RENTAL ASSISTANCE DEMONSTRATION (RAD)

FACT SHEET #10: THE DIFFERENCE BETWEEN PROJECT-BASED VOUCHERS AND PROJECT-BASED RENTAL ASSISTANCE

WHAT IS RAD?

The Rental Assistance Demonstration (RAD) is a program of the Department of Housing and Urban Development (HUD) that seeks to preserve affordable housing.

Public housing across the country needs more than $26 billion in repairs and many public housing agencies (PHAs) do not have enough money to keep units in good condition. RAD provides PHAs a way to stabilize, rehabilitate, or replace properties.

WHAT IS THE PROJECT-BASED VOUCHER (PBV) PROGRAM?

PBV is part of the Housing Choice Voucher (HCV) program, which is operated by Public Housing Authorities (PHAs) and overseen at HUD by the Office of Public and Indian Housing. PHAs with an HCV program provide rental vouchers that allow residents to choose their own housing in the private market.

PHAs can use some of their HCV funding for contracts that tie the HCV funding to a specific building, meaning that when a resident moves out, the housing assistance stays with that unit. These "project-based" contracts make up the PBV program.

WHAT IS THE PROJECT-BASED RENTAL ASSISTANCE (PBRA) PROGRAM?

PBRA is another form of a project-based contract and is administered by HUD’s Office of Multifamily Housing. In the PBRA program, like in PBV, rental assistance is tied to specific units in a property. Buildings with units assisted through PBRA are often owned and operated by private owners.

FACT SHEETS FOR PUBLIC HOUSING RESIDENTS

This series of fact sheets will help public housing residents learn about RAD. All fact sheets are posted on RAD’s website at www.hud.gov/rad, under the ‘Residents’ tab. This fact sheet explains the major difference between two types of HUD funding allowed for public housing RAD conversions: project-based vouchers (PBV) or project-based rental assistance (PBRA).

WILL MY PROPERTY REMAIN AFFORDABLE?

To receive PBV or PBRA funding, property owners will enter into a Housing Assistance Payment (HAP) Contract.

For PBV, the initial HAP Contract term will be at least 15 years (or up to 20 years with the PHA’s approval) and must be renewed.

For PBRA, the initial HAP Contract term will be 20 years and must be renewed.

When these contracts end, they must be renewed. Therefore, the units will be preserved over the long-term as affordable housing for those in need of assistance.

WILL I BE ABLE TO CHOOSE WHERE I LIVE THROUGH RAD?

One of the goals of RAD is to give you a greater choice in where to live. If your property
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converts through RAD, after a certain amount of time, you may request a Housing Choice Voucher (HCV). An HCV allows you to choose affordable housing in the private rental market, and the voucher stays with you when you move. This option in RAD is referred to as Choice Mobility.

Once the property has converted, residents of most properties will have a new "choice mobility" option, which will allow you to request a Housing Choice Voucher (HCV) that the household can use to select a rental unit in the private market.

When you make a request, subject to some constraints, the PHA will offer you the next available voucher. When you move out with a voucher, your former unit will be leased to another eligible family off the waiting list.

For PBV, you may request an HCV after living in a RAD property for one year. If your PHA does not have an HCV available at the time of your request, you will go on the waitlist to receive the next available HCV.

For PBRA, you may request an HCV after living in a RAD property for two years. If your PHA does not have an HCV available at the time of your request, you will go on the waitlist in the order your request was received.

DEFINITIONS:

- **Choice Mobility** – Through RAD, the option to obtain a Housing Choice Voucher (HCV) after a certain period of time.
- **Housing Assistance Payment (HAP) Contract** – A contract in which HUD agrees to provide funding for properties through PBV or PBRA.
- **Housing Choice Voucher (HCV)** – Rental vouchers that let people choose their own housing in the private rental market.
- **Project-Based Vouchers (PBV)** – Rental vouchers that are tied to a specific number of units in a building. The assistance stays with the unit after a tenant moves out.
- **Project-Based Rental Assistance (PBRA)** – A rental assistance contract tied to units in a specific building.
- **Turnover Voucher** – A voucher holder gives up their voucher and leaves the HCV program, making an HCV available for another person.