

**Rental Assistance Demonstration (RAD);
Rider to the Section 8 Project-based
Voucher (PBV) Housing Assistance
Payments (HAP) Contract for Existing
Housing (Rent Supplement, Rental
Assistance Payment and Section 8
Moderate Rehabilitation, including Single
Room Occupancy,
Program Conversions; Second
Component)**

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

1. Purpose

This Rider is to be executed between the Public Housing Agency (PHA) and the owner of an eligible project in connection with HUD approval of the use of tenant-protection vouchers issued under section 8(o) of the United States Housing Act of 1937 (1937 Act), for PBV assistance under RAD. This Rider is used when the project qualifies as PBV “existing housing” under 24 C.F.R. § 983.3, and must be attached to PBV HAP Contract for Existing Housing (HAP Contract).

2. Authority

The Consolidated and Further Continuing Appropriations Act, 2012, (Pub. L. 112–55, signed November 18, 2011, as amended, authorizes the conversion of certain properties assisted under section 101 of the Housing and Urban Development Act of 1965, section 236(f)(2) of the National Housing Act, or section 8(e)(2) of the 1937 Act.

3. HUD Requirements

The owner and the PHA must comply with all HUD requirements, as defined in section 2 of the HAP Contract. HUD requirements include Notice PIH 2012-32 (HA); Rental Assistance Demonstration—Final Implementation, Revision 2, as revised or amended from time to time (or any successor document) (RAD Notice).

4. Special Requirements Under RAD

Except as stated in this Rider, RAD projects are subject to all HUD requirements, including the PBV regulations in 24 C.F.R. part 983. Notwithstanding anything else in the HAP Contract, the following provisions apply:

- A. **Owner Proposal Selection Procedures.** Projects will be selected for assistance in accordance with the provisions in the RAD implementing notice. Therefore, 24 C.F.R. § 983.51 does not apply.
- B. **Term of Initial HAP Contract.** In order to participate in RAD, PHAs and owners must agree to an initial term of [15/20] years. The initial Contract term may not be for a lesser term, nor may it exceed the [15/20]-year limit.
- C. **Extension of Term.** The PHA and the owner may agree to enter into an extension of the HAP Contract at the time of initial HAP Contract execution or any time prior to expiration of the Contract. The extension may be for a maximum period of [15/20] additional years. Any extension, including the term of such extension, must be in accordance with HUD requirements. The PHA must determine that any extension is

appropriate to achieve the long-term affordability of the housing or expand housing opportunities.

- D. **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.
- E. **Consistency With PHA Plan and Other Goals.** Section 8(o)(13)(C)(ii) of the 1937 Act and 24 C.F.R. §§ 983.57(b)(1) and (c) do not apply.
- F. **Non-Applicability of Income Mixing Provisions.** There is no cap on the number of units that may receive PBV assistance in a project. Section 8(o)(13)(D) of the 1937 Act and related regulatory provisions at 24 CFR §§ 983.56, 983.257(b), and 983.261 do not apply.
- G. **Under-Occupied Units.** Otherwise eligible households of two or more individuals occupying a unit determined by the PHA to be under-occupied shall, upon conversion to PBV, be allowed to remain in those units until such time as an appropriate size unit becomes available in the project. This protection extends to single elderly or disabled individuals regardless of unit size. When an appropriate-sized unit becomes available, the family living in the oversized unit must move to the appropriate-sized unit within a reasonable time, as determined by the PHA. If the unit size does not physically exist at the project, the family shall remain in its current unit unless and until a more appropriate-sized unit is available, at which point, the family must move to the smaller-sized unit. Under-occupied units of households consisting of single individuals who are not elderly or disabled shall not be included in the HAP Contract.
- H. **Homeless Preference.** For SRO conversions, the PHA shall adopt and at all times maintain an admissions preference for homeless individuals or families consistent with the provision of RAD Notice (section 2.7.A or successor provision). If the PHA adopts or has adopted preferences, the PHA agrees that the Administrative Plan will at all times reflect that the preference required under this section will have priority over all other preferences. The preference shall not apply to individuals or families who are assisted at the time of conversion. However, this requirement shall otherwise apply for the full initial term of the HAP Contract and for each renewal term.
- I. **Change in Unit Configuration.** For Moderate Rehabilitation and SRO conversions, Owners may, with HUD and PHA consent, change the unit configuration of a project following conversion consistent with the provision of the RAD Notice (Section 2.4.H. or successor provision). To implement this provision, section 7.a. of the HAP Contract is revised to read as follows:

“Notwithstanding any other provision of this HAP Contract, the Owner certifies that during the term of the Contract: a. All Contract units meet HQS, or any successor standard, or will meet HQS no later than the date of completion of initial repairs (including any reconfiguration of units and any environmental mitigation measures) indicated in the RAD Approval Letter. The date for compliance with HQS stated in the RAD Approval Letter is _____. An extension of this deadline may only be granted in writing by HUD. Until the initial repairs are complete and the units meet HQS, as determined by a PHA inspection, no housing assistance payments may be provided for the units.

J. **Labor Standards.**

Check the adjacent box if the conversion will include construction or repair work that

will constitute "development" within the meaning of section 3(c)(1) of the United States Housing Act of 1937 42 U.S.C. 1437 et seq., in which case the "Addendum to the HAP Contract—Labor Standards" shall be attached to this HAP Contract. See RAD Notice, section 3.5 I., or successor provision, and 80 Fed. Reg. 12511 (Mar. 9, 2015).

By execution of the 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 Contract shall be in compliance with applicable labor standards, including Davis-Bacon wage requirements. (This section shall apply only if the box in the preceding paragraph is checked.)

Signatures:
Public Housing Agency

Owner

Print or Type Name of PHA

Print or Type Name of Owner

Signature

Signature

Print or Type Name and Title of Signatory

Print or Type Name and Title of Signatory

Date (mm/dd/yyyy)

Date (mm/dd/yyyy)