family, the eligibility of each individual in the family must be established first. Individuals will fall into one of these categories:

- Citizens or nationals
- Eligible immigrants
- Ineligible individuals, including noncitizen students on student visas

After the status of each person has been determined, families will fall into one of the categories below:

- All members are either citizens or eligible immigrants
- Some members are eligible, and some are ineligible (mixed family) — mixed families receive prorated assistance
- All members are ineligible immigrants — such families are not eligible for assistance

Verification requirements differ depending on the person's immigration status:

- Eligible immigrants under 62:
  - Signed declaration of their eligible status
  - USCIS card/document
  - Signed verification consent form
    - The PHA then verifies the individual's status using SAVE program's Automated Status Verification System (ASVS)

- Citizen or nationals of the United States
  - Signed declaration of their eligible status
    - The PHA may require further verification
- Eligible immigrants over the age of 62
  - Signed declaration of eligible status
  - Proof of age

STUDENT STATUS

24 CFR 5.612; Federal Register Notice 4/10/06

RAD PBV follows the same rules as the standard PBV and HCV programs for student status. Certain students are not eligible for PBV assistance. The PHA must determine the student's eligibility under the student requirements both when determining program eligibility and throughout their tenancy. Congress imposed restrictions on housing assistance to students in the Section 8 program. The rule does not affect the public housing program. The rule also does not apply to students living with their parents who receive Section 8 assistance.

No assistance shall be provided to any individual who is enrolled (full-time or part-time) as a student at an institution of higher education who is:

- Under 24
- Not a U.S. veteran
- Unmarried
- Not a student with disabilities who was receiving HCV assistance as of 11/30/05
- Does not have a dependent child
- Is not living with his or her parents who are receiving Section 8 assistance
- Is not individually eligible to receive Section 8 assistance **and has parents (individually or jointly) who are not income eligible to receive Section 8 assistance in the area in which they live**

In other words, students and parents both have to be income eligible unless the student can demonstrate absence or independence from their parents by meeting the U.S. Department of Education's definition of *independent student*.

For purposes of income eligibility, both the student and parents must meet the low-income limit (80 percent of AMI). The owner will have to determine the eligibility of each student family member using the 80 percent limit, parents using the 80 percent limit (in the case where the student has not established independence), and the student family household as a unit using the applicable income limit for the program.

The PHA must deny or terminate assistance if any family member fails to meet the eligibility requirements concerning individuals enrolled at an institution of higher education as specified in 24 CFR 5.612.

Guidance may be found in *Federal Register* notices published 4/10/06 and 9/21/16.

Relatives Rule

24 CFR 982.306(d)

PHAs may not approve a tenancy if the owner (including a principal or other interested party) of a unit is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless the PHA determines that approving the unit would provide a reasonable accommodation for a family member who is a person with a disabling condition.

U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

DEBTS OWED TO PUBLIC HOUSING AGENCIES AND TERMINATIONS

Paperwork Reduction Notice: Public reporting burden for this collection of information is estimated to average 7 minutes per response. This includes the time for respondents to read the document and certify, and any record keeping burden. This information will be used in the processing of a tenancy. Response to this request for information is required to receive benefits. The agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. The OMB Number is 2577-0266, and expires 06/30/2026.

NOTICE TO APPLICANTS AND PARTICIPANTS OF THE FOLLOWING HUD RENTAL ASSISTANCE PROGRAMS:

- Public Housing (24 CFR 960)
- Section 8 Housing Choice Voucher, including the Disaster Housing Assistance Program (24 CFR 982)
- Section 8 Moderate Rehabilitation (24 CFR 882)
- Project-Based Voucher (24 CFR 983)

The U.S. Department of Housing and Urban Development maintains a national repository of debts owed to Public Housing Agencies (PHAs) or Section 8 landlords and adverse information of former participants who have voluntarily or involuntarily terminated participation in one of the above-listed HUD rental assistance programs. This information is maintained within HUD's Enterprise Income Verification (EIV) system, which is used by Public Housing Agencies (PHAs) and their management agents to verify employment and income information of program participants, as well as, to reduce administrative and rental assistance payment errors. The EIV system is designed to assist PHAs and HUD in ensuring that families are eligible to participate in HUD rental assistance programs and determining the correct amount of rental assistance a family is eligible for. All PHAs are required to use this system in accordance with HUD regulations at 24 CFR 5.233.

HUD requires PHAs, which administers the above-listed rental housing programs, to report certain information at the conclusion of your participation in a HUD rental assistance program. This notice provides you with information on what information the PHA is required to provide HUD, who will have access to this information, how this information is used and your rights. PHAs are required to provide this notice to all applicants and program participants and you are required to acknowledge receipt of this notice by signing page 2. Each adult household member must sign this form.

What information about you and your tenancy does HUD collect from the PHA?

The following information is collected about each member of your household (family composition): full name, date of birth, and Social Security Number.

The following adverse information is collected once your participation in the housing program has ended, whether you voluntarily or involuntarily move out of an assisted unit:

1. Amount of any balance you owe the PHA or Section 8 landlord (up to $500,000) and explanation for balance owed (i.e. unpaid rent, retroactive rent (due to unreported income and/ or change in family composition) or other charges such as damages, utility charges, etc.); and
2. Whether or not you have entered into a repayment agreement for the amount that you owe the PHA; and
3. Whether or not you have defaulted on a repayment agreement; and
4. Whether or not the PHA has obtained a judgment against you; and
5. Whether or not you have filed for bankruptcy; and
6. The negative reason(s) for your end of participation or any negative status (i.e., abandoned unit, fraud, lease violations, criminal activity, etc.) as of the end of participation date.

Who will have access to the information collected?
This information will be available to HUD employees, PHA employees, and contractors of HUD and PHAs.

How will this information be used?
PHAs will have access to this information during the time of application for rental assistance and reexamination of family income and composition for existing participants. PHAs will be able to access this information to determine a family's suitability for initial or continued rental assistance, and avoid providing limited Federal housing assistance to families who have previously been unable to comply with HUD program requirements. If the reported information is accurate, a PHA may terminate your current rental assistance and deny your future request for HUD rental assistance, subject to PHA policy.

How long is the debt owed and termination information maintained in EIV?
Debt owed and termination information will be maintained in EIV for a period of up to ten (10) years from the end of participation date or such other period consistent with State Law.

What are my rights?
In accordance with the Federal Privacy Act of 1974, as amended (5 USC 552a) and HUD regulations pertaining to its implementation of the Federal Privacy Act of 1974 (24 CFR Part 16), you have the following rights:

1. To have access to your records maintained by HUD, subject to 24 CFR Part 16.
2. To have an administrative review of HUD's initial denial of your request to have access to your records maintained by HUD.
3. To have incorrect information in your record corrected upon written request.
4. To file an appeal request of an initial adverse determination on correction or amendment of record request within 30 calendar days after the issuance of the written denial.
5. To have your record disclosed to a third party upon receipt of your written and signed request.

What do I do if I dispute the debt or termination information reported about me?
If you disagree with the reported information, you should contact in writing the PHA who has reported this information about you. The PHA's name, address, and telephone numbers are listed on the Debts Owed and Termination Report. You have a right to request and obtain a copy of this report from the PHA. Inform the PHA why you dispute the information and provide any documentation that supports your dispute. HUD's record retention policies at 24 CFR Part 908 and 24 CFR Part 982 provide that the PHA may destroy your records three years from the date your participation in the program ends. To ensure the availability of your records, disputes of the original debt or termination information must be made within three years from the end of participation date; otherwise the debt and termination information will be presumed correct. Only the PHA who reported the adverse information about you can delete or correct your record.

Your filing of bankruptcy will not result in the removal of debt owed or termination information from HUD's EIV system. However, if you have included this debt in your bankruptcy filing and/or this debt has been discharged by the bankruptcy court, your record will be updated to include the bankruptcy indicator, when you provide the PHA with documentation of your bankruptcy status.

The PHA will notify you in writing of its action regarding your dispute within 30 days of receiving your written dispute. If the PHA determines that the disputed information is incorrect, the PHA will update or delete the record. If the PHA determines that the disputed information is correct, the PHA will provide an explanation as to why the information is correct.

This Notice was provided by the below-listed PHA:	**I hereby acknowledge that the PHA provided me with the *Debts Owed to PHAs & Termination N*otice:**
	Signature **Date**
	Printed Name

EIV REPORTS

- Debts Owed to PHAs and Terminations
  - All adult household members must sign the form HUD-52675 Debts Owed to Public Housing and Terminations one time.
  - Prior to admission to the program, the PHA must search for each adult family member in the EIV Debts Owed to PHAs and Terminations module.
  - If a current or former tenant disputes the information in the module, the tenant should contact the PHA directly in writing to dispute the information and provide any documentation that supports the dispute. If the PHA determines that the disputed information is incorrect, the PHA will update or delete the record from EIV.
  - Former tenants may dispute debt and termination information for a period of up to three years from the end of participation date in the program.
- EIV Existing Tenant Search
  - Prior to admission to the program, the PHA must search for all household members using the EIV Existing Tenant Search module.
  - The PHA must review the reports for any SSA matches involving another PHA or a multifamily entity and follow up on any issues identified.
  - The PHA must provide the family with a copy of the Existing Tenant Search results if requested. At no time may any family member receive duplicative assistance.
  - If the tenant is a new admission to the PHA, and a match is identified at a multifamily property, the PHA must report the program admission date to the multifamily property and document the notification in the tenant file. The family must provide documentation of move-out from the assisted unit, as applicable.

Copyright © 2026 by Nan McKay & Associates

Learning Activity 6-1: Eligibility

1. A recently married full-time student couple is applying for the PHA's PBV program. They are income qualified under the PHA's HCV income limit. The husband is 29 years old, and the wife is 23 years old. The wife does not have eligible immigration status, but the husband is an American citizen who was born in the U.S. Is the couple eligible for the PBV program?

2. The Brown family is applying for the PBV program. The family consists of four people: a mother, father, and two minor children. The minor children are U.S. citizens and their parents have disclosed SSNs for both of them. The mother and father do not have eligible immigration status and do not have SSNs. The family is income eligible. Is the family eligible for the PBV program?

3. Mark Spellman (age 30) is a full-time student who also works part-time. He is applying with his cousin Peter Assad (age 21) who is a part-time student and works full time. While neither is a U.S. citizen, they are both eligible immigrants. Mark and Peter are income eligible for the program. Peter's parents are not income eligible in the area in which they live, although Mark's are. Is the family eligible for the PBV program?

Copyright © 2026 by Nan McKay & Associates

Section 5 Screening Criteria

PHA Eligibility Screening Requirements

The PHA uses the same eligibility screening criteria for applicants for the PBV program as for the HCV program. As part of the eligibility determination, the PHA must establish standards for screening for drug abuse and other criminal activity as well as for certain action or inaction by the applicant.

24 CFR 982.553(a)

HUD requires a PHA deny admission if any of the following apply:

- A household member was evicted from federally assisted housing for drug-related criminal activity within the past three years. However, the PHA may consider mitigating circumstances and may permit the removal of the offending family from the household
- The PHA has reasonable cause to believe that a household member's illegal drug use or a pattern of illegal drug and alcohol use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents
- Any household member was convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally-assisted housing
- If any member of the household is subject to a lifetime registration requirement under a state sex offender registration program
- The PHA determines that any household member is currently engaging in illegal use of a drug

Aside from mandatory denial requirements, PHAs have the discretion whether or not to deny admission to applicants with certain types of criminal history and may consider circumstances relevant to the admission in accordance with PHA policy.

24 CFR 982.553(a)(2)(ii)

The PHA may prohibit admission if the PHA determines that any household member is currently engaged in (meaning recently enough to justify a belief the behavior is current), or has engaged in during a reasonable time (defined by PHA policy) before admission:

- Drug-related criminal activity
- Violent criminal activity
- Other criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or the health or safety of the owner, property management staff, or persons performing a contract administration function/responsibility on behalf of the PHA.

The PHA may, but is not required to, deny admission or terminate assistance on any of the following grounds:

- The family violates any family obligation under the program
- If any family member has been evicted from federally assisted housing in the last five years
- If a PHA has ever terminated assistance under the program for any family member
- If any family member committed fraud, bribery, or another corrupt or criminal act regarding any federal housing program
- If the family currently owes rent or other amounts to any PHA in connection with HCV or public housing assistance, including either:
  - Not having reimbursed any PHA for amounts paid to an owner on behalf of the family
  - Breaching a repayment agreement with the PHA
- If the family has engaged in or threatened abusive or violent behavior toward PHA personnel

24 CFR 984.101(d)

- Note that PHAs are not allowed to withhold or terminate assistance for failure to comply with the obligations of the Family Self-Sufficiency (FSS) contract of participation.

Copyright © 2026 by Nan McKay & Associates

Denial and termination decisions are subject to reasonable accommodation considerations for persons with disabilities. When deciding whether to deny assistance because of action or failure to act by members of the family, the PHA may consider:

- The seriousness of the case
- The extent of participation/culpability of family members
- Mitigating circumstances relating to a family member's disability
- The effect of the denial/termination on other family members who were not involved

The PHA may impose a requirement that family members who participated in or were culpable for the action or failure not reside in the unit.

For denial/termination decisions based on the illegal use of drugs or alcohol abuse by a household member no longer engaged in such behavior, the PHA may consider evidence or rehabilitation.

24 CFR 982.255(a)

A PHA may, but is not required to, screen applicants for suitability for tenancy. The PHA has no liability to the owner for the family's behavior or suitability. Typically, however, only the owner screens for suitability. If the PHA chooses to screen for suitability, the PHA may deny assistance based on factors listed in the administrative plan.

DENIAL OF ADMISSION BY THE PHA

24 CFR 982.201(f)(1)

The PHA must provide prompt, written notice to the applicant of a denial of assistance. The notice must state the reasons for the decision, that the applicant may request an informal review, and how to request the review. The informal review is conducted by an impartial person, i.e., a person other than the person who made or approved the decision to deny, or a subordinate of that person. Informal reviews are conducted in accordance with policies in the PHA's administrative plan and follow the same requirements as the tenant-based program. Informal reviews are not required for:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- Determination of the family unit size under the PHA subsidy standards

24 CFR 5.514
24 CFR 982.555

An applicant denied due to failure to submit evidence of citizenship and eligible immigration status by the date specified is entitled to request an informal hearing, a more formal appeals process. After the review, the PHA must notify the family of the final decision and the reason for the decision.

ASSET LIMITATION

24 CFR 5.618

The asset limitation is not applicable until the PHA's HOTMA 102/104 compliance date.

There are two circumstances under which a family is ineligible to receive assistance based on asset ownership.

- First, assistance may not be provided to any family if the family's net assets exceed the HUD-published asset limitation amount (adjusted annually by HUD). This amount is listed in HUD's current year inflation-adjusted values tables.
- Second, the family has real property that is suitable for occupancy by the family as a residence and the family has:
  - A present ownership interest in the real property;
  - A legal right to reside in the real property; and
  - The effective legal authority to sell (based on state or local laws of the jurisdiction where the property is located) the real property.
- The PHA does not have the discretion not to enforce or provide limited enforcement of the asset limitation at admission. However, the real property restriction does not apply in the following circumstances:
  - Any property for which the family is receiving assistance for a manufactured home under 24 CFR 982.620 or under the HCV Homeownership program;
  - Any property that is jointly owned by a member of the family and at least one non-household member who does not live with the family, if the non-household member resides at the jointly owned property;
  - Any family that is offering the property for sale; or
  - Any person who is a victim of domestic violence, dating violence, sexual assault, or stalking.

- When a family asks for an exception because a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, the PHA must comply with all the confidentiality requirements under VAWA. The PHA must accept a self-certification from the family member, and the restrictions on requesting documentation under VAWA apply.
- A property is considered suitable for occupancy unless the family demonstrates that it:
  - Does not meet the disability-related needs for all members of the family (e.g., physical accessibility requirements, disability-related need for additional bedrooms, proximity to accessible transportation, etc.);
  - Is not sufficient for the size of the family;
  - Is located so as to be a hardship to the family (e.g., the location would be a hardship for the family's commute to work or school;
  - Is unsafe because of physical condition;
  - Is not a property that a family may reside in per local and state laws (e.g., a storefront zoned for commercial use only).

Copyright © 2026 by Nan McKay & Associates

OWNER SCREENING CRITERIA

24 CFR 982.255(b)

The owner may only lease PBV units to eligible families selected and referred by the PHA from the PHA's waiting list. The owner is responsible for screening families for their suitability for occupancy at the development. The owner determines each property's specific tenant screening criteria that are applied in addition to the minimum criteria specified by the PHA. Such criteria must adhere to local, state, federal, and any PHA-specific requirements. The criteria must also be consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to perform the lease obligations. Such criteria must include the target population and income limits required by low-income tax credits, bond or other governmental programs for each development. For supportive housing, the criteria must include any local certification requirements such as those from a local department of human services.

Tenant selection and screening criteria may include a review of the applicants' payment of rent and utility bills, caring for the unit and premises, respecting the rights of other residents to the peaceful enjoyment of their housing, drug-related criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy. The owner may conduct credit checks or criminal background checks.

If an owner rejects a family for admission, the rejection does not affect the family's position if they are on other PHA waiting lists.

24 CFR 983.255(c)

Just like in the tenant-based voucher program, the PHA is responsible for providing the owner certain information relevant to tenant screening, including:

- The family's current and prior address (as shown in PHA records)
- The name and address (if known) of the landlord at the family's current and prior address

In addition, the PHA may give the owner other information in the PHA's possession about the family, including information about the family's tenancy history, about drug trafficking, or information regarding any criminal activity. The PHA must give the family a description of PHA policy on what information will be provided to owners and must give the same types of information to all owners.

24 CFR 983.253(a)(3)

The owner must promptly notify applicants in writing of any rejection and the grounds for the rejection. If an owner rejects a family for admission, the rejection does not affect the family's position on any other waiting lists the PHA may operate.

Section 6 Admission

UNIT OFFERS

- If the waiting list is site-based, if an owner rejects the family, this does not affect family's position on other site-based lists. However, if the family accepts a unit offer on a site-based list, the PHA may remove the family from other site-based waiting lists.
- Further, if the owner rejects the family, the rejection does not affect the family's position on the PHA's HCV waiting list.
- The regulations do not address unit offers in the PBV program. Either the PHA or the owner may make unit offers. "Good cause" for rejection of a unit should be defined. This could include:
  - The family determines the unit is not accessible to a household member with a disability or otherwise does not meet the member's disability-related needs;
  - The unit has housing quality standards deficiencies;
  - The family is unable to accept the offer due to circumstances beyond the family's control (such as hospitalization, temporary economic hardship, or natural disaster); and
  - The family determines the unit presents a health or safety risk to a household member who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

24 CFR 983.251(e)

If the owner rejects the family for admission to the owner's PBV units, the rejection does not affect the family's position on the PHA's HCV waiting list.

The PHA may not take any of the following actions against an applicant who has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the PHA's HCV waiting list
- Deny any admission preference for which the applicant is currently qualified

- Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under the PHA selection policy
- Remove the applicant from the HCV waiting list

BRIEFINGS

When a family accepts an offer for PBV assistance, the PHA must give the family an oral briefing. The briefing must include information on how the program works, the responsibilities of the family and owner, and the family's right to move.

In addition to the oral briefing, the PHA must provide a briefing packet that contains the following information:

- How the PHA determines the total tenant payment for a family;
- The family obligations under the program;
- Information on federal, state, and local equal opportunity laws, the contact information for the Section 504 coordinator, a copy of the housing discrimination complaint form, and information on how to request a reasonable accommodation or modification under Section 504, the Fair Housing Act, and the Americans with Disabilities Act;
- PHA subsidy standards, including when the PHA will consider granting exceptions to the standards, and when exceptions are required as a reasonable accommodation for a person with disabilities under Section 504, the Fair Housing Act, or the Americans with Disabilities Act; and
- The family's right to move.

The PHA and family must sign the statement of family responsibility.

The PHA must take appropriate steps to ensure effective communication, in accordance with 24 CFR 8.6 and 28 CFR Part 35, subpart E, and must provide information on the reasonable accommodation process in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available. In addition, the PHA must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

Copyright © 2026 by Nan McKay & Associates

PBV Statement of Family Responsibility

RAD PBV Quick Reference Guide; Form HUD-52578b

Families are not issued vouchers in the PBV program. Each family must sign a PBV Statement of Family Responsibility before leasing a PBV unit, which is similar to the voucher in the tenant-based program in that it lists the family's obligations under the program. The form must be signed by the family prior to occupancy of a PBV-assisted unit. By signing this form, the family is obligated to:

- Supply any information required by the PHA or HUD to determine eligibility and rent (e.g., social security numbers, evidence of citizenship and eligible immigration status, and income)
- Notify and provide information regarding family absence from the unit for an extended time
- Allow the PHA to inspect the unit at reasonable times and after reasonable notice
- Notify the PHA and the owner in writing before moving out of the unit or terminating the lease
- Use the unit as the sole residence by eligible family members only
- Promptly notify the PHA in writing of the birth, adoption, or court-awarded custody of a child
- Request PHA written approval to add any other family member
- Promptly notify the PHA in writing if any family member no longer lives in the unit
- Give the PHA a copy of any owner eviction notice
- Pay utility bills or provide working appliances that are the family's responsibility
- Not own or have any interest in the unit
- Not commit any serious or repeated violation of the lease
- Not commit fraud, bribery, or any other corrupt or criminal act in connection with the program
- Not engage in drug-related, violent, or other criminal activity or alcohol abuse that threatens the health, safety, or right to peaceful enjoyment of other residents and persons

Copyright © 2026 by Nan McKay & Associates

- Not sublease or let the unit, or assign the lease or transfer the unit
- Not receive project-based voucher assistance while receiving another housing subsidy
- Not reside in a unit owned by a parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless the PHA has determined that it is acceptable as a reasonable accommodation for a family member who is a person with disabilities
- Not damage the unit or allow guests to damage the unit
  - Form HUD 52578-B was updated in July 2019. The updated form must be used for all new tenancies. For existing tenancies, the PHA must ensure that the updated form is executed no later than the family's next annual reexamination.

Section 7 Chapter 6 Post-Test

1. Once the waiting list is established, the requirements are generally the same in RAD PBV as standard PBV.
   a. True
   b. False

2. Generally, resident relocation may not begin until the later of the effective date of the RCC or the expiration of the 30 or 90-day RAD Notice of Relocation period, as applicable.
   a. True
   b. False

3. At the time of the conversion, the PHA must verify gross income, student status, and suitability as a tenant for existing public housing families living in the development.
   a. True
   b. False

4. If the project's waiting list was not site-based prior to conversion, the PHA may not establish a site-based waiting list for RAD PBV units after conversion.
   a. True
   b. False

5. Which of the following is not true about existing households in place at the time of conversion?
   a. Income targeting requirements do not apply to in-place families
   b. In-place families are not subject to rescreening at the time of conversion
   c. In-place families are grandfathered in for conditions that occurred prior to conversion
   d. In-place families are not subject to ongoing eligibility requirements for actions that occur after conversion

Copyright © 2026 by Nan McKay & Associates

6. PHAs must obtain written approval from HUD if the converted project will serve a different population from the one served by the original project.
   a. True
   b. False

7. The income targeting requirement in the PBV program is:
   a. 40% of new admissions to all programs the PHA operates must be ELI
   b. 40% of new admissions to the PBV program must be ELI
   c. 75% of new admissions to the PBV program must be ELI
   d. 75% of new admissions across both the PBV program and HCV program must be ELI

8. Mixed families (some members are eligible, and some are ineligible) receive prorated assistance.
   a. True
   b. False

9. When determining program eligibility, the Section 8 student rule may apply to (check all that apply):
   a. Part-time student at a community college
   b. Full-time students at a university
   c. College students that live with their parents
   d. Minors in elementary school
   e. Elderly individuals attending a university part time

10. Which of the following individuals is not required to disclose and document a social security number as part of the eligibility determination process?
    a. A live-in aide
    b. A foster child
    c. A non-contending family member
    d. An elderly family member

Copyright © 2026 by Nan McKay & Associates

11. Circle the correct answer:

    The PHA screens the family for their (eligibility/suitability) for the PBV program, while the owner screens the family for their (eligibility/suitability) as a renter.

12. A 23-year-old applicant who is a full-time college student and has a two-year-old daughter is ineligible for assistance in a RAD PBV unit because she is a student.
    a. True
    b. False

13. If the PHA operates a community-wide public housing waiting list, the PBV waiting list after the RAD conversion must also be a community-wide list.
    a. True
    b. False

Copyright © 2026 by Nan McKay & Associates

CHAPTER 7 Leasing PBV Units

Section 1 Learning Outcomes and Overview

LEARNING OUTCOMES

Upon completion of this chapter, you should be able to:

- Consider criteria for establishing subsidy standards
- Recognize family members that are counted when determining unit size
- Discuss requirements for the RAD PBV lease, including the tenancy addendum
- Describe transfer requirements in overcrowded, under occupied, and accessible units
- Examine owner and PHA requirements for filling vacancies
- Examine how initial contract rents are set for RAD PBV units
- Recall how utility allowances are set initially and after conversion
- Describe how rents are adjusted after the initial rent determination
- Consider when the family may exercise choice mobility and the limits PHAs may place on choice mobility

OVERVIEW

When leasing PBV units, both the PHA and the owner play a critical role. PHA policy determines a great deal of the leasing process, from unit size determinations to the process for filling vacant units. Also, of particular interest to both PHAs and owners, initial and ongoing rent setting in the RAD PBV program is different from the standard PBV program.

Copyright © 2026 by Nan McKay & Associates

Section 2 Determining Unit Size

SUBSIDY STANDARDS

Federal Register Notice 12/22/98
Notice PIH 2014-25
24 CFR 982.4, 982.54(d)(9), 982.402, and 983.253

The PHA's subsidy standards determine the appropriate unit size for PBV-assisted families. HUD does not prescribe specific policies PHAs must implement when determining unit size in PBV. The unit size must be appropriate for the family under the PHA's subsidy standards, which are the criteria established by the PHA for determining the appropriate number of bedrooms for families of different sizes and compositions. Each PHA must establish subsidy standards in its administrative plan.

FAQs about PBV in Public Housing Repositioning, July 2021

A PHA may not establish subsidy standards for its PBV program that differ from those of its HCV program; it must follow its HCV policy on family unit size.

24 CFR 982.402(b)

The subsidy standards must:

- Provide for the smallest number of bedrooms needed to house the family without overcrowding
- Comply with applicable space standards
- Be applied consistently for all families of the same size and composition

In accordance with PHA policies, the PHA may grant an exception based on:

- Age
- Sex
- Health
- Disability
- Relationship of family members
- Other personal circumstances

The HQS inspection standards allow two persons per bedroom or living/sleeping room. Each sleeping room must have:

- A window (which must be openable if so designed)
- Two working electrical outlets or one working electrical outlet and one working permanently installed light fixture

NSPIRE requires that for units assisted under the HCV program, the unit must have:

- At least one bedroom or living/sleeping room for each two persons
- Two working outlets or one working outlet and a permanent light within all habitable rooms.
  - HUD defines a habitable room as it is typically defined in model codes: a room in a building for living, sleeping, eating, or cooking, but excluding bathrooms, toilet rooms, closets, hallways, storage or utility spaces, and similar areas.

HOUSEHOLD MEMBERS

When establishing unit size for the family, the PHA:

- Must count children who are added to the family by birth, adoption, or court-awarded custody only after these events have occurred
- Should establish a policy on whether children in the process of being adopted will be counted
- Should also establish a policy defining *temporarily absent* family members
  - The HCV Guidebook states that family members who are permanently confined to a nursing home or hospital on a permanent basis are no longer part of the assisted household.
  - The regulations do not specifically address students who are absent from a household.

Copyright © 2026 by Nan McKay & Associates

- Should establish a policy on whether dependents subject to joint custody arrangements will be considered part of the family
  - The PHA should consider whether the family has primary custody and the amount of time dependents subject to a joint custody arrangement actually live in the household.
  - Many PHAs state that children must live in the unit either 50 percent or more of the time, or 51 percent of the time, in order to be considered a member of the resident family.

When establishing subsidy standards, the PHA should also consider:

24 CFR 982.402(b)(7)

- A single person who is not a remaining family member, disabled, or elderly must get only a zero or one bedroom unit and is not eligible for an exception.

24 CFR 982.201(c)(5)

- A child temporarily absent because of placement in foster care is considered in determining family size.
- With PHA approval, families may have foster children or foster adults live with them if it would not result in overcrowding.
  - PHA policy states when PHA approval may be given or denied.

24 CFR 982.402(b)(5)

- A family that consists of only a pregnant woman (with no other persons) must be treated as a two-person family.
- Any live-in aide must be counted in determining unit size.
  - Occasional, intermittent, multiple, or rotating care givers typically do not reside in the unit and would not qualify as live-in aides. For this reason, PHAs should not approve an additional bedroom under these circumstances. However, a family's composition or circumstances may justify having an additional bedroom to allow disability-related overnight care and allow the family equal use and enjoyment of their unit.

Copyright © 2026 by Nan McKay & Associates

- PHAs must consider such requests for an exception to the established subsidy standards on a case-by case basis, provide the exception where necessary as a reasonable accommodation, and document the justification for all granted exceptions.

24 CFR 5.403

- *Live-in aide* means a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:
  - Is determined to be essential to the care and well-being of the persons;
  - Is not obligated for the support of the persons; and
  - Would not be living in the unit except to provide the necessary supportive services.
- At any time, the PHA may refuse to approve a particular person as a live-in aide, or may withdraw such approval, if:
  - The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
  - The person commits drug-related criminal activity or violent criminal activity; or
  - The person currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

Copyright © 2026 by Nan McKay & Associates

Section 3 Lease Requirements

LEASE REQUIREMENTS

24 CFR 983.256

The owner and the family must sign a written lease for the unit. The tenant must have legal capacity to enter into a lease under state and local law. There is no model lease in the PBV program. The PHA may review the owner's lease to determine that it complies with state and local laws and may reject the lease if it does not. At a minimum, the lease must contain the following information:

- The name of the owner and tenant;
- The unit rented;
- The term of the lease;
- The amount of tenant rent to owner;
- Maintenance, equipment, and utilities supplied by the owner;
- The amount of any charges for food, furniture, or supportive services;
- The requirement that the owner renew the lease upon expiration, unless good cause exists for non-renewal; and
- Resident procedural rights

Notice PIH 2019-23

The PHA must include resident procedural rights for termination and notification and grievance procedures in both the administrative plan and the owner's lease. These requirements are not part of the standard PBV program but are required under RAD to incorporate certain public housing protections for tenants at converted projects.

For RAD PBV properties, the lease terms and provisions, including all addenda and referenced documents such as House Rules, must:

- Be reasonable, use plain language, and must not contain provisions that conflict with resident rights described in this notice or requirements of the PBV or PBRA programs (as applicable). The lease, including all riders and addenda, must also be available in multiple languages as needed and written in a manner accessible to people with disabilities. Furthermore, tenant leases and House Rules should not be onerous or difficult for residents to understand, and should not impose overly restrictive rules about what residents may or may not do in their homes. HUD reserves the right to reject or require revisions to leases if they are deemed unreasonable or otherwise do not conform to the aforementioned requirements.
- Not require a new security deposit for residents in-place at the time of conversion,
- Not prohibit residents' pets in-place at the time of conversion. Owners are encouraged to adopt reasonable policies permitting pets and are required to permit residents with disabilities to have service or assistance animals.
- For any residences that qualify as "target housing" under 42 U.S.C. 4851b, each lease must comply with the Lead Disclosure Rule, as codified in 24 CFR part 35, subpart A.

24 CFR 983.257(f)

The initial lease term must be for at least one year and may not begin prior to the PBV HAP contract execution date. Leases for residents who will remain in place (i.e., who will not be relocated solely as a result of the 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. Unlike in the HCV program, the initial term of the lease agreement is not tied to the HAP contract. The lease must renew automatically for successive definite terms.

Copyright © 2026 by Nan McKay & Associates

TENANCY ADDENDUM

24 CFR 983.257(d)
Form HUD 52530.c

The PHA must prepare a PBV tenancy addendum for execution by each family and the owner. The PHA may use form HUD 52530c, Tenancy Addendum Section 8 Project-Based Voucher Program, or a PHA document that includes the addendum language word for word. The terms of the tenancy addendum prevail over other provisions of the lease. The addendum provides the:

- Names of household members authorized to live in the unit
- Identification of the unit rented (address and apartment number)
- The term of the lease
- Initial term and end of initial term
- Amount of the initial contract rent, HAP payment, and tenant rent, and a provision that it is subject to change in accordance with HUD requirements
- Utilities and appliances to be provided by owner and tenant

The tenancy addendum reiterates owner and family responsibilities that are in the HAP contract and Statement of Family Responsibility such as the reasonable rent requirements, advance approval by PHA of lease changes and allocation of utility and appliance responsibilities, and tenant absence from the unit.

In July 2019, HUD released an updated version of the PBV tenancy addendum to bring the form current with all recent guidance and regulatory requirements. The updated form must be used for all new tenancies. For existing tenancies, the PHA must ensure that the updated form is executed no later than the family's next annual reexamination.

Copyright © 2026 by Nan McKay & Associates

CHANGES TO THE LEASE

24 CFR 983.257(e)

Any changes to the lease agreed upon by the owner and tenant must be in writing, and the owner must immediately give the PHA a copy of the changes. If the changes are to tenant or owner utility responsibilities, the owner must notify the PHA in advance of the change since the change may only be made if approved by the PHA, who must first redetermine rent reasonableness.

SECURITY DEPOSITS

PBV Quick Reference Guide; RAD Resource Desk FAQs 3/25/19

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. If tenants in place at RAD conversion have not previously been required to provide a security deposit, then the owner may not collect a security deposit at the time of initial lease execution. The security deposit must be determined in accordance with the provisions of 24 CFR 983.259.

24 CFR 983.259

For new families after the conversions, the owner may collect a security deposit from the tenant. The PHA's administrative plan may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

When the tenant moves out of a PBV-assisted unit the owner may, subject to state and local law, use the security deposit, including any interest accrued on the deposit, in accordance with the lease, as reimbursement for any unpaid rent, damages to the unit, or other amounts owned by the tenant under the lease.

The PHA does not have a liability to the owner for amounts owed by the family to the owner.

Section 4 Moves

WRONG SIZE UNITS

Families who were in place at the time of conversion who reside in an under-occupied unit may remain in place, and the Contract Administrator may pay HAP for such families, but future admissions are subject to a PHA's policies regarding wrong-size units. RAD requires that as soon as an appropriately sized unit becomes available, a family in an under-occupied unit must move to the appropriately sized unit, within the timeframe established by the Contract Administrator. HUD does not require the Contract Administrator to define this timeframe in its Administrative Plan but advises the Contract Administrator to do so.

If the PHA determines that a family is occupying a wrong size unit, based on the PHA's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, the PHA must promptly notify the family and the owner of this determination, and within 60 days of the determination, the PHA must offer the family the opportunity to receive continued housing assistance in another unit.

The PHA policy on continued housing assistance must be stated in the administrative plan and may be in the form of:

- Tenant-based rental assistance;
- PBV assistance in the same project;
- PBV assistance in a different project;
- Other project-based housing assistance (public housing, etc.);
- Other comparable public or private tenant-based assistance

If no continued housing assistance is available, the PHA must remove the wrong-sized or accessible unit from the HAP contract to make voucher assistance available and issue the family a tenant-based voucher.

Copyright © 2026 by Nan McKay & Associates

If the PHA offers the family the opportunity to receive tenant-based rental assistance under the voucher program, the PHA must terminate the housing assistance payments for a wrong sized or accessible unit at the earlier of the expiration of the term of the family's voucher (including any extension granted by the PHA) or the date upon which the family vacates the unit. If the family does not move out of the wrong-sized unit or accessible unit by the expiration date of the term of the family's voucher, the PHA must remove the unit from the HAP contract.

If the PHA offers the family another form of continued housing assistance (other than tenant-based rental assistance under the voucher program), the PHA must terminate the housing assistance payments for the wrong-sized or accessible unit and remove the unit from the HAP contract when:

- In the case of an offer by the PHA of PBV assistance or other project-based housing assistance in an appropriate-size unit, the family does not accept the offer and does not move out of the PBV unit within a reasonable time as determined by the PHA, not to exceed 90 days. The family may request and the PHA may grant one extension not to exceed up to an additional 90 days to accommodate the family's efforts to locate affordable, safe, and geographically proximate replacement housing.
- In the case of an offer by the PHA of PBV assistance or other project-based housing assistance in an appropriate size unit, the family accepts the offer but does not move out of the PBV unit within a reasonable time as determined by the PHA, not to exceed 90 days.
- In the case of an offer by the PHA of other comparable tenant-based rental assistance, the family either accepts or does not accept the offer but does not move out of the PBV unit within a reasonable time as determined by the PHA, not to exceed 90 days. The family may request and the PHA may grant one extension not to exceed up to an additional 90 days to accommodate the family's efforts to locate, affordable, safe, and geographically proximate replacement housing.

Copyright © 2026 by Nan McKay & Associates

CHOICE MOBILITY

24 CFR 983.261(c)

The family may terminate the lease at any time after the first year of occupancy in accordance with program requirements. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to the PHA. If the family wishes to move with continued tenant-based assistance, the family must contact the PHA to request the rental assistance prior to providing notice to terminate the lease.

If the family terminates the lease in accordance with these requirements, the PHA is required to offer the family the opportunity for continued tenant-based assistance in the form of a voucher or other comparable tenant-based rental assistance. If voucher or other comparable tenant-based assistance is not immediately available upon termination of the family's lease in the PBV unit, the PHA must give the family priority to receive the next available opportunity for continued tenant-based assistance. Creating and maintaining a separate Priority List for Choice-Mobility requests is recommended for most PHAs. Eligible families requesting Choice-Mobility must be ranked in the order that the requests were received, to receive the next available voucher. PHAs must give automatic priority for available turnover vouchers to residents of RAD developments before serving the regular HCV waitlist, except for special purpose vouchers that are limited in eligibility. A PHA may have requests for tenant-based assistance coming both from residents in traditional PBV projects and from RAD projects. A RAD resident does not have priority for tenant-based assistance over a non-RAD PBV resident. In such scenarios.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

Copyright © 2026 by Nan McKay & Associates

Notice PIH 2019-23

Under RAD, unlike in the standard PBV program, the PHA has the option to establish a turnover cap for choice-mobility. The PHA must include this policy in the administrative plan if it chooses to adopt a turnover cap. The PHA may adopt such a cap if, as a result of RAD, the total number of PBV units (both standard and RAD PBV) administered by the PHA exceeds 20 percent of the PHA's authorized units under its HCV ACC with HUD. In this case the PHA is not required to provide more than three-quarters of its turnover vouchers in any single year to the residents of covered projects. If the PHA chooses to establish a turnover cap and the cap is implemented, the PHA must create and maintain a waiting list in the order requests from eligible households were received. The PHA may not establish a cap in the standard PBV program or if the 20 percent criterion is not met.

Citation: Choice Mobility Guidebook

Other considerations for Choice-Mobility include:

- The right to a Choice-Mobility voucher does not expire as long as the resident still lives in the property.
- Choice-Mobility is open to all residents in RAD properties once they have lived in a property for one year.
- Because a family transitioning to a tenant-based voucher continues to be a participant in the HCV program, they are not subject to any screening requirement.
- If a resident is issued a Choice-Mobility voucher but does not ultimately use it to lease a unit on the open market within the PHA’s prescribed HCV search times, they remain eligible for a Choice-Mobility voucher in the future as long as they continue to live in the same RAD project
- To ensure that residents are fully aware of and understand their mobility rights, PHAs are encouraged to provide clear information on Choice-Mobility to residents at multiple times in the RAD process.

Copyright © 2026 by Nan McKay & Associates

Section 5 Vacancies

FILLING VACANCIES

24 CFR 983.254

The owner and the PHA both play critical roles in filling vacancies. In the PBV program it is very important for the PHA to know about expected vacancies so that the PHA has enough qualified families to refer to the owner for lease-up to maintain high occupancy levels. The owner may only rent vacant contract units to families referred by the PHA. Owners must promptly report an anticipated vacancy to a PHA upon receiving a tenant's notice of intent to vacate or an expected eviction. Waiting until a unit is actually vacant is frequently too late to minimize vacancy loss. The PHA should establish a timeframe for owner notification of vacancies in the administrative plan. Whatever timeframe is established, it should be realistic and provide balance between the PHA's need for time to determine final eligibility of those being referred and the owner's need to fill the vacancy as soon as possible.

To minimize vacancy days and avoid vacancy payments (if applicable) it is important that the PHA refer eligible families to the owner as quickly as possible. When possible, a PHA should process applicants for units before they are vacant based on property turnover patterns. PHAs should process families and owners should screen families so that there is a pool of eligible tenants ready to occupy units as they become available for occupancy. In order to maintain high occupancy rates, the PHA and owner must establish an effective vacancy turnover strategy for each property. PHAs and owners should monitor:

- Number and types of vacancies by bedroom size
- Amount of vacancy turnover time necessary to prepare the units for re-occupancy
- Number of applicants necessary to fill a vacancy
- Average processing time

Copyright © 2026 by Nan McKay & Associates

After conversion, voucher units are counted in the PHA's overall lease-up and budget utilization figures for the Voucher Management System (VMS) as well as for the Section 8 Management Assessment Program (SEMAP) (this will be discussed in more detail in a later chapter). Consequently, we underscore the importance of reviewing property vacancy rates and developing plans to achieve quick lease-up of turnover units.

Units with Accessible Features

24 CFR 983.353(c)(2)

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, the PHA must first refer to the owner families who require such features. When an accessible unit is vacant, the owner must advise the PHA of the accessibility features that exist so the PHA may select and refer the appropriate families from its waiting list.

Floating Units

Notice PIH 2019-23

Upon request of the owner to the voucher agency, assistance may 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 UFAS units, assistance may only float to another UFAS 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 requirements with respect to floating units do not apply to Legacy Non-RAD PBV units.

Copyright © 2026 by Nan McKay & Associates

VACANCY PAYMENTS

24 CFR 983.352

While HAP may typically only be paid for a unit that is leased to and occupied by an eligible family, vacancy payments allow the PHA to pay HAP on a unit that is not occupied. At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner. If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if the PHA determines that the vacancy is the owner's fault. The PHA may only make vacancy payments if all of the following apply:

- The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner's knowledge);
- The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
- The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; **and**
- The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.

The owner must submit a request for vacancy payments in the form and manner required by the PHA and must provide any information or substantiation that the PHA requires to determine the amount of any vacancy payment.

The vacancy payment to the owner may last for a maximum of two months and are determined by the PHA. They cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit). Any vacancy payment may cover only the period the unit remains vacant.

Copyright © 2026 by Nan McKay & Associates

Important note: PHAs that opt not to make vacancy payments must also check the appropriate block in the HAP contract and cross out the language pertaining to such payments.

If a PHA opts to make vacancy payments, such payments count toward budget utilization, but not unit lease-up goals. In VMS, the vacancy payments are counted as housing assistance payments. Another way of looking at it is that a vacancy payment is for a vacant unit as opposed to rental assistance for a family.

Copyright © 2026 by Nan McKay & Associates

Section 6 Setting Rents

INITIAL RENTS

Notice PIH 2019-23;
24 CFR 983.301 and 983.303

RAD conversions are intended to be cost-neutral, and therefore, should not exceed current public housing funding as adjusted for unit size. Since public housing units do not currently have contract rents, HUD provides an estimate of current contract rents for each PHA's public housing units based on current funding as adjusted by bedroom size. Current funding includes operating subsidy, tenant rents, capital funds, and replacement housing factor funds. The funding may limit the amount of initial rent for a property. A detailed explanation of the determination of current funding may be found in Attachment 1C of Notice PIH 2019-23.

Once the current funding amount is calculated, the amount is adjusted by bedroom size to determine the current funding rent. HUD uses the same bedroom adjustment factors as in the metropolitan FMR schedules where the project is located. For example:

Example: Calculating the Current Funding Rent			
Bedroom size	1	2	3
PIC units	20	50	30
Metropolitan FMRs	$650	$775	$900
FMR Bedroom Adjustments	0.839	1.000	1.161
Bedroom Adjusted Rent	**$646**	**$770**	**$894**

Since HUD has calculated initial contract rents for every public housing project based on each project's subsidy under public housing, all RAD applications will have initial contract rents based on their "RAD rent base year." Prior to conversion, these rents will be adjusted by the OCAF until they are established in the HAP contract at the time of conversion.

Despite HUD's calculation or available flexibilities, initial RAD PBV contract rents are still subject to the statutory and regulatory PBV requirements governing contract rents. PBV regulations require the rent for a PBV unit is the lower of:

- The reasonable rent
- 110 percent of the FMR (minus the utility allowance), unless an exception payment standard has been approved by the Secretary, or the alternate rent cap in a PHA's MTW Agreement
- The rent requested by the owner

However, the amount determined by current funding as adjusted through rent bundling or reconfiguration of units in the property may also affect the rent amount. In addition, the amount of rent to owner may also be subject to rent control or other limits under local, state, or federal law.

Example: Calculating Initial Rents			
Bedroom size	1	2	3
Current Funding Rents	$646	$770	$894
Reasonable rent	$640	$740	$830
110% of FMR - UA	$665	$793	$920
Contract Rent	**$640**	**$740**	**$830**

SMALL AREA FMRS

FR Notice 11/16/16

All current and future PBV projects are exempt from the requirements to use small area FMRs (SAFMRs), regardless of where they are located. If a PHA operates their HCV program under a SAFMR (whether designated by HUD or requested), the PHA may apply SAFMRs to future PBV projects only after the effective date of the SAFMR designation and the PHA's administrative plan has been updated. No HUD approval is required to use SAFMRs for PBV. Any policies must apply to all future PBV projects and the PHA's entire jurisdiction. The owner and PHA may not change back to FMRs once SAFMRs have been selected, even if the admin plan subsequently changes. PHAs may also apply SAFMRs prospectively to current projects if the PHA and owner mutually agree. If the rent increases as a result of the change, the increase is effective at the first anniversary of the HAP contract after the change. The PHA and owner may not change back to FMRs once SAFMRs have been selected, even if the admin plan subsequently changes.

TENANT-PAID UTILITY SAVINGS AND RENT

Notice PIH 2018-11

When conversion will result in the reduction of one or more utility components (e.g., gas, water and sewer, electric) used to establish the utility allowance or where the project will use a site-specific utility allowance, HUD will permit the RAD contract rent to be increased by 75 percent of the projected utility savings. See Attachment 1C of Notice PIH 2019-23 for more information.

Copyright © 2026 by Nan McKay & Associates

RENT BUNDLING

Notice PIH 2019-23
Notice PIH 2018-11

Subject to HUD approval, the PHA may adjust subsidy (and initial 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 is known as "rent bundling." Notice PIH 2019-23 details the situations in which rent bundling is permissible.

For example, a PHA has two identical projects, both consisting of 100 units. In Project A, the contract rent is $500; and in Project B, the contract rent is $600. The PHA could bundle the two and the contract rents for both projects would be $550.

OTHER CONSIDERATIONS

Notice PIH 2019-23

For applications where the PHA proposes a de minimis reduction of units, projects will not be permitted to retain the subsidy of any units that are not included in the conversion application. Instead, HUD will reallocate the subsidy to other conversions. An exception is made when the PHA is proposing a de minimis reduction in dwelling units, but certain units will be designated for special purpose uses, or units are being reconfigured through rehab to improve marketability (e.g., combining efficiencies). The project will retain the subsidy attributable to those units and the contract rents for the dwelling units will increase by a share of the foregone subsidy (i.e., the operating fund and capital fund portion of the weighted contract rent).

When a project's funding is reduced as a result of a program cap on contract rents, a PHA may request that HUD transfer the excess subsidy to the PHA's voucher program in order to facilitate choice-mobility.

PHAs that are scheduled to receive ongoing RHF or DDTF funding subsidy (funds that have not been awarded and, with HUD permission, funds that have been awarded but not yet disbursed) may choose to forgo any ongoing RHF or DDTF grants for the purpose of offsetting an increase to the RAD rent. See Attachment 1C of PIH 2019-23 for the calculation of how RHF or DDTF funding may offset increased RAD rent.

Copyright © 2026 by Nan McKay & Associates

MTW AGENCIES

Notice PIH 2019-23

The calculation of contract rents for MTW agencies with an alternative subsidy calculation under the public housing program differs because their operating subsidy is not allocated at a project level. For these agencies, HUD used data provided in the form HUD-50058 MTW to derive tenant rents. For operating fund subsidy, for applications submitted by or before March 5, 2015, the project's operating subsidy is determined based on a pro rata share of the agency's operating fund grant. For applications submitted after March 5, 2015, HUD will derive an approximation of operating fund subsidy under 24 CFR Part 990 for the purpose of calculating contract rents under RAD. PHAs should email rad@hud.gov to request revised RAD contract rents.

MTW agencies may use their MTW block grant funds to set their initial contract rents, subject to applicable program caps. The agency must use existing voucher funding to supplement rents; no additional voucher funding will be provided. MTW agencies may exercise this flexibility to set initial contract rents only when they have submitted applications for two or more projects. Any use of MTW block grant funds in setting initial contract rents shall be subject to subsidy layering review and MTW continued service requirements, as calculated using the MTW baseline methodology described in Notice PIH 2013-02.

For example, assume that an MTW agency that is closing effective July 1, 2018, is considering using fungibility for a project of 100 units whose contract rent is $500 PUM and whose subsidy is $200 PUM. In order to make the deal feasible, the MTW agency must make the contract rent $550 PUM and receive a subsidy of $250 PUM. In order to do this, the MTW agency must agree to a permanent reduction in its operating and capital fund subsidy by a combined $60,000 a year ($50 PUM for 100 units for 12 months) starting in CY 2019. During the remainder of CY 2018, the PHA can use its available public housing or other funds to make up any gap in rental subsidy as a result of operating and capital fund allocations to a RAD project that are lower than the HAP subsidy. In the year following, the HAP contract rent provided will be $550 PUM.

Copyright © 2026 by Nan McKay & Associates

ESTABLISHING UTILITY ALLOWANCES

24 CFR 982.517

The HAP contract lays out utility responsibilities between the owner and the tenant for all RAD PBV units in the development. The responsibilities may vary by unit types and sizes. Unlike in the HCV program, utility responsibilities do not change based on individual tenancy and may only be changed through a formal contract amendment. The PHA must maintain a utility allowance schedule for all tenant-paid utilities (except telephone), for cost of tenant-supplied refrigerators and ranges, and for other tenant-paid housing services (e.g., trash collection).

Notice PIH 2019-23; 24 CFR 983.301(f)(2)(ii) and 982.517

When contract rent amounts are set initially, the amount does not include a utility allowance. 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.

RD Resource Desk FAQ 04/28/2017

For a RAD transaction that has had a CHAP and RCC issued and is in the closing process, the utility allowances shown in the RAD CHAP award reflects the utility allowances input by the PHA at the time of the original RAD application submission. The RAD conversion must close with the public housing utility allowances currently in place at the site. The existing utility allowances should be reviewed and confirmed at the financing plan stage. 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.

If there is a change to the utility allowances since the original CHAP was issued, the executive director must submit a signed certification to the transaction manager stating the requested utility allowances per bedroom type and certifying that those are the utility allowances currently in effect at the site. The transaction manager will then request an amended RAD CHAP Exhibit A, which will reflect the updated utility allowances. If an RCC has already been issued, the RCC will also need to be amended to reflect the revision.

Copyright © 2026 by Nan McKay & Associates

Notice PIH 2019-23

After that, the PHA may use the HCV utility allowance for RAD PBV units or the PHA may instead apply site-specific utility allowances. If a site-specific utility allowance is used, the utility allowance is calculated in accordance with Notice H 2015-04. The owner must carry out all responsibilities associated with the notice, but the PHA must ensure that the utility allowance is calculated correctly. If a site-specific utility allowance is used, the utility allowance would also apply to Legacy Non-RAD PBV units in the project.

RAD PBV Quick Reference Guide

The new utility allowance would become effective for each family at their first interim or annual recertification.

RAD Resource Desk FAQs, 1/25/19

Although the public housing program has a provision for "check-metering" and surcharges for excess resident utility usage (see 24 CFR 965.506), there is no such provision in PBV. If a converting project currently has surcharges for excess consumption of PHA-supplied utilities, the PHA may ask HUD to adjust the rent used in the fiscal year (FY) in which the RAD contract rents were calculated.

UTILITY REIMBURSEMENT PAYMENTS

24 CFR 982.514(c)

If the tenant is eligible for a utility reimbursement because the TTP is less than the utility allowance, the tenant receives a monthly check from the PHA to help cover utility costs. The tenant will pay no rent, and the HAP payment will be equal to the contract rent for the unit. The utility reimbursement is calculated by subtracting the TTP from the utility allowance.

The PHA may establish a policy for making quarterly utility reimbursement payments if the quarterly amount is $45 or less ($15 per month) either prospectively or retroactively.

- The PHA must inform the family whether payments will be prospective or retroactive on a quarterly basis.
- The PHA must establish hardship exemption policies if the PHA chooses to make reimbursements retroactively.
- The PHA must make a prorated payment if the family moves or leaves the program.

This policy is optional. The PHA may choose to make monthly payments for all utility reimbursements.

Copyright © 2026 by Nan McKay & Associates

RENT REASONABLENESS

24 CFR 983.303(f)

The purpose of rent reasonableness is to assure that a fair market rent is paid for the unit, and the program does not inflate rents in the community.

If units are PHA-owned, an independent entity approved by HUD must conduct the rent reasonableness determination.

24 CFR 982.54(d)(15)

The PHA must retain documentation of how reasonable rent was determined by the independent entity.

24 CFR 982.4(b)

Reasonable rent is defined as a rent to owner that is not more than rent charged:

- For comparable units in the private unassisted market; and
- For comparable unassisted units in the premises

24 CFR 983.303(c)

When determining reasonable rent, the independent entity must use at least three comparable units in the private unassisted market, which may include unassisted units in the premises or project. The independent entity's comparability system must take into consideration the following nine factors, but the independent entity is not required to quantifiably document or separately evaluate each of the factors:

- Location
- Size
- Type
- Quality
- Age of unit
- Amenities
- Housing services
- Maintenance
- Utilities supplied by the owner

24 CFR 983.303(b)

Rent reasonableness must be conducted by the PHA for PBV-assisted units whenever any of the following occur:

- There is a 10 percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date

Copyright © 2026 by Nan McKay & Associates

- The PHA approves a change in the allocation of responsibility for utilities between the owner and the tenant
- The HAP contract is amended to substitute a different contract unit in the same building
- There is any other change that may substantially affect the reasonable rent

RENT ADJUSTMENTS

Notice PIH 2019-23

Whereas in the standard PBV program, a PHA may use owner request or HUD's operating cost adjustment factor (OCAF) for rent adjustments, in RAD PBV contract rents must be adjusted by HUD's operating adjustment factor (OCAF) at the anniversary date of the HAP contract (subject to the availability of appropriations for that year). However, 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. If the project is PHA-owned, the independent entity must determine the OCAF adjustment.

RAD PBV OCAF Rent Adjustment Tool (RAD Resource Desk), https://www.hudexchange.info/trainings/pha-asset-repositioning/

On the anniversary of the HAP contract each year, it is the responsibility of the contract administrator to apply the OCAF. Owners should request the OCAF adjustments 60 days prior to the anniversary of the RAD PBV HAP contract. In the event the OCAF was not applied in previous years, the OCAF must be calculated retroactively for the years missed and an additional subsidy payment must be made to the owner once all calculations have been completed.

For example, the initial rent on the PBV HAP for a two-bedroom unit was $575, an amount that was rent reasonable at that time. In the second year of the HAP contract, contract rents increased to $585, an amount that was rent reasonable at that time. In the third year, there is a decrease in the FMR of more than 10 percent. A rent reasonableness determination is conducted and the reasonable rent for the two-bedroom unit would now be $525. The contract rent may not decrease below $575, which is contract rent amount on the initial HAP contract.

Copyright © 2026 by Nan McKay & Associates

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 24 CFR 983.55 (prohibition of excess public assistance)
- 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

Below is an example of a RAD public housing contract rent adjustment using the OCAF. An excerpt of the OCAF for several states is provided. Two detailed examples of an OCAF for a property located in Alaska is provided; one for a property that receives the OCAF and one for a property in which initial rents are below the contract rent.

Excerpt: Operating Cost Adjustment Factors for 2026	
Alabama	5.9%
Alaska	5.0%
Arizona	4.5%
Arkansas	6.0%

Example Calculation: Alaska (OCAF 5.0%)					
	1-BR	2-BR	2-BR, 1.5 Baths	3-BR	4-BR
Current Rent	$580	$650	$650	$740	$820
OCAF Adjustment	$609	$683	$683	$777	$861
Reasonable Rent	$625	$680	$720	$760	$850
Approved Rent	**$609**	**$683**	**$683**	**$760**	**$850**

Example Calculation: Alaska (OCAF 5.0%) Reasonable Rent Below Initial Contract Rent					
	1-BR	2-BR	2-BR, 1.5 Baths	3-BR	4-BR
Current Rent	$580	$650	$650	$740	$820
OCAF Adjustment	$609	$683	$683	$777	$861
Reasonable Rent	$555	$610	$630	$710	$800
Initial Contract Rent	$575	$635	$635	$725	$800
Approved Rent	**$575**	**$635**	**$635**	**$725**	**$800**

Copyright © 2026 by Nan McKay & Associates

Supplemental Notice 4C

HUD may consider individual waivers of the annual rent adjustment in extraordinary circumstances. A Project Owner may request a waiver of the rental adjustment by OCAF and receive a rental adjustment by an alternative operating cost factor. Project Owners requesting a waiver of the rental adjustment by OCAF must submit a request with documentation demonstrating the need for an alternative operating cost factor rental adjustment in order to preserve the Covered Project. If the Owner has demonstrated the need for the waiver, the Office of Recapitalization may grant the waiver and will determine the appropriate alternative operating cost factor and resulting rents. For PBV, the Contract Administrator must consent to the request, and their consent must be evidenced in the Project Owner's documentation. Requests must be submitted through the RAD Resource Desk under the Post-Closing page for the RAD project for which the exception is being requested. More information on how to apply can be found in the 9/16/25 RadBlast! Newsletter.

Copyright © 2026 by Nan McKay & Associates

Learning Activity 7-1: Rent Adjustments

Scenario: Pine Bluff is a PHA-owned property, and it is time for the independent entity to process the rent adjustments for the project using HUD's RAD PBV OCAF Rent Adjustment Tool. Using this tool, let's go over the three steps that need to be done to calculate the OCAF adjustment for Pine Bluff.

RAD PBV OCAF Rent Adjustment Tool

Enter data for all orange cells. In addition:

- *If property has Hard Debt, Enter the Annual Debt Service for Hard Debt at (M) (Green Cell).*
- *If there are Non-RAD units, enter the total number of Non-RAD units at (G) and Rent Potential for Non-RAD*

PHA Name:	Eastlake Housing Authority
Project Name:	Pine Bluff
Year:	2026
HAP Anniversary Date	11/1/2026

Step 1: Enter Current RAD Units and Contract Rents as well as the determined "Reasonable Rents"

(A)	(B)	(C)	(D)	(E)
Bedroom Size	Number of RAD Units	Current RAD Section 8 PBV Contract Rents	Current Monthly RAD Section 8 Rent Potential (B x C)	Reasonable Rents
0BR	15	$ 950.00	$ 14,250.00	$ 1,000
1BR	250	$ 1,100.00	$ 275,000.00	$ 1,200
2BR	100	$ 1,300.00	$ 130,000.00	$ 1,400
3BR			$ -	
4BR			$ -	
5BR	0		$ -	
6BR	0		$ -	
0BR-a	0		$ -	
1BR-a	0		$ -	
2BR-a	0		$ -	
3BR-a	0		$ -	
4BR-a	0		$ -	
5BR-a	0		$ -	
6BR-a	0		$ -	
	365			

(F) Total Monthly RAD Rent Potential (Total of Column D)	$ 419,250
(G) Total Number of Non-RAD Residential Units in property	10
(H) Total Number of Units in the Property	375

Step 2: Calculate Increase Factor Adjusted by OCAF		
(I) Annual RAD Rent Potential ((F) x 12)	$ 5,031,000	
(J) Total Annual Rent Potential for Non-RAD Units	$ 120,000	
(K) Total Annual Project Rent Potential (I+ J)	$ 5,151,000	
(L) RAD Percentage of Total Project Rent Potential (I÷ K)	98%	
(M) Total Annual Hard Debt Service; Enter Zero if no Debt	$ 25,000	
(N) RAD Debt Service Share (L x M)	$ 24,417.59	
(O) Annual RAD Rent Potential Less RAD Debt Service (I - N)	$ 5,006,582	
(P) Enter applciable state OCAF (search "OCAF" in the Federal Regist	6.0%	www.federalregister.gov
(Q) RAD Rents Less Debt Service Multipled by OCAF (O x P)	$ 5,306,977	
(R) Adjusted RAD Rent Potential (N + Q)	$ 5,331,395	
(S) Rent Reasonableness (Total Annual Potential)	$ 5,460,000	
(T) Lesser of (R) or (S)	$ 5,331,395	
(U) Increase Factor ((T-I) ÷ I)	5.97%	

Copyright © 2026 by Nan McKay & Associates

Step 3: Calculate OCAF Adjusted Contract Rent Potential for RAD Units ONLY

(V)	(W)	(X)	(Y)	(Z)
Bedroom Size	**# of Units**	**Current RAD Section 8 Contract Rents**	**OCAF Adjusted Rent** (U x AA)	**Annual RAD Adjusted Rent** (Z x AB x 12)
0BR	15	$ 950	$ 1,007	$ 181,210
1BR	250	$ 1,100	$ 1,166	$ 3,497,039
2BR	100	$ 1,300	$ 1,378	$ 1,653,146
3BR		$ -	$ -	$ -
4BR		$ -	$ -	$ -
5BR		$ -	$ -	$ -
6BR		$ -	$ -	$ -
0BR-a		$ -	$ -	$ -
1BR-a		$ -	$ -	$ -
2BR-a		$ -	$ -	$ -
3BR-a		$ -	$ -	$ -
4BR-a		$ -	$ -	$ -
5BR-a		$ -	$ -	$ -
6BR-a		$ -	$ -	$ -
	365			
(AA)) Annual Adjusted Rent Potential (total of Column AZ)				$ 5,331,395

Section 7 End of Initial 20-Year Term

Supplemental Notice 4C

After the expiration of a 20-year initial term of the HAP contract, the HAP contract must be renewed on a form approved by HUD, which must include language that requires rents to be re-determined in accordance with 24 CFR 983.301 and 983.302. If the RAD PBV HAP contract was renewed or extended prior to the 20th year after conversion, then starting with the 20th year after execution of the original RAD PBV HAP contract, contract rents must be redetermined in accordance with 24 CFR 983.302 or successor regulation.

Section 8 Chapter 7 Post-Test

1. The PHA must count children in joint custody arrangements as part of the household if they will reside in the unit more than 30 days in a year.
   a. True
   b. False

2. Each PHA must establish subsidy standards in its administrative plan.
   a. True
   b. False

3. The effective date of the lease for a RAD PBV unit must not begin before the effective date of the RAD PBV HAP contract.
   a. True
   b. False

4. Upon request of the owner, assistance may float among unoccupied units within the project that are the same bedroom size.
   a. True
   b. False

5. If the PHA determines a family is eligible for the program, the owner must rent a RAD PBV unit to the family, regardless of the owner's screening criteria.
   a. True
   b. False

6. If the family's lease is terminated during the first year of occupancy, the family is eligible for a tenant-based voucher.
   a. True
   b. False

Copyright © 2026 by Nan McKay & Associates

7. Which of the following is NOT true regarding choice-mobility?
   a. PHAs may establish a policy limiting choice-mobility to no more than 20 percent of families in a covered project
   b. Eligible PHAs may establish a turnover cap limiting choice-mobility vouchers to no more than three-quarters of turnover vouchers in any single year
   c. After a year of occupancy, if the family terminates the lease in accordance with program requirements, the PHA is required to offer the family the opportunity for continued tenant-based assistance
   d. If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance

8. RAD PBV projects use either the HCV utility allowance or a site-based utility allowance after conversion.
   a. True
   b. False

9. A PHA has two projects, both consisting of 100 units. The PHA is going to bundle rents for the two projects. In Project A, the contract rent is $800; and in Project B, the contract rent is $900. The PHA could bundle the two and the contract rents for both projects would be:
   a. $800
   b. $850
   c. $900
   d. $1,700

Copyright © 2026 by Nan McKay & Associates

10. The PHA is redetermining rent for a unit at the anniversary date of the HAP contract. The current rent for the unit is $625. The rent based on the OCAF would be $637. The reasonable rent for the unit is $630. The initial rent for the unit was $610. What is the rent for the unit?
    a. $610
    b. $625
    c. $630
    d. $637

11. A rent reasonableness determination must be performed at all of the following times, except:
    a. At the annual anniversary of the HAP contract
    b. When rents are set initially for the building
    c. Before a family moves into a unit
    d. When the PHA approves a change in the allocation of responsibility for utilities between the owner and the family

12. When conversion will result in the reduction of one or more utility components (e.g., gas, water and sewer, electric) used to establish the utility allowance or where the project will use a site-specific utility allowance, HUD will permit the RAD contract rent to be increased.
    a. True
    b. False

13. In RAD PBV units, rents may never, under any circumstances, exceed the reasonable rent for the unit.
    a. True
    b. False

Copyright © 2026 by Nan McKay & Associates

14. Unlike in the standard PBV program, in RAD PBV contract rents are adjusted by HUD's operating cost adjustment factor (OCAF) at the anniversary date of the HAP contract.
    a. True
    b. False

15. For new families after the conversions, the owner may, but is not required to, collect a security deposit from the tenant.
    a. True
    b. False

CHAPTER 8 Occupancy

Section 1 Learning Outcomes and Overview

LEARNING OUTCOMES

Upon completion of this chapter, you should be able to:

- Analyze the process for conducting annual and interim recertifications
- Recall the inspection requirements in the PBV program
- Recall how increases in income are treated for in-place residents and new admissions
- List the requirements for termination of assistance and owner evictions

OVERVIEW

Once families occupy RAD PBV units, the PHA is responsible for conducting annual and interim recertifications as well as inspecting the units for compliance with HQS (unless the units are PHA-owned). As a result of an annual or interim recertification, families may experience an increase in income that results in their TTP exceeding the unit's gross rent. In-place families are treated differently than new admissions in this situation. Finally, the PHA may at some point have grounds to terminate the program assistance or the owner may have grounds to evict the family. In either case, the family has grievance rights under the RAD program that standard PBV program participants are not afforded.

Copyright © 2026 by Nan McKay & Associates

Section 2 Recertifications

24 CFR 5.609(c)(1)

Annual reexaminations for PBV families are conducted by the PHA, in accordance with the PHA's administrative plan. The HCV regulations at 24 CFR Part 982 apply for conducting annual and interim reexaminations.

The PHA must conduct a reexamination of family income and composition at least annually. Typically, the process begins 90 to 120 days before the effective date of the reexam. The PHA must establish a policy to ensure that the annual reexamination for each family is completed within a 12-month period. 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. An in-place family living in the project at the time of conversion may retain the same anniversary date they had in public housing.

The PHA must determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations, except where the PHA uses a streamlined income determination. The PHA may also use Safe Harbor income determinations dated within the last 12 months from a means-tested federal public assistance program at annual reexamination. Except when using streamlined or Safe Harbor income determinations, in determining the income of the family for the previous 12-month period, any change in income since the family's last annual reexamination, including those that did not meet the threshold to process an interim reexamination in accordance with PHA policies must be considered. However, income from assets is always anticipated, irrespective of the income examination type. A change in income may be a loss of income or the addition of a new source of income. Changing to a different employer in the prior year does not necessarily constitute a change if the income earned from either employer is substantially the same. The PHA should look at the entirety of the family's unearned income and earned income from the prior year in which earned income may have been one constant job or many different jobs that start and stop.

Copyright © 2026 by Nan McKay & Associates

Cost of Living Adjustments (COLA) to Social Security income and Social Security disability income are always considered changes to income because the COLA is an adjustment that automatically occurs annually by law. Notice PIH 2023-27 lists the steps to calculate both earned and unearned income at annual reexamination.

Reexaminations may be conducted in person or remotely under certain circumstances, depending on PHA policy.

For efficiency and convenience for families, some PHAs perform annual reexaminations at the PBV property site, align reexamination dates with those required by other funding providers, or request the owner to seek authorization for other funders to realign family reexamination dates to be the same as those of the PHA. Especially in the case of supportive housing and subject to privacy restrictions, PHA staff should work closely with the managers and service providers who may assist families to obtain required information.

Moreover, a PHA may consider alternative annual family reexamination anniversary dates requested by an owner. For example, in properties for the elderly and/or the disabled, a PHA may consider basing the recertification anniversary date on the date for Social Security cost of living adjustments or other assistance programs. Another example is that for coordination purposes, owners may request that the PHA set the reexamination anniversary date for all tenants to be the same as the anniversary date of the HAP contract for the property. Of course, a PHA should specify any provision for alternative reexamination anniversary dates in its administrative plan.

The PHA is required to obtain the information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the PHA. This includes gathering and verifying current information about family composition, income, and expenses. Based on this updated information, the family's income and rent must be recalculated. As part of the annual reexamination process, families are required to provide updated information to the PHA regarding the family's income, expenses, and composition.

Copyright © 2026 by Nan McKay & Associates

Notice PIH 2012-28; 24 CFR 5.903(f) and 5.905(d)

HUD recommends that at annual reexaminations PHAs ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state. If the PHA proposes to terminate assistance based on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and provide the family an opportunity to dispute the accuracy and relevance of the information prior to termination.

24 CFR 982.552

Families who fail to cooperate with the PHA in providing the necessary information may be terminated from the program.

EFFECTIVE DATES

24 CFR 982.516

The PHA must establish policies concerning the effective date of changes that result from an annual reexamination. Families must be notified in writing of the results of the reexamination and the effective date of the change. PHAs should give families reasonable notice of any rent increase. Generally:

- Decreases in the family's share of the rent are effective on the first day of the month following the change.
- Increases are effective on the first day of the month after reasonable advance notice to the family.
    - Reasonable notice is generally assumed to be at least 30 days from the first of the month.

The notice should inform the family and the owner of the following:

- The amount and effective date of the new HAP;
- The amount and effective date of the new family share of the rent; and
- The amount and effective date of the new rent to owner.

If the tenant portion increases as a result of the reexamination, the assisted family must be given the opportunity for an informal hearing.

INTERIM REEXAMINATIONS

24 CFR 982.516

Interim reexaminations must be conducted in accordance with policies in the PHA administrative plan.

The PHA must adopt policies prescribing when and under what conditions the family must report a change in family income or composition.

24 CFR 5.609(c)(1)9

The PHA must estimate the income of the family for the upcoming 12-month period to determine family income for an interim reexamination.

NON-INTERIM REEXAM TRANSACTIONS

Families may experience changes within the household that do not trigger an interim reexamination under PHA policy and HUD regulations, but which HUD still requires the PHA to report to HUD via Form HUD-50058. These are known as non-interim reexamination transactions. The following is a list of non-interim reexamination transactions:

- Adding or removing a hardship exemption for the child care expense deduction;
- Updating or removing the phased-in hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction;
- Adding or removing general hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction;
- Adding or removing a minimum rent hardship;
- Adding/updating a family or household member's Social Security number; and
- Updating a family member's citizenship status from eligible to ineligible or vice versa, resulting in a change to the family's rent and/or utility reimbursement, if applicable (i.e., family begins receiving prorated assistance or previously prorated assistance becomes full assistance), or updating the prorated rent calculation due to the addition or removal of family members in household with an ineligible noncitizen(s).
- Processing contract rent changes that do not correspond with an interim or annual reexamination (including PBV rent increases).

Copyright © 2026 by Nan McKay & Associates

CHANGES IN FAMILY COMPOSITION

PHAs must require families to report household composition changes; however, PHAs determine the timeframe in which reporting happens.

- For example, within 10 business days of the change.

The PHA must adopt policies prescribing when and under what conditions the family must report changes in income and family composition.

24 CFR 982.551(h)(2)

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require PHA approval. However, the family is required to promptly notify the PHA of the addition.

24 CFR 982.551(h)(4)

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request PHA approval to add a new family member or other household member (live-in aide or foster child).

Notice PIH 2023-27, Revision 3

Revision 3 of Notice PIH 2023-27, dated April 16, 2026, requires PHAs to apply a 0% threshold and conduct interim reexaminations when a household adds or removes household members, including family members, foster adults, foster children, and live-in aides, regardless if the change in household composition results in a decrease, increase, or no change in the family's annual adjusted income.

- The exception is if adding or removing household members would require an interim reexamination for an increase in annual adjusted income during the last three months of a family's recertification period, and the PHA has a written policy not to conduct interim reexaminations under these circumstances.

When conducting an interim reexamination for an increase due to the addition or removal of a household member, the PHA must not consider increases in earned income when estimating or calculating whether the family's adjusted income has increased, unless the family has previously received an interim reduction during the same reexamination cycle.

The lower threshold does not apply when the household does not add or remove a household member but experiences other kinds of changes to existing household member characteristics-this is reviewed as a normal increase or decrease.

- E.g., if the head of household turns 62 and the family becomes an elderly family, or an adult member who is not the head of household, cohead, or spouse enrolls in college and becomes a dependent.

Changes Affecting Income or Expenses

A family may request an interim determination of family income for any change since the last determination.

The PHA must conduct an interim within a reasonable time after the family request or when the PHA becomes aware of the change. What constitutes a reasonable time may vary based on the amount of time it takes to verify information (generally, should not be longer than 30 days after changes in income are reported.

Interim Decreases

Even though the family may request an interim at any time, the PHA may decline to conduct an interim reexamination of family income if the PHA estimates the family's adjusted income will decrease by an amount that is less than ten percent of the family's annual adjusted income or a lower threshold established by the PHA.

- PHAs may set a lower amount than 10% in PHA policy (e.g., 5%)
- The PHA may perform interims for decreases of any amount.
- PHAs may not set a higher amount than 10% or establish a dollar figure threshold amount instead of a percentage threshold.

Remember, the PHA must perform an interim for a decrease in adjusted income of any amount if the household adds or removes family members.

EXAMPLE
• Martha Allen's annual income is $12,000. Her deductions are: - $3,000 for health and medical expenses - $525 elderly/disabled deduction - Her adjusted income is $8,475 • She just incurred a medical expense of $500. • She is requesting the PHA conduct an interim decrease to account for the new expense. • The threshold to trigger an interim decrease for Martha is $847.50. • Adjusted income of $8,475 x 10% • Since the expense does not meet the 10% threshold, the PHA may, but is not required to, decline to conduct the interim.

INTERIM INCREASES

PHAs must not process an interim reexam for income increases that result in less than a 10% increase in adjusted income.

EXAMPLE
• Mandy Alexander's total annual income was $25,000 at her last annual • She has one dependent • Adjusted income was: $24,520 • Her TANF benefits just increased • Her adjusted income is now $26,520 - $2,000 increase • $24,520 x 10% = $2,452 • $2,452 or more is the threshold for conducting an interim • Since the increase is less than 10%, the PHA may not perform an interim

PHAs must conduct an interim reexam when the PHA becomes aware that the family's adjusted income has changed by an amount that the PHA estimates will result in an increase of 10 percent or more in adjusted income, with some exceptions.

PHAs may choose not to conduct an interim reexamination during the last three months of a certification period if a family reports an increase in income within three months of the next annual reexamination effective date.

EXAMPLE

- Maya May's annual last year was effective 11/1.
- The PHA begins processing Maya's annual for this year in September with an 11/1 effective date.
- On 10/1 Maya reports that her TANF benefits have increased by $30 per month and this amount meets the 10% threshold for increases.
- While the change meets the 10% interim increase threshold, the PHA may decline to perform the interim since her next annual will be effective in one month.

PHAs may not consider any increases in earned income when estimating or calculating whether the family's adjusted income has increased, unless the family has previously received an interim reduction during the same reexamination cycle.

When the family previously received an interim reexamination for a decrease to adjusted income during the same annual reexamination cycle, a PHA has the discretion whether to consider a subsequent increase in earned income.

If PHA policy states that the PHA will not conduct an interim for increases in earned income when there was a previous interim decrease, the PHA will not perform interims for any increases in earned income, regardless of the amount.

Copyright © 2026 by Nan McKay & Associates

- If PHA policy states that the PHA will conduct an interim for increases in earned income when there was a previous interim decrease, the PHA will perform interims for increases in earned income when the 10% threshold is met.

EXAMPLE 1: EARNED INCOME
• Greg Garland lives alone. • At his annual reexam in May, he had a job earning $32,200 a year. This was his only source of income. • Greg did not qualify for deductions and his adjusted income is $32,200 at the time. • 3 months later, he gets a promotion and a raise to $40,000 a year. • Since Greg has not had an interim since his last annual, the PHA may not consider the increase in his earned income and will not perform an interim. • Since the PHA may not consider the increase in earned income, the 10% threshold is not applicable. • The PHA will consider his raise when conducting his next annual reexam.

EXAMPLE 2: EARNED INCOME

- Tameka Barnes lives alone.
- At her annual, she had a job earning $25,000 a year. This was her only source of income.
- Tameka did not qualify for deductions, and her adjusted income was $25,000.
- 3 months later, she lost her job.
- The PHA conducted an interim decrease and made Tameka zero income.
- 2 months later, Tameka got a new job earning $30,000 and reported this to the PHA.
- Since Tameka previously had an interim decreases when she lost her job, the PHA may consider her increase in earned income depending on PHA policy.
- If PHA policy calls for performing an interim in this situation:
  - The PHA must determine if her increase meets the 10% threshold
  - For Tameka the answer is yes because she was zero income
  - The PHA will process an interim
- If PHA policy does not call for performing an interim in this situation:
  - The PHA will not perform an interim
  - The 10% threshold does not apply
  - The PHA will consider the new income from her job at her next annual reexam

Copyright © 2026 by Nan McKay & Associates

For changes in unearned income, the PHA does not consider whether or not an interim was previously performed. The PHA only considers whether the 10% threshold has been met.

For changes in earned income, the PHA first considers whether or not the family has had an interim since their last annual.

EXAMPLE: UNEARNED INCOME

- Maria Media was receiving $90 per month in child support at her last annual in March. This was her only source of income. Her annual income was $1,080.
- Maria has two children, and her adjusted income was $120 at the time.
- In July, she reports to the PHA that her child support has increased to $200 per month.
- The PHA must determine if the increase meets the 10% threshold.
- $120 (adjusted income) x 10% = $12
- Maria's increase meets the threshold since it's more than $12.
- The PHA conducts an interim.

Copyright © 2026 by Nan McKay & Associates

When the family reports an increase in both earned and unearned income at the same time, the PHA must look at the earned and unearned income changes independently of each other to determine if an interim reexamination is performed. The PHA will only conduct an interim reexamination when the increase independently meets the 10 percent threshold and all other requirements for performing interim reexaminations.

- For example, if a family reported increases in both earned and unearned income that overall resulted in a 12 percent increase in their adjusted income, but the change in earned income represented a 7 percent increase and the change in unearned income represented a 5 percent increase, the PHA may not perform an interim for either change since neither change meets the 10 percent threshold amount independently. If the change in unearned income met the 10 percent threshold in this case, the PHA would be required to perform an interim. If the change in earned income met the 10 percent threshold in this case, the PHA would refer to PHA policy to determine whether an interim was required.

A series of smaller reported increases in adjusted income may cumulatively meet or exceed the 10 percent increase threshold, at which point the PHA must conduct an interim reexamination in accordance with PHA policy.

Copyright © 2026 by Nan McKay & Associates

EXAMPLE: CUMULATIVE INCREASES

- At their last annual effective June 1, 2024, the Mosberg family's adjusted income was $35,909, based on earned income of the HOH and two dependent deductions.
- In August, the HOH reported she received a raise at work, increasing her annual earned income by $2,650. She also recently started receiving monthly child support payments of $150 ($1,800 annually).
- She reported no other changes.
- While the combined increase of earned income (wages) and unearned income (child support) is a 12.3%, the PHA must look at the earned and unearned income changes independently to determine if an interim should be performed.
- The increase in earned income represents a 7% increase.
- The increase in unearned income represents a 5% increase.
- The PHA documented in the tenant file that the family reported the change, but an interim was not performed.
- In November, the HOH reported that her monthly child support payments increased again, from $150 to $325 ($3,900 per year).
- She certified no other changes to income or deductions.
- The change in unearned income represents a 10.8% increase in adjusted income (based on the 6/1/2024 annual).
- The PHA must perform an interim, but only for the change in unearned income.
- The PHA will continue to disregard the increase in earned income until the family's next annual reexam.

Copyright © 2026 by Nan McKay & Associates

FAMILY REPORTING

24 CFR 982.516(d)

The PHA must adopt policies consistent with HUD regulations prescribing when and under what conditions the family must report a change in family income or composition.

PHA policy may require families to report only changes that the family estimates meet the threshold for an interim reexamination or the PHA may establish policies requiring that families report all changes in income and household composition, and the PHA will subsequently determine if the change requires an interim reexamination.

Notice PIH 2023-27

When the PHA determines that an interim reexamination of income is necessary, they must ask the family to report changes in all aspects of adjusted income.

- For example, if the family is reporting a decrease in adjusted income that is more than 10 percent, but the family also had a change in assets that would result in a change in income, the change in assets must also be reviewed.

HUD recommends as a best practice that PHAs maintain documentation of all reported decreases and increase of any size in the family's file, including those that did not result in an interim.

EFFECTIVE DATE OF CHANGES

24 CFR 982.516(c)(4)

If the family reports a change in family income or composition timely:

- For rent increases, the PHA must provide the family with 30 days advance notice. The rent increase is effective the first of the month after the end of that 30-day notice period.
- Rent decreases are effective on the first month after the change.

If the family failed to report a change in family income or composition timely:

- For rent increases, the PHA must implement any resulting rent increases retroactively to the first of the month following the date of the change.
- For rent decrease, the PHA must implement the change no later than the first rent period following completion of the interim reexamination or may apply the rent decrease retroactively, except that a decrease may not be applied prior to the later of the first of the month following:
  - The date of the change leading to the interim reexamination; or
  - The effective date of the family's most recent previous interim or annual reexamination (or initial examination if that was the family's last examination).

EXAMPLE: FAILURE TO REPORT INCREASES
• Maria Martin's last annual was in August. • On 11/1 her child support increased by 15%. • Under PHA policy, Maria was required to report the increase within 10 days. However, she failed to report the change until February. • The increase will be retroactive to 12/1.

24 CFR 982.551 and
24 CFR 982.552

EXAMPLE 1: FAILURE TO REPORT DECREASES
• Harry Halloway was receiving unemployment at his last annual reexam effective 4/1. He stopped receiving benefits in July, but he failed to report this timely and reported the decrease on 11/10. • The PHA processes an interim in November after he reports the decrease. • The PHA applies the decrease prospectively to December 1 which is the first rent period following the completion of the interim.

EXAMPLE 2: FAILURE TO REPORT DECREASES

- James June is HOH. His adult son moved out of his assisted unit on 3/1. Under PHA policy, James was required to report the change within 10 days. He failed to report.
- At the time, the PHA had already processed his annual effective 4/1.
- He reported the change on 6/12.
- The decrease may not be applied prior to the later of the first of the month following:
  - The date of the change leading to the interim: 3/1
  - The effective date of the family's most recent previous annual: 4/1
- The later of these dates is 4/1.
- If the PHA will apply the change retroactively, the PHA will make the change retroactive to first of the month following the 4/1 annual which is 5/1.

Rather than applying retroactive decreases in all cases, the PHA may adopt a policy to describe the conditions under which retroactive decreases will be applied.

- For example, extenuating circumstances that may inhibit timely reporting or a natural disaster

In applying a retroactive change in rent as the result of an interim reexamination, the PHA must clearly communicate the effect of the retroactive adjustment to the family so that there is no confusion over the amount of the rent that is the family's responsibility.

Failure to report required changes or to supply any information requested by the PHA for use in an interim reexamination of family income and composition is grounds for termination of assistance.

Copyright © 2026 by Nan McKay & Associates

Section 3 Increases in Income

Under standard PBV rules, the PHA may only select an occupied unit to be included under the PBV HAP contract if the unit's occupants are eligible for housing assistance payments. Further, standard PBV regulations require that the PHA remove a unit from the contract when no HAP has been paid for 180 days because the family's TTP has risen to a level that is equal to or greater than the gross rent (contract rent plus the utility allowance). Under RAD PBV, these rules apply to new admissions to the project after conversion, but not to current residents. In other words, rules for zero HAP families differ in RAD PBV depending on whether the family was in-place at the time of the conversion or newly admitted to the project. Current public housing residents living in the property prior to conversion are placed on and remain under the RAD PBV HAP contract even if their TTP equals or exceeds gross rent.

During any period when a family's TTP is equal to or above the gross rent, the zero-HAP family will pay an alternative rent to owner that is the lower of: a) the family's TTP less the utility allowance, subject to any required phase-in; or b) the zero-HAP Rent Cap, which is the lower of either 110 percent of the applicable FMR less the utility allowance; or any maximum rent under the LIHTC or HOME programs. If the family's TTP decreases within 180 days of the zero-HAP designation, the normal PBV requirements apply, and the family would pay 30 percent of adjusted income minus utility allowance.

After a family has paid the zero-HAP Rent Cap for 180 days, the PHA must remove the unit from the HAP contract, and the family's PBV assistance ends. In a fully assisted property, the unit must be reinstated to the HAP contract when the family leaves the property. In a partially assisted property, when the family leaves, the unit must be reinstated to the HAP contract unless the PHA previously substituted a different unit on the contract.

Copyright © 2026 by Nan McKay & Associates

ZERO HAP FAMILIES

- Requirements differ for zero HAP families depending on if the family was in-place prior to the conversion or moved in after the conversion.
- **For pre-conversion residents**, if their TTP equals or exceeds gross rent at the time of conversion, the unit must be placed on the RAD PBV HAP contract, and the family are be admitted to the program. The resident is considered a program participant under the RAD PBV program and all the family obligations and protections under RAD and PBV apply to the resident.
- During any period when the family's TTP is equals or exceeds the gross rent, the family will pay the lower of:
  - The family's TTP less the utility allowance, subject to any required phase-in; or
  - The Zero-HAP Rent Cap, which is the lower of either:
    - 110% of the applicable FMR less the utility allowance; or
    - In the event the units are subject to more restrictive rent setting requirements under the LIHTC or HOME programs, or other programs approved by HUD on a project-specific basis, the rent to owner set to comply with such requirements.
- If the family's TTP falls below the gross rent, normal PBV requirements apply.

Copyright © 2026 by Nan McKay & Associates

- After an in-place family has paid the Zero-HAP Rent Cap for 180 days, the PHA must remove the unit from the HAP contract and the family's participation in the PBV program ends.
  - Families paying less than their TTP because of the requirement to phase-in rents are not paying the Zero-HAP Rent Cap and are not subject to this 180-day requirement. However, if the family's TTP exceeds the gross rent, the family is a zero-HAP family and the phase in would end when the amount the family pays under the phase-in meets or exceeds the Zero-HAP Rent Cap. At that point in time the family would pay the Zero-HAP Rent Cap and would be subject to all zero-HAP family requirements of this section, including the 180-day requirement.
  - If the project is fully assisted and the family subsequently leaves the property, the PHA must reinstate the unit back onto the HAP contract and admit an eligible family. If the project is partially assisted and the family subsequently leaves the property, the unit must be reinstated back onto the HAP contract unless the PHA previously substituted a different unit on the HAP contract or, where "floating units" have been permitted.
  - If the family continues to reside in the project after the family's unit was removed from the HAP contract, the family may request to return to the PBV program if the family's income subsequently decreases to the extent that the family's TTP is less than the Zero-HAP Rent Cap and the family is otherwise eligible for PBV assistance. The PHA must, at the earliest opportunity, reinstate the family's unit back onto the HAP contract. If the project was partially assisted and the PHA previously substituted a different unit on the HAP contract, the PHA must substitute the family's unit for a vacant unit on the HAP contract if there is a vacant unit at the time of the request, or by doing so as soon as a unit on the HAP contract becomes vacant if there are no vacant units on the HAP contract at the time of the family request.

Copyright © 2026 by Nan McKay & Associates

- For **new admission families**, unless a PHA requests and receives the waiver, any new admission must meet eligibility requirements and require a subsidy payment at admission to the PBV program, which means the family's TTP may not equal or exceed the gross rent for the unit at that time.
- The PHA must remove a new admission family's unit from the PBV HAP Contract when no assistance has been paid for 180 days.
  - If the project is fully assisted and the family subsequently leaves the property, the PHA must reinstate the unit on the HAP Contract and admit an eligible family.
  - If the project is partially assisted, the PHA may substitute a different unit for the unit on the HAP Contract.
- The PHA may request a waiver to allow new admission families to be admitted to the project when their TTP exceeds the gross rent. See Supplemental Notice 4B for more information.

Section 4 Inspections

The current applicable inspection standard for the HCV and PBV programs is the Housing Quality Standards (HQS). On May 11, 2023, HUD published a final rule implementing the National Standards for the Physical Inspection of Real Estate (NSPIRE final rule), a new approach to defining and assessing housing quality across multiple HUD programs. 24 CFR 5.703 describes the NSPIRE standards, including variations for the HCV and PBV programs. Notice PIH 2023-28 (later issued as Notice PIH 2024-26) finalized the administrative procedures for NSPIRE as they pertain specifically to the HCV and PBV programs. Collectively, this is known as "NSPIRE-V."

The compliance date for NSPIRE-V is no later than February 1, 2027, at which point the HQS inspection standard will sunset. PHAs may, however, implement NSPIRE-V earlier.

However, even once the HQS inspection standard has sunset, the regulations at 24 CFR Part 982 and 983 governing the HCV and PBV programs will continue to use the terms HQS and housing quality standards rather than NSPIRE. This is because the definition of housing quality standards (HQS) at 24 CFR 982.4 means the minimum quality standards developed by HUD in accordance with 24 CFR 5.703 for the HCV program, including any variations approved by HUD for the PHA. As such, this workbook uses the term housing quality standards whenever applicable regulations use this term.

Housing quality standards for the tenant-based program, including those for special housing types, generally apply to the PBV program, with the exception of shared housing, manufactured home space rental, and the homeownership option since these types of units are not assisted under the PBV program.

Copyright © 2026 by Nan McKay & Associates

24 CFR 982.208

The owner is required to maintain and operate the contract units and premises in accordance with housing quality standards, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with the PHA and in the lease with each assisted family. In addition, maintenance, replacement, and redecoration must be in accordance with the standard practice for the building as established by the owner. The HAP contract may also require continuing owner compliance during the HAP contract term with additional housing quality requirements specified by the PHA (in addition to, but not in place of, compliance with HUD's HQS).

The PHA must inspect contract units whenever needed to determine that the contract units comply with housing quality standards and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The PHA must take into account complaints and any other information coming to its attention in scheduling inspections. The PHA must vigorously enforce the owner's obligation to maintain contract units. If the owner fails to maintain units in accordance with housing quality standards, the PHA must take enforcement action in accordance with this section.

INSPECTION OF PHA-OWNED UNITS

24 CFR 983.59 and 983.103(f)
Notice PIH 2010-15

An independent entity must perform all initial and subsequent inspections including pre-selection, pre-HAP contract, turnover, and annual/biennial and other inspections, such as complaint inspections. The independent entity must immediately notify the PHA of any deficiencies and must report findings for all inspections to the PHA and the local HUD Field Office. If the family contacts the PHA with a complaint, the PHA must receive the complaint, inform the independent entity of the complaint, and provide the family with contact information for the independent entity who must conduct the complaint inspection. When HQS violations are noted, the independent entity must conduct follow-up inspections to determine if the PHA has corrected violations. If the independent entity has tried to resolve HQS deficiencies with the PHA, but the PHA has not taken necessary action, the independent entity must contact the local HUD Field Office, in which case, HUD will intervene.

Copyright © 2026 by Nan McKay & Associates

PERIODIC INSPECTIONS

24 CFR 983.103
FR Notice 6/25/14

Within 24 months of the contract anniversary date, a representative sample of 20 percent of the assisted units in each building in the development must be inspected for compliance with Housing Quality Standards (HQS). For example, Garden Grove is a project consisting of two, 50-unit buildings. There are 20 RAD PBV units in each building. In order to meet the minimum requirement, four units in each building (20 percent of 20 units) must be inspected at least biennially. Turnover inspections do not count toward the 20 percent requirement. If more than 20 percent of the inspected units in a building have failed the inspection, 100 percent of the units in that building must be inspected.

The PHA may establish a policy in the administrative plan for performing unit inspections either biennially or annually. The policy could apply to some or all assisted units. PHAs still have the option to inspect every unit annually. The inspection includes the property as a whole, including common areas as well as the contract units. Inspectors must use the HUD HQS Inspection Forms 52580 (short-form) or 52580A (long-form), or an electronic format that includes all HQS rating criteria. Further, it is preferable to have a maintenance person available who can make repairs during the inspection process. As with the housing choice voucher program, the owner must make required repairs within 24 hours for exigent health and safety violations and 30 days (or a PHA-approved extension) for other violations. If the damage is tenant-caused, the owner must work with the tenant to correct the conditions. Even when the damage is tenant-caused, the owner must ensure the repairs are made within the corrective action timeframes.

If a participant or government official reports a life-threatening condition, the PHA must inspect the unit within 24 hours. Life threatening conditions are those which the PHA would require the owner to correct within 24 hours.

Copyright © 2026 by Nan McKay & Associates

MIXED-FINANCE PROPERTIES

24 CFR 983.103
FR Notice 6/25/14

For properties that are subject to review by a state housing finance agency, a PHA may coordinate the inspections and perform a conjoint review with the funding agency. Doing so reduces confusion and the inconvenience to residents who might otherwise be required to make their unit available for inspection for multiple housing programs.

Notice PIH 2016-05

The PHA has the option in a mixed-finance property that is assisted with PBVs and is also financed under a federal, state, or local housing program to rely on alternative inspections conducted at least triennially (e.g., LIHTC).

- If the PHA relies on alternative inspections, the PHA must obtain inspection reports and other data from the entity conducting the inspection within five business days of the inspection.
- Reports must be available for HUD inspection for at least three years from the date of the latest inspection.

The PHA must identify the alternative standard to be used in the administrative plan and, if the PHA is using an inspection standard other than those used under LIHTC, HOME, or one performed by HUD, the PHA must first submit a certification to the local HUD Field Office. Inspections under the HOME or LIHTC program, as well as inspections performed by HUD, may be relied on provided the property receives a passing score. If the property receives a failing score, the PHA may not rely on the inspection and must conduct its own HQS inspection. Since the LIHTC program does not use a pass/fail methodology, the PHA must review the list of deficiencies to determine whether the cited deficiencies would result in a failing score under HQS. If so, the PHA must conduct an HQS inspection within a reasonable period of time.

Copyright © 2026 by Nan McKay & Associates

REINSPECTIONS, TURNOVER, COMPLAINT, AND SUPERVISORY INSPECTIONS

An independent entity must perform turnover and complaint inspections. Unlike the tenant-based voucher program, the inspection of the turnover units is not triggered by a request for tenancy approval (RFTA). Instead, the units may be inspected upon the owner's notification to the PHA that the unit is ready for occupancy. It is important to perform these inspections quickly to reduce vacancy loss to the owner, reduce the PHA's liability for vacancy loss payments, maintain high lease-up rates for the property, and the PHA score under SEMAP.

For complaint inspections, it is important for the PHA to determine if the family or other party registering the complaint has informed the owner and if the owner has failed to respond. Sometimes a phone call to the owner will result in repairs being made to both the family and owner's satisfaction. Other times, the family may not have notified the owner of the repair needs or is making the complaint inspections serve as a means of getting the PHA involved in owner-tenant disputes or pending eviction actions. In any event, a PHA should establish policies and procedures for handling complaint inspections that will save administrative time and costs while ensuring that the units meet HQS.

Notice PIH 2016-05

The PHA may establish a policy for charging the owner a reasonable fee for failed reinspections in two situations:

- If the owner notifies the PHA that repairs have been made, but the previously identified deficiencies have not been corrected
- If the time allowed for repairs has elapsed and the deficiencies have not been corrected.

Fees may not be imposed for tenant-caused damages, for cases in which the inspector could not gain access to the unit, or for new deficiencies discovered during a reinspection. The PHA must also ensure that such a fee is not prohibited by state or local law.

For any inspection performed by a HUD-approved entity other than the PHA, the details of any reinspection fee must be spelled out in the contractual agreement between the PHA and the entity.

24 CFR 983.103(f)(2)

The independent entity must conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected a housing quality standards violation and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violations of housing quality standards.

When an independent entity must verify correction of a deficiency, the independent entity may use verification methods other than another on-site inspection. The PHA may establish different verification methods for initial and subsequent inspections or for different deficiencies, which must be detailed in its administrative plan. Upon either an inspection for initial occupancy or a reinspection, the PHA may accept photographic evidence or other reliable evidence from the owner to verify that a deficiency has been corrected.

Copyright © 2026 by Nan McKay & Associates

Section 5 Terminations

CFR 982.301; CFR 982.552

The PHA must give the family a written description of the family obligations under the program, the grounds on which the PHA may terminate assistance because of family action or failure to act, and the PHA informal hearing procedures.

REQUIREMENTS TO TERMINATE ASSISTANCE

24 CFR 982.201, 5.218, 5.232, 5.514, and 982.552

The PHA must terminate program assistance for a participant if:

- SSN disclosure requirements are not met
- Any family member fails to sign and submit required consent forms
- A family member does not establish citizenship or eligible immigration status
- The PHA determines that a family member has knowingly permitted an individual ineligible for assistance (under Restriction on Assistance to Noncitizens Regulations) to reside in the assisted housing unit of the family member
  - Such 'termination' shall be for a period of not less than 24 months
  - Does not apply if the ineligible individual was considered in calculating any prorated family assistance
- The PHA discovers that a member of an assisted household who was admitted after June 25, 2001, was subject to a lifetime registered sex offender requirement
- Any family member fails to meet the eligibility requirements concerning individuals enrolled at an institution of higher education
- The family was evicted from housing assisted under the program for serious violation of the lease

AUTHORITY TO TERMINATE ASSISTANCE

24 CFR 982.552

The PHA may terminate program assistance for any of the following grounds:

- The family violates any family obligation under the program
- If any family member has been evicted from federally assisted housing in the last five years
- If a PHA has ever terminated assistance under the program for any family member
- If any family member committed fraud, bribery, or another corrupt or criminal act regarding any federal housing program
- If the family currently owes rent or other amounts to any PHA in connection with HCV or public housing assistance, including:
  - Not having reimbursed any PHA for amounts paid to an owner on behalf of the family
  - Breaching a repayment agreement with the PHA
- If the family has engaged in or threatened abusive or violent behavior toward PHA personnel
- If a family has been engaged in criminal activity or alcohol abuse as described in 24 CFR 982.553

24 CFR 984.101(d)

- Note that PHAs are not allowed to terminate assistance for failure to comply with the obligations of the Family Self-Sufficiency (FSS) contract of participation.

Consideration of Circumstances

Denial and termination decisions are subject to reasonable accommodation considerations for persons with disabilities. The PHA may impose a requirement that family members who participated in or were culpable for the action or failure not reside in the unit. When deciding whether to deny or terminate assistance because of action or failure to act by members of the family, the PHA may consider:

- The seriousness of the case
- The extent of participation or culpability of family members
- Mitigating circumstances relating to a family member's disability
- The effects of denial or termination of assistance on other family members who were not involved in the action or failure to act

Asset Limitation

PHAs have discretion whether to apply the asset limitation to participants at annual and interim recertification. The PHA must adopt policies regarding the asset limitation and may adopt a written policy of:

- Total non-enforcement
- Enforcement
- Limited nonenforcement
- Exceptions for some families

The PHA may choose not to enforce the asset limitation at all for any participants. If the PHA adopts a total non-enforcement policy, it must apply the same for all families on the program.

- The PHA may not terminate a VASH family for noncompliance with the asset limitation.

If the PHA chooses to adopt a policy of enforcement, at every recertification, the PHA determines whether families are out of compliance with the asset limitation. If a family is out of compliance, the PHA must initiate termination of assistance within six months of the recertification effective date. Families are not given an opportunity to cure noncompliance.

Copyright © 2026 by Nan McKay & Associates

If the PHA chooses to adopt a policy of limited enforcement, noncompliant families are given an option to cure. The PHA specifies a time period to cure in policy of up to but no longer than six months (except as a reasonable accommodation). If a family remains out of compliance after the cure period, the PHA must initiate termination of assistance within six months of the effective date of the recertification.

The PHA may also identify exception policies in the administrative plan. Families in a specified exception category (or categories) may be subject to total nonenforcement or limited enforcement. This may be combined with an enforcement policy for families not in an exception category or the PHA may give families in an exception category longer to cure noncompliance (though not more than six months except as a reasonable accommodation) than those who are not in an exception category.

Termination of Tenancy and Evictions by the Owner

24 CFR 983.256(f)(3)

The term of the lease automatically terminates if any of the following occurs:

- The owner terminates the lease for good cause
- The tenant terminates the lease
- The owner and the tenant agree to terminate the lease
- The PHA terminates the PBV HAP contract
- The PHA terminates assistance for the family

24 CFR 983.257(c)

Protections for victims of domestic violence, dating violence, sexual assault, stalking, and human trafficking under VAWA also apply.

- Although the VAWA 2022 statute does not specifically do so, HUD has recently begun including human trafficking as part of the list of victims protected under VAWA, as seen in Notices PIH 2022-06, PIH 2022-22, and PIH 2022-24. In the absence of a final rule implementing VAWA 2022 and to mirror HUD's recent usage, we have opted to include human trafficking in this text in addition to domestic violence, dating violence, sexual assault, and stalking anywhere such a list appears.

Copyright © 2026 by Nan McKay & Associates

An owner may evict a family for violation of the lease through court action. The owner may pursue eviction through a judicial court for noncompliance with their lease. If the owner evicts the tenant for a serious violation of the lease, the PHA must terminate the family from the PBV program.

Termination Notification

Projects converting from public housing to PBV under RAD have additional procedural rights that do not apply to the standard PBV program. These procedural rights must be included in the owner's lease as well as the PHA's administrative plan. They apply to Legacy Non-RAD PBV units in the project as well. In addition to the regulations at 24 CFR 983.257 related to project owner termination of tenancy and eviction (which MTW agencies may not alter), the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which must not be less than:

- A reasonable period of time, but not to exceed 30 days:
  - If the health or safety of other tenants, project owner 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;
- Not less than 30 days in the case of nonpayment of rent; and
- Not less than 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.

Grievance Process

Notice PH 2019-23

In addition to reasons for an informal hearing listed at 24 CFR 982.555(a)(1)(i)-(v), an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to an 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.

24 CFR 982.555(a)(1)(i)-(vi)

The PHA must offer the family an opportunity for an informal hearing for the following:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the PHA utility allowance schedule
- A determination of the family unit size under the PHA subsidy standards
- A determination to terminate assistance for a participant family because of the family's action or failure to act (see 24 982.552)
- A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under PHA policy and HUD rules

The hearing may be conducted by any person or persons designated by the PHA, other than a person who made or approved the decision under review or a subordinate of this person. Hearing procedures must be outlined in the PHA's administrative plan.

Notice PIH 2019-23

For any hearing required under 24 CFR 982.555(a)(1)(i)-(v), the contract administrator will perform the hearing in accordance with PHA policy, as is the current standard in the program.

For any additional hearings required under RAD, the PHA (as owner) will perform the hearing. The owner must provide an opportunity for an informal hearing before an eviction.

An informal hearing is not required for class grievances or for disputes between residents not involving the PHA (as owner) or contract administrator.

The owner must 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)-(v).

Section 6 Chapter 8 Post-Test

1. All of the following are true about annuals for in-place families in RAD PBV, except:
   a. 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.
   b. An in-place family living in the project at the time of conversion may retain the same anniversary date they had in public housing.
   c. The PHA must conduct an annual at the time of conversion for each in-place family

2. The PHA may decline to conduct an interim reexamination if the PHA estimates the family's adjusted income will decrease by an amount that is less than 10 percent of the family's adjusted income.
   a. True
   b. False

3. Other than for birth, adoption, and court-awarded custody, families are required to obtain PHA approval to add new family members to the unit after conversion.
   a. True
   b. False

4. Increases in tenant rent as a result of an interim recertification must always be effective after 30 days written notice to the family.
   a. True
   b. False

Copyright © 2026 by Nan McKay & Associates

5. Which of the following is NOT true regarding HQS inspections?
   a. At least 20 percent of units in each building must be inspected annually/biennially
   b. The PHA may not conduct inspections annually. HUD requires biennial inspections in PBV
   c. If more than 20 percent of the inspected units in a building have failed the inspection, the PHA must inspect 100 percent of the units in that building
   d. All units must meet HQS no later than the date of completion of initial repairs as indicated in the RAD Conversion Commitment (RCC)

6. In lieu of conducting an annual/biennial HQS inspection, the PHA may rely on inspections conducted under other housing programs such as the tax credit program in mixed-financed properties.
   a. True
   b. False

7. A previously unemployed family member gets a new job two months after their annual recertification. HUD requires that the PHA conduct an interim recertification for this increase in income.
   a. True
   b. False

8. Inspections are required in the PBV program before a family moves into a vacant unit.
   a. True
   b. False

9. Failure to report required changes or to supply any information requested by the PHA is grounds to terminate the family's assistance.
   a. True
   b. False

Copyright © 2026 by Nan McKay & Associates

10. The PHA must terminate program assistance for a participant if the family was evicted from housing assisted under the program for a serious violation of the lease.
    a. True
    b. False

11. Under RAD PBV, residents have grievance rights for an informal hearing with both the PHA and the project owner.
    a. True
    b. False

12. An informal hearing is not required for disputes between residents not involving the owner or contract administrator.
    a. True
    b. False

13. After conversion, in order to qualify for a PBV unit, new admissions must have HAP paid on their behalf.
    a. True
    b. False

14. The PHA may opt to use UPCS as the inspection standard for the converted RAD PBV project since they were formerly public housing units.
    a. True
    b. False

Copyright © 2026 by Nan McKay & Associates

CHAPTER 9 Reporting and Administrative Management

Section 1 Learning Outcomes and Overview

LEARNING OUTCOMES

Upon completion of this chapter, you should be able to:

- Describe how PBV units and inspections are incorporated into Section 8 Management Assessment Program (SEMAP) scores
- Complete form HUD-50058, Family Report, for families participating in the PBV program
- Recognize how PBV data is captured in the Voucher Management System (VMS) report that is electronically submitted to HUD on a monthly basis
- Develop a regular monitoring review process for PBV projects
- Identify and avoid Office of Inspector General (OIG) and other audit findings
- Discuss the reasons that collaboration, coordination, and good working relationships with other governmental entities and stakeholders are important
- Identify staff training needs and arrange for appropriate training
- Identify best practices when establishing PBV program files

OVERVIEW

One of the main goals of RAD is to demonstrate how converting public housing assistance to long-term, project-based Section 8 rental assistance can generate access to private debt and equity in order to address both long-term and immediately capital needs. This chapter describes the importance of early and careful planning as well as reporting requirements and fundamental administrative tasks that PHAs must address.

Copyright © 2026 by Nan McKay & Associates

Section 2 Reporting Requirements

REMOVING UNITS FROM PUBLIC HOUSING

Notice PIH 2016-23; RAD PIC Inventory Removal Instructions 3/18/16

Following the issuance of a Commitment to Enter into a HAP Contract (CHAP), PHAs must submit an application into the Inventory Removals module in PIC in order to identify the units that will be removed from public housing annual contributions contract (ACC) when the project completes conversion. HUD will use the information to:

- Exempt the project covered under the CHAP from PHAS scoring
  - REAC will rely solely on the PIC application to exclude the project from PHAS scoring. Delays in PIC submission may result in an inadvertent project score under PHAS.
- Assess which units can appropriately be removed from the public housing inventory as part of the RAD conversion

HUD has developed this streamlined PIC inventory removal application for PHAs with RAD CHAPs. PHAs should follow the RAD PIC Inventory Removal Instructions located on HUD's RAD website at: hudexchange.info/ resource/4240/rad-pic-inventory-removal-instructions.



SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP)

The Section 8 Management Assessment Program (SEMAP) was created to:

- Objectively measure performance in key areas
- Identify management capabilities and deficiencies
- Serve as a self-assessment tool for PHAs

A SEMAP certification based on 14 key performance indicators and the bonus indicator must be completed:

- Annually by each PHA with 250 or more assisted units
- Biennially by each nontroubled PHA with less than 250 assisted units

Performance Indicators		
Indicator		**Possible Points**
1	Selection from the Waiting List	15
2	Reasonable Rent	20
3	Determination of Adjusted Income	20
4	Utility Allowance (UA) Schedule	5
5	HQS Quality Control Inspections	5
6	HQS Enforcement	10
7	Expanding Housing Opportunities	5
8	Payment Standards	5
9	Annual Reexaminations	10
10	Correct Tenant Rent Calculations	5
11	Pre-Contract HQS Inspections	5
12	Biennial HQS Inspections	10
13	Lease-Up	20
14	Family Self-Sufficiency (FSS)	10

Copyright © 2026 by Nan McKay & Associates

Based on PHA certification and data in the Information Management System/Public and Indian Housing Information Center (IMS/PIC), HUD assigns each PHA a rating. Scoring coincides with a PHA's fiscal year and is due within 60 calendar days of the fiscal year end (FYE). The PHA profile is made of ratings that contain:

- Points score for each indicator
- Total point score
- Percentage score
- The overall score

Total points earned are divided by the total points that apply to create the percentage score:

- High performer, 90 percent and greater
- Standard performer, 61-89 percent
- Troubled performer, 60 percent or less

PBVs are counted under SEMAP, with one exception: HUD adjusts its database in PIC to remove all PBV units from the biennial inspection indicator number 12. The reason is that the PBV inspection requirement calls for a random sample of 20 percent of the units in each property. PBV units are included in data population for all other criteria. PHAs are encouraged to include an appropriate percentage of PBV units in their quality control reviews, including supervisory quality control.

PROCESSING FORM HUD-50058

The Form HUD-50058: Family Report captures information on families participating in the Housing Choice Voucher, Project-Based Voucher and Public Housing programs. PHAs must submit a form electronically to HUD for each family at:

- Admission to the voucher program
- Transfers between the tenant-based and project-based programs
- Moves
- Reexaminations
- Terminations

Copyright © 2026 by Nan McKay & Associates

The updated Form HUD-50058: Family Report was released in October 2023 and is dated 01/2024. The form was updated to reflect HOTMA requirements and replaces the previous version dated 6/2020. This section describes how to record the PBV program on the revised 50058.

Office of Public and Indian Housing

1. Agency	
1a. Agency name	1a.
1b. PHA code	1b.
1c. Program	1c.
1d. Project Number	1d.
1e. Building Number	1e.
1f. Building Entrance Number	1f.
1g. Unit Number	1g.
1h. Unit Real Estate ID Number (see instructions)	1h.

1c. Program: The PBV program is coded using
PR = Project-Based Voucher

2. Action

2a. Type of Action	2a.
2b. Effective date (mm/dd/yyyy) of action	2b.
2c. Correction? (Y or N)	2c.
2d. If correction: (check primary reason) [ ] Family correction of income [ ] Family correction (non-income) [ ] PHA correction of family income [ ] PHA correction (non-income)	
2h. Date (mm/dd/yyyy) of admission to program	2h.
2i. Projected effective date (mm/dd/yyyy) of next reexamination	2i.
2j. Projected date (mm/dd/yyyy) of next flat rent annual update (Public Housing flat rent only)	2j.
2k. Supportive Service Program participation now or in the last year? (Y or N)	2k.
2m. Special program: (vouchers only)	2m.
2n. Other special programs: Number 01	2n.
2n. Other special programs: Number 02	2n.
2q. PHA use only	2q.
2r. PHA use only	2r.
2s. PHA use only	2s.
2t. PHA use only	2t.
2u. PHA use only	2u.
2v. End of Participation reason (only if 2a= 6/End Participation)	2v.
2w. Interim Reexamination reason (only if 2a= 3/Interim Reexamination)	2w.
2x. Type of voucher issuance (HCV only)	2x.
2y. Date participant vacated unit (HCV only)	2y.
2z. Special purpose	2z.
2aa. Special purpose	2aa.

2a. Type of Action: A new admission is only processed when a family moves from one PHA program to another. Moves between voucher programs are treated as either Unit Change Only, PBV Transfer to Tenant-Based Voucher or Portability Move-in. An End Participation is also not processed when a family moves between voucher programs. For families transferring from a project-based voucher to a tenant-based voucher, use PBV Transfer to Tenant-Based Voucher to report when the family moves into a tenant-based unit. This follows submission of an Issuance of Voucher. The effective date of the transfer is the effective date of the lease for the tenant-based voucher.

2b. Effective Date of Action: The effective date of a new admission to PBV is the effective date of the lease.

2n. Other Special Programs: Indicate if the family participates in a special program. For example, for families participating in the VASH PBV program, PHAs must indicate VASH. For units for eligible FUP youth, the PHA would enter FUPY.

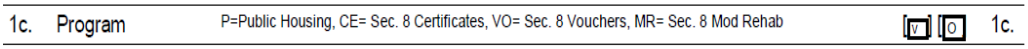
Copyright © 2026 by Nan McKay & Associates

For each family residing in a unit undergoing a conversion of assistance under RAD, the administering PHA will have to submit a form HUD-50058 reflecting the family's admission to the Project Based Voucher program. The PHA will continue to use form HUD-50058 for each household but will consider the family a new admission and complete Section 11 (lines 11b through 11an, as applicable) instead of Section 10. The form should include the same information previously found on the 50058, including the next annual reexamination date found on Line 2i. The code "RADPH" (Rental Assistance Demonstration/Public Housing) must be entered on line 2n of the form.

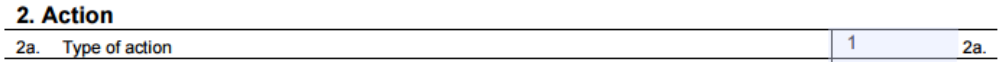
OTHER 50058 CONSIDERATIONS

Program Type: Because the PBV program is part of the housing choice voucher program, line 1c must be coded VO for both regular project-based vouchers and VASH vouchers.

PBV Program Code



Type of Action: A "1 - new admission" action must be submitted to PIC to reflect admission to the PBV program. The family's date of admission to the voucher program must be the same as the effective date of the RAD PBV HAP contract.



Inspections: For PBV units, a PHA does not report the last date the unit passed inspection on line 5h. Likewise, a PHA does not report the date of the last annual/biennial inspection on line 5i.

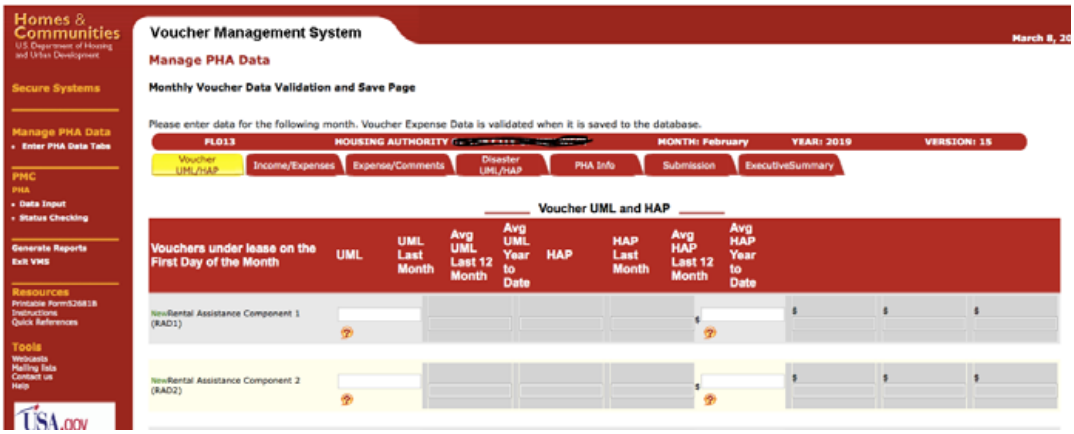
REPORTING PBV IN THE VOUCHER MANAGEMENT SYSTEM (VMS)

The purpose of the Voucher Management System (VMS) is to provide a central system to monitor and manage the PHA's use of vouchers. This enables HUD to fund, obligate, and disburse funding.

For RAD PBV conversions, no VMS reporting will occur until January 1 following the calendar year of conversion. Starting on January 1, coinciding with when HUD provides a new increment of HAP funding to the Section 8 ACC, PHAs administering vouchers will submit form HUD-52681-B on a monthly basis through HUD's Voucher Management System (VMS). The form is used to report leasing and HAP expense data. VMS reporting will be used to reconcile PHAs' disbursements for all HAP funds received, including those received for RAD PBV contracts. In accordance with Notice PIH 2011-67, HUD will compare the PHA's actual costs to funds disbursed for the quarter to determine if there is an over or underpayment for the period under review. Administrative fee disbursements will be reconciled in the same quarterly manner and will be based on PHAs' leasing reported in the VMS compared to administrative fee disbursements for the same time period. Beginning January 1 following the calendar year of conversion, PHAs must provide data as delineated below.

Copyright © 2026 by Nan McKay & Associates

More information on VMS reporting requirements can be found in the Voucher Management System (VMS) Quick Reference Guide and the Voucher Management System (VMS) User Manual.





VMS TAB 1- VOUCHER UML AND HAP

FMC Letter 4/18/17 Emailed to EDs 5/1/19

Effective April 2016, RAD PBV units and expenses are itemized in VMS. This information is no longer reported in the comments field. All PHAs must report first and second component units converted to RAD PBV in the following categories:

- **Rental Assistance Component 1**: Total number of vouchers leased for all RAD Component 1 awards.
- **Rental Assistance Component 1 (HAP)**: Total HAP expenses incurred for all RAD Component 1 awards. NOTE: RAD Rehab assistance payments should also be reported in this field.
- **Rental Assistance Component 2**: Total number of vouchers leased for all RAD Component 2 awards.
- **Rental Assistance Component 2 (HAP)**: Total HAP expenses incurred for all RAD Component 2 awards.
- **All Other Vouchers HAP:** Total HAP expenses incurred for all other vouchers reported in the units section, for contracts in effect on the first day of the month. Do not include any HAP expenses already reported in any other Voucher HAP expense categories or for FSS escrow deposits.

TAB 1 – VOUCHER UML AND HAP	
Form 52681-B Field Name	**Definition**
Vouchers Under Lease on the First Day of the Month	
Rental Assistance Component 1	Total number of Vouchers Leased for all RAD Component 1 awards; reporting begins January 1 of the first full calendar year of voucher funding. Effective April, 2016, this information is no longer reported in the Tenant Protection field.
Rental Assistance Component 1 (HAP)	Total HAP expenses incurred for all RAD Component 1 awards. Effective April, 2016, this information is no longer reported in the Tenant Protection field. NOTE: RAD Rehab Assistance payments should be reported in this field.
Rental Assistance Component 2	Total number of vouchers Leased for all RAD Component 2 awards. Effective April, 2016, this information is no longer reported in the Tenant Protection field.
Rental Assistance Component 2 (HAP)	Total number of vouchers Leased for all RAD Component 2 awards. Effective April, 2016, this information is no longer reported in the Tenant Protection field.

OTHER PBV VOUCHER REPORTING REQUIREMENTS

- **Number of PBVs under AHAP and not under HAP**: Total number of PBVs under AHAP only. These units are not reported in any other field.
- **Number of PBV units under HAP and Leased**: Total number of PBVs under HAP contract and leased. These units and associated expenses are also reported in the field that best describes the vouchers being used (Tenant Protection, AOV, etc.)
- **Number of PBV units under HAP and not Leased**: Total number of PBVs that are under a HAP contract that are not leased and are not receiving vacancy payments. These vouchers are not reported in any other field but are eligible for administrative fees.
- **Number of PBVs under HAP and not Leased with Vacancy Payment and Associated Vacancy HAP Expense**: Total number of PBVs that are under a HAP contract and are not leased but are receiving vacancy payments. These vouchers are not reported in any other field but are eligible for administrative fees.
- **HAP Expenses–Number of PBVs under HAP and not Leased with Vacancy Payment and Associated Vacancy HAP Expense**: Total HAP expense associated with PBVs under HAP contract and not leased with vacancy payments. These expenses are also reported in the new All Other Vouchers HAP expense field.

Copyright © 2026 by Nan McKay & Associates

ENTERPRISE VOUCHER MANAGEMENT SYSTEM

The Enterprise Voucher Management System (eVMS) is a new HUD system that is anticipated to fully roll out in 2025. This new system will improve the HCV program administration and modernize the process HUD uses to record monthly HCV program performance and calculate program payments. eVMS will perform the following functions:

- Automatically calculate housing assistance payments (HAPs) using the family-level data that PHAs already submit to HUD via the Form HUD-50058.
- Calculate and track administrative fees across all voucher programs.
- Make it easier for PHAs to make voucher issuance and other program decisions by providing a daily view of PHA funding balances.

PHAs should prepare for eVMS by maintaining accurate household participation data reported on the Form HUD-50058.

HUD anticipates that, even after converted to eVMS, all PHAs will continue to report actual expenses and leasing information in VMS until further notice.

Copyright © 2026 by Nan McKay & Associates

Section 3 Administrative Management

PROJECT ANNUAL OPERATING BUDGET

Unlike in standard PBV, the contract administrator's board of directors must annually review and approve the project's operating budget to confirm the project owner established an interest-bearing reserve for replacement and makes monthly deposits.

PBV PROPERTY MONITORING REVIEWS

24 CFR 983.56 (b)(2)(C)

HUD does not require PHAs to monitor the management of PBV properties. The only regulatory PHA monitoring requirement pertains to a family's continued receipt of supportive services, where applicable. Nonetheless, as a sound management practice, a PHA may establish additional monitoring requirements in its administrative plan. Such monitoring helps to ensure that PBV properties continue to be well managed, reduces risks of default of the HAP contract, and allows the PHA to work with the owner in resolving issues early on. While it may be prudent for a PHA to review the properties, it may not be practical in these times of administrative fee shortages. Therefore, PHAs should keep it simple. Key areas that a PHA may consider monitoring annually or biannually include:

- Payment of utilities
- Payment of property taxes and property insurance
- Payment of flood hazard insurance, required of new construction and rehabilitation housing throughout the life of the HAP contract
- Financial solvency and payment of loans
- Maintenance records and response times
- Replacement needs
- Reviews by other funding providers such as state housing finance agencies (HFAs) and HOME program administrators

- Crime rates at the property
- Neighborhood relationships
- Complaints
- Overall compliance with the HAP contract

Again, there are no specific requirements for PHA monitoring of PBV properties. Nonetheless, such monitoring may provide information to assist in the determination of rent increase requests and renewal of the HAP contract.

AUDITS

Under the traditional PBV program, the Contract Administrator is not required to review an assisted project's annual operating budget. Under RAD PBV, a budget review is mandated because owners are required to establish an interest-bearing reserve for replacement and make monthly deposits to it. The contract administrator must review and approve the project's budget annually to confirm that the owner is making these deposits; contract administrators may increase the amount of the required deposit if justified based on property needs and local construction costs. If the owner is either not making the deposits or is making smaller deposits than required, the contract administrator is advised to contact the local HUD field office to discuss options, which will be case-specific.

We all learn lessons through unfortunate experiences of other public housing authorities. Therefore, below is a synopsis of audit findings that PHAs should avoid in implementing a PBV program.

Since 2006, HUD's Office of Inspector General (OIG) issued audit findings against various public housing authorities for their administration of the project-based voucher program. The findings include:

- PBV program administration did not comply with provisions of PHA administrative plans.
- Documentation of compliance with program requirements was weak.
- PHAs did not have adequate documentation of or did not conduct proper rent reasonableness determinations and housing quality standards (HQS) inspections.

Copyright © 2026 by Nan McKay & Associates

- PHAs did not monitor the program routinely.
- Rules were not followed regarding PHA-owned units.
- Required forms were not used or were incorrectly completed, such as the HAP contract, and tenancy addendum.
- PHAs did not report complete and accurate information to HUD IMS/PIC, the Voucher Management System (VMS), or in their agency plans.

HUD required many of the audited PHAs to reimburse funds for unsupported PBV expenditures, including HAP payments. To avoid such findings, perform quality control reviews of your PHA's PBV program implementation. Ask yourself these questions, and take corrective actions if your answer is no.

- Does the PHA administrative plan contain all of the essential PBV policies and procedures?
- Is staff following the policies and procedures?
- Does the PHA have adequate documentation of rent adjustments?
- Are all HAP contract execution dates and effective dates prior to the first HAP payment?
- Do all of the units for which HAP payments have been made match the units in the HAP contract? Or, have appropriate amendments to the HAP contract been made to add or substitute units?
- Are the PBV HAP contracts and tenancy addendums completed correctly?
- Are the forms HUD-50058 completed correctly for families participating in the PBV program?
- Do the number of PBV units leased reported in VMS match the number of units reported in IMS/PIC?

Copyright © 2026 by Nan McKay & Associates

PBV Regulatory Waiver Requests

On February 3, 2014, HUD issued a "waiver letter" to PHA executive directors for the PBV program. Addressing PHA requests for retroactive regulatory waivers, the letter advises that:

- Regulatory waivers are not intended to correct regulatory violations after the fact, but rather to provide prospective relief from regulatory requirements, upon a showing of good cause, prior to PHA or owner action that would create a regulatory violation.

Therefore, HUD will not approve waivers requested after a regulatory violation has already occurred. Instead, the violation will be treated as an enforcement issue. Exceptions may be made on a very limited basis due to factors beyond the PHA's control such as natural disasters.

Requests for PBV Technical Assistance

Questions or requests for technical assistance on PBV issues are to be submitted in writing to the local HUD Field Office. Field office staff will relay the questions to PIH headquarters if necessary. PHAs are also reminded to consult available PBV resources such as regulations, PBV forms, notices, and any other relevant HUD directives before requesting assistance.

Coordination with Other Governmental Entities and Public and Private Stakeholders

Implementation of a quality PBV program requires effective coordination, collaboration, and positive working relationships with a variety of other governmental entities and public and private stakeholders, such as:

- The local HUD Field Office
- The local land use planning department
- The "responsible entity" for conducting environmental reviews
- The local Continuums of Care
- The local agency that puts together the Consolidated Plan, which provides the framework for affordable housing priorities

Copyright © 2026 by Nan McKay & Associates

- The city or state agency that allocates low-income housing tax credits
- The local housing credit agency (HCA) that performs subsidy layering reviews
- Affordable housing trust funds
- Social service and health care providers
- The local Veterans Affairs medical facility
- Non-profit affordable housing developers and managers
- Private developers and owners of multifamily or single family home projects
- Families participating in the PBV program
- Low-income families in the community

Keep them informed about the PHA's PBV program. Obtain their input on PBV policies. Seek out opportunities for combining resources and sharing expertise. Align PBV solicitations' timeframes so that they complement and do not conflict with other affordable housing initiatives. Network with them. The potential benefits are many. Examples of such benefits are:

- A joint commitment to the PBV program
- Knowing the people to contact when issues arise
- Innovative generation of ideas and approaches
- Pooling of resources
- Mitigation of delays in obtaining required information and reviews
- Memorandums of understanding (MOUs) that promote expedient processing of PBV-related requests and approvals
- Sharing of property monitoring review and inspection information
- Collaborative problem solving of property dilemmas

Copyright © 2026 by Nan McKay & Associates

STAFFING AND TRAINING NEEDS

Administration of the project-based voucher program is a blending of HCV tenant-based administration and project-based administration. Staff that work with the program require specialized knowledge of the program, as neither tenant-based nor project-based administrative models fit perfectly. Further, RAD conversions require a unique a combination of specialized program knowledge.

RAD PBV is a specialty program. Therefore, a PHA should consider designating specific positions or teams to work with the PBV program. Specialization offers better control over the application of PBV administrative policies and procedures, sharpened ability to monitor the PBV program, and opportunities to view and evaluate projects as a whole. If a PHA is unable to do so, it should designate at least one staff person as the PBV subject matter specialist who stays current on PBV requirements and performs quality control functions. In addition, staff should be assigned to review PBV property data all together, including lease-up, vacancies, inspections, and HAP expenses. All staff who works with the program should have sound knowledge of RAD PBV requirements, PBV regulations, and other HUD PBV requirements.

If a PHA selects experienced staff with the HCV program to administer the PBV program, such staff needs a strong foundation of knowledge in how the PBV rules and processes differ from those for HCV. PBV staff must comprehend the HAP contract, understand how to calculate income, how to complete the form HUD-50058, how to fill vacancies with families from the waiting lists, how to adjust contract rents and utility allowances, and understand inspection requirements, all in the manner unique to the PBV program. Further, such staff must have a good working understanding of how to review property information and communicate with the property manager about issues requiring correction. Such staff should also be required to stay current on changes in HUD regulations.

Copyright © 2026 by Nan McKay & Associates

CONTRACTING ADMINISTRATIVE FUNCTIONS

Given the multitude of tasks that a PHA must perform and their corresponding administrative costs, a PHA may consider outsourcing some of the administrative responsibilities through agreements with service providers, owners, and sponsors. For example, when supportive housing has a high turnover rate, service providers and owners may be willing to assume responsibilities for interviewing and qualifying new applicants in accordance with PHA requirements and briefing families on the program. In such cases, the PHA may share or pass along a percentage of its administrative fee to defray the costs of administration. If your agency decides to outsource administrative tasks to owners or sponsors, there are several factors that should be carefully considered:

- Your PHA remains fully responsible for compliance with HUD regulations and requirements. Therefore, designated staff of the PHA must be well-versed on the PBV tasks that are outsourced and perform monitoring reviews.
- It is imperative that project owners or sponsors have well-trained staff who understand the assigned tasks (eligibility, income, assets, deductions, rent portion calculation, inspections, rent reasonableness, data transmission) and the various reporting deadlines that your agency must follow.
- Your housing authority must perform monitoring of the tasks assigned to the project owners or sponsors. When HUD staff schedules monitoring reviews or program audits, your PHA will be expected to have full knowledge of the site operations and work completed by the project owner or sponsor. Any errors or failure to complete tasks will become your responsibility to explain and rectify.

Copyright © 2026 by Nan McKay & Associates

Section 4 PBV Project Files

Whether a PHA maintains its PBV files in paper or electronic formats, the maintenance of organized, well-documented family and contract files is extremely important. Although HUD has not provided guidance on record retention requirements for RAD, we recommend that the PHA maintain all RAD conversion documentation indefinitely. Additionally, there are no requirements for maintaining a copy of the HAP contract or unit inspection report in each family's file. PHA may consider establishing different contract files for each PBV property. Unlike the tenant-based program, the HAP contract and each inspection report are not required to be in each family's file. There is no requirement for a request for tenancy approval (RFTA), as the PBV HAP contract prescribes utility responsibilities, establishes the housing type, and describes the number of bedrooms in each unit.

If the original documentation and contracts are in a paper format, we recommend that access be restricted to senior staff, since these are permanent records. The PHA may make copies of the paper file or summary project information available for staff use. If the documentation and contracts are in electronic format, the ability to add information, change, or modify the contract file should be restricted.

In lieu of access to the contract files, it is helpful for PBV program managers to maintain summary sheets for each property that include relevant information such as the name of the owner, equity partner, and property manager with contact information, the total units in the property, the total number of PBV units by bedroom size, the current contract rents and utility allowances, and the number of PBV units in each building (for annual/biennial inspection purposes).

Copyright © 2026 by Nan McKay & Associates

Whether the files are paper or electronic, the PBV files should include the following content:

1. RAD PBV
   - Conversion commitment
   - Commitment to Enter into a Housing Assistance Payments Contract
   - Environmental review documentation and approval
   - Subsidy layering review and approval
   - Documentation of ownership
   - Identification of ownership
   - Conflict of interest disclosure
   - Proof of flood insurance, property, and liability insurance, when required
   - Pre-contract or unit acceptance inspection reports, e.g., documentation of "passing" HQS unit inspections
   - Evidence of completion:
     - Owner certification that the housing meets HQS requirements
     - Owner certification of compliance with labor standards and equal opportunity requirements
     - Other evidence required by the PHA
   - Tenant selection plan or screening criteria
2. HAP contract (permanent record)
   - Part I
   - Part II
   - All exhibits and riders
   - Contract amendments and renewals

Copyright © 2026 by Nan McKay & Associates

3. PBV working file
   - Current summary information for each property
   - Correspondence and notes from meetings between the PHA and owner
   - Complaints and resolution
   - Determination of rents and rent reasonableness documentation
   - Property reviews and site visits
   - Inspection reports for three years
   - Vacancy claims and approvals

Depending on the number of PBV units at a property, a PHA may wish to keep separate files for property and unit inspections. In any event, the inspection reports should be maintained in such a manner that they are easy to review for compliance with HUD rules and facilitate audits, and to support the PHA's inspection-related actions and remedies.

Copyright © 2026 by Nan McKay & Associates

Section 5 Chapter 9 Post-Test

1. Units converting to PBV under RAD are exempt from PHAS scoring as soon as the PHA receives the CHAP.
   a. True
   b. False

2. After conversion, RAD PBV units are never counted toward a PHA's SEMAP score.
   a. True
   b. False

3. As part of the conversion, the PHA must terminate each in-place family's public housing assistance and then submit a new admission in PIC for the PBV program.
   a. True
   b. False

4. The PBV program is reported as which program type on the form HUD-50058?
   a. Project-based voucher
   b. Voucher
   c. Moderate rehabilitation program
   d. Section 8 certificate
   e. Special program

5. For RAD PBV conversions, no VMS reporting will occur until January 1 following the calendar year of conversion.
   a. True
   b. False

Copyright © 2026 by Nan McKay & Associates

6. In the PBV program, the PHA does not maintain a copy of the HAP contract or unit inspection report in each family's file.
   a. True
   b. False

7. Units converted under RAD to PBV are never counted toward the PHA's overall lease-up and budget utilization figures in the Voucher Management System (VMS).
   a. True
   b. False

CHAPTER 10 Public Housing Repositioning

Section 1 Public Housing Repositioning Through Section 18

OVERVIEW OF SECTION 18 (DEMO/DISPO)

24 CFR 970; Notice PIH 2021-07; A Guide to Public Housing Repositioning

The Section 18 program refers to Section 18 of the United States Housing Act of 1937 which governs HUD approvals for the demolition and disposition of public housing units that meet certain criteria. Demo/dispo removes the public housing units from the PHA's annual contributions contract (AC) and from PIC and allows the PHA to remove the declaration of trust (DOT) from the property. In order to protect existing families, the PHA may then request Tenant Protection Vouchers (TPVs) for any vacant unit occupied by an assisted household within the past 24 months.

In order to reposition public housing units through Section 18, the PHA must apply to HUD's Special Application Center (SAC) which reviews each application to ensure that it meets program requirements. Notice PIH 2021-07 describes seven separate ways that public housing units can qualify under Section 18. They include:

- Obsolescence
- Health and safety
- Infeasible operation
- Scattered sites
- 50 or fewer public housing units
- RAD/Section 18 blends
- More efficient/effective housing
  - Under this option, HUD caps a PHA's TPV eligibility at 25 percent of TPV-eligible units in the project being disposed
  - The actual number of units that the PHA will create is negotiated between the PHA and HUD on a case-by-case basis.

Copyright © 2026 by Nan McKay & Associates

Under Section 18, the PHA may either issue TPVs to affected households as tenant-based vouchers under the HCV program or project-base the TPVs back into the project to preserve the project as long-term affordable housing. When the PHA project-bases these vouchers, the units are considered standard PBV units and, once leased up, follow the requirements for the standard PBV program. PHAs that do not have their own HCV program will need to partner with a PHA that does have an HCV program to administer the TPVs, since HUD does not authorize PHAs without an existing HCV program to establish one.

As the name implies, in the case of disposition, the units must actually be disposed of, which can be accomplished by transferring the asset to a PHA-related entity for nominal value in order to support affordable housing.

Section 18 also qualifies the PHA for certain phase-out funding under the public housing operating and capital programs.

In many communities (but not all) the TPVs result in rents that are higher than the RAD rents and so many PHAs opt to dispose of units through Section 18 rather than RAD or opt to reposition through a RAD/Section 18 blend. Section 18 differs from the RAD program in the following ways.

There is no provision to protect current tenants who might be over-income or otherwise ineligible for Section 8. All existing public housing residents must be rescreened for Section 8 eligibility in order to receive a TPV or benefit from a PBV. The PHA would use the low-income (80 percent of AMI) to qualify families for the TPV since the family is considered “continually assisted”. Continually assisted means that the family is already receiving assistance under any 1937 Housing Act program when they are admitted to the voucher program.

- If a household is over-income for Section 8, the PHA must find a way other than Section 8 to provide comparable assisted housing.
- There is also no required capital needs assessment (CNA) or submission of a financing plan to HUD.

Copyright © 2026 by Nan McKay & Associates

- Section 18 does not itself contain a mechanism for the units to become PBV the way RAD does.
  - If a PHA wishes to project-base former public housing units following a Section 18 action, the PHA must follow the standard PBV rules. The PHA sets the terms for what the project will be used for, the number of units to be assisted, or income-mixing.

This link is to the information for the FAQ's on HUD's website:

- https://www.hud.gov/program_offices/public_indian_housing/repositioning/faqs

RAD/Section 18 Blends

Notice PIH 2021-07; RAD/Section 18 (75/25) FAQs

PHAs are eligible to "blend" PBV assistance through a conversion that combines a RAD conversion for some units in the project with a conversion through Section 18 for others. Units converting under RAD may convert either to PBV or PBRA. The units processed under Section 18 may only result in a PBV contract. Although processed as one transaction, there will be two HAP contracts at closing — a RAD HAP contract for the RAD units (PBRA or PBV) with rents set per standard RAD rules and a separate, standard PBV HAP contract for the units removed through Section 18 with rents set per standard PBV rules.

PHAs may choose a RAD/Section 18 blend because the rents for project-based TPVs converted through Section 18 are often higher than the RAD contract rents. This is because rent setting for the TPV/PBV units follows requirements for the standard PBV program (where rent is often based on 110 percent of FMR) whereas RAD rents are typically based on a calculation using former public housing funding.

- This type of blend may increase the project's net operating income and increases the amount of debt that the project can support. This also increases the tax credit leverage, assuming it is also a leveraged transaction.

To qualify, the replacement units must either be new construction or substantially rehabilitated, and the project may not utilize nine percent LIHTCs.

- "Substantially rehabilitated" is defined as hard construction costs, including general requirements, overhead and profit, and payment and performance bonds, in excess of 60 percent of housing construction costs as published by HUD for a given market area.

Units must be replaced with project-based units. The aggregate number of "hard" units (RAD and PBVs), replacement units, must meet the RAD "substantial conversion of assistance" requirements.

For small PHAs with 250 or fewer public housing units under which up to 80 percent of the PHA's units in a RAD converting project may be disposed of under Section 18, provided that the PHA must submit a repositioning plan to HUD for removal of its remaining units from the public housing program.

The RAD relocation requirements described in PIH/Housing Notice 2016-17 apply to residents of the Section 18 units, in lieu of the relocation requirements under 24 CFR part 970.

To facilitate the uniform treatment of residents and units at a covered project, any Legacy Non-RAD PBV units located in the same covered project are subject to protections outlined in Section 1.6.C of Notice PIH 2019-23, including:

- The prohibition against rescreening
- A right of return
- A rent "phase-in"
- Continued participation in ROSS, FSS, Jobs Plus, and EID
- Resident participation rights and funding in accordance with Attachment 1B of the RAD notice
- Termination notification
- Grievance procedures
- Choice mobility

Copyright © 2026 by Nan McKay & Associates

CHAPTER 11 Post-Test Answer Keys

CHAPTER 2: INTRODUCTION

1. a	4. b	7. a
2. c	5. b	8. a
3. b	6. b	9. b

CHAPTER 3: APPLYING FOR RAD AND RAD REQUIREMENTS FOR THE FIVE-YEAR AND ADMINISTRATIVE PLANS

1. a	4. b	7. b
2. b	5. a	8. a
3. a	6. a	

CHAPTER 4: SIMILARITIES AND DIFFERENCES TO OTHER HOUSING PROGRAMS

1. a	5. a	9. a	13. a
2. b	6. a	10. b	14. a
3. b	7. b	11. a	15. a
4. a	8. b	12. b	

CHAPTER 5: PROJECT-BASED VOUCHER RAD CONTRACTS

1. a	5. a	9. a	13. a
2. b	6. a	10. a	14. b
3. c	7. a	11. b	15. a
4. d	8. b	12. b	16. a

Copyright © 2026 by Nan McKay & Associates

Learning Activity 5-1 Answers: A RAD PBV HAP Contract, Part I,

Section 1

1. List the five exhibits in Section 1 of the RAD PBV HAP contract and describe what information is included in each exhibit.

   (c) Exhibit A specifies the total number of PBV units in the project, the initial rent to owner, and the number and description of the contract units.

   Exhibit B lists the services, maintenance, and equipment the owner will provide without charges in addition to rent.

   Exhibit C lists the utilities that are owner-paid without charge to the family and those that are the family's responsibility.

   Exhibit D identifies features provided to comply with the program accessibility features of Section 504.

   Exhibit E - Labor Standards

2. Does HUD allow any additional exhibits?

   (c) Yes, the PHA may add additional exhibits as it determines necessary.

Section 4

3. Who decides whether to pay vacancy payments?

   (c)(2) The PHA has discretion whether to include the vacancy payment provision.

4. For how long may the PHA pay vacancy payments to the owner?

   (c)(2)(b) Up to two full months following move-out.

5. Is the CA responsible for any family-caused damages to the unit?

   (c)(3) No, the PHA/CA will not make any payment to the owner for any damages to the unit.

6. What is the maximum amount of a vacancy payment?

   (c)(2)(b) Is determined by the contract administrator and cannot exceed monthly rent to owner minus any portion of rental payment received by the owner.

Copyright © 2026 by Nan McKay & Associates

Learning Activity 5-2 Answers: RAD PBV HAP Contract, Part II

Section 4

1. In RAD PBV, when are rent adjustments done?

   (a)(1) At each anniversary date during the term of the HAP Contract.

2. How are rents increased in RAD PBV?

   (a)(1) Using HUD's operating cost adjustment factor (OCAF).

3. Can the contract rent exceed reasonable rent? If so, in what cases?

   (b) The rent to owner for each contract unit may at no time exceed the reasonable rent charged for comparable units in the private unassisted market. However, the rent to owner shall not be reduced below the initial rent to owner, except in the following cases: (1) to correct errors in calculations; (2) if additional housing assistance has been combined with PBV assistance after the execution of the HAP Contract; or (3) 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.

4. Does an agency have to amend Exhibit A of the HAP contract when there is a rent adjustment?

   (e) Rent to owner shall be adjusted by written notice by the CA to the owner in accordance with this section. Such notice constitutes an amendment of the rents specified in Exhibit A.

Section 7

5. At what times are unit inspections required?

(b) 1. The CA must inspect each Contract unit after rehabilitation is completed in accordance with th RCC. 2. Before providing assistance to a new family in a contract unit. 3. At least annually during the term of the HAP Contract, the CA must inspect a random sample, consisting of at least 20 percent of the contract units in each building. 4. If more than 20 percent of the annual sample of inspected contract units in a building fail the initial inspection, the CA must reinspect 100 percent of the contract units in the building. 5. The CA must inspect contract units whenever needed to determine that the contract units comply with the HQS.

6. If a unit fails to meet HQS, what must be done before HAP may be paid again?

(c)(3) The CA shall not make any housing assistance for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the CA and the CA verifies the correction.

7. What are the correction timeframes for HQS defects?

(c)(3) If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any CA approved extension).

Copyright © 2026 by Nan McKay & Associates

Section 8

8. Who is responsible for adopting tenant selection procedures?

   (a)(2) The owner is responsible for adopting written tenant selection procedures.

9. In a RAD PBV building, can an owner lease a unit to a family that is not referred by the PHA?

   (a)(1) No, the owner must lease all contract units to eligible families selected and referred by the CA from the CA's waiting list.

10. Who determines family eligibility, and who determines family suitability?

    (a)(5) and (6) The CA must determine family eligibility in accordance with HUD requirements. The owner is responsible for screening and selecting tenants from the families referred by the CA from its waiting list.

Section 9

11. If an owner is going to give the family notification of lease termination, what are the time frames that must be given?

    (3) The owner shall provide adequate written notice of termination of the lease, which shall be (A) a reasonable period of time, but not to exceed 30 days if the health or safety of other tenants, owner 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; (B) Not less than 30 days in the case of nonpayment of rent; and (C) Not less than 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.

Copyright © 2026 by Nan McKay & Associates

Section 10

12. If a family wishes to terminate the lease after the first year of occupancy, what must the family do?

    (a) The family must give the owner advance written notice of intent to vacate (with a copy to the CA) in accordance with the lease.

13. What must the PHA offer the family after one year of occupancy?

    (a) The CA must offer the family the opportunity for tenant-based rental assistance in accordance with HUD requirements.

CHAPTER 6: ELIGIBILITY AND THE WAITING LIST

1. a 2. a 3. b 4. b	5. d 6. a 7. d 8. a	9. a & b 10. c 11. Eligibility Suitability	12. b 13. b

CHAPTER 7: LEASING PBV UNITS

1. b 2. a 3. a 4. a	5. b 6. b 7. a 8. a	9. b 10. c 11. c 12. a	13. b 14. a 15. a

CHAPTER 8: OCCUPANCY

1. c 2. a 3. a 4. a	5. b 6. a 7. b 8. a	9. a 10. a 11. a 12. a	13. a 14. b

CHAPTER 9: REPORTING AND ADMINISTRATIVE MANAGEMENT

1. b 2. b 3. a	4. a 5. a 6. a	7. b

Copyright © 2026 by Nan McKay & Associates

Notes

Copyright © 2026 by Nan McKay & Associates