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**[Docket No. FR-6276-N-01]**

**Rental Assistance Demonstration: Post-Conversion Replacement of Units under a PBV Housing Assistance Payment Contract**

**AGENCY:** Office of the Assistant Secretary for Housing-Federal Housing Commissioner and Office of the Assistant Secretary for Public and Indian Housing, HUD.

**ACTION:** Notice.

**SUMMARY:** This notice establishes the process by which assisted units under a Project Based Voucher (PBV) Section 8 Housing Assistance Payment (HAP) contract originally executed through a conversion under the Rental Assistance Demonstration (RAD) can be replaced in the event that the original units would be unavailable for occupancy due to a proposed demolition and reconstruction of the units, as a result of natural disaster, or other causes.

**DATES:** This notice is effective on **[insert date of publication in the FEDERAL REGISTER]**.

**ADDRESSES:** Interested persons are invited to submit questions or comments electronically to [rad@hud.gov](mailto:rad@hud.gov).

**FOR FURTHER INFORMATION CONTACT:** To assure a timely response, please direct requests for further information electronically to the email address [rad@hud.gov](mailto:rad@hud.gov). Written requests may also be directed to the following address: Office of Housing—Office of Recapitalization; Department of Housing and Urban Development; 451 7th Street SW, Room 6230; Washington, DC 20410. The Office of Recapitalization phone number is (202) 708-0001.

**SUPPLEMENTARY INFORMATION:**

- 1. Replacement of Units under a PBV Section 8 Housing Assistance Payment Contract**
  - a. Background**

The RAD statute<sup>1</sup> authorizes the conversion of properties assisted under the public housing program to assistance under project-based Section 8 assistance in order to preserve and improve the housing. The statute includes various provisions envisioning the long-term preservation of the assisted units: HUD must require the “substantial conversion of assistance,” only permitting a de minimis reduction in assisted units; properties must be placed under long-term assistance contracts; upon expiration of the initial contract and any renewal contract the public housing authority (PHA) shall offer and the owner of the property shall accept renewal of the contract; a new Use Agreement must be recorded on the land; and the assistance may be transferred to a new site at or after conversion.

#### **b. When RAD Units Become Unavailable for Occupancy**

In the event that the property placed under a RAD PBV HAP contract through the conversion of assistance from public housing becomes unavailable for occupancy, and in order to continue the effective conversion of assistance of such properties, HUD finds it necessary to facilitate the replacement of assisted units under new assistance contracts under the same terms and conditions established in the original RAD PBV HAP contract or any renewal contract. Notably, RAD already includes a provision permitting the transfer of assistance to a new site. By this notice, HUD is supplementing the provision to transfer assistance by providing a mechanism for Public Housing Agencies (PHAs) to enter into a RAD Interim Agreement and, subsequently, a new RAD PBV HAP contract when a direct transfer of the HAP contract to new, eligible units is not possible and there would be a temporary period when a HAP contract is not in effect. This might occur when, for example:

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<sup>1</sup> Section 237 of Title II, Division L, Transportation, Housing and Urban Development, and Related Agencies, of the Consolidated Appropriations Act, 2012 (Pub. L. 112–74). The RAD statutory requirements were amended by the Consolidated Appropriations Act, 2014 (Pub. L. 113-76, signed January 17, 2014), the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235, signed December 16, 2014), the Consolidated Appropriations Act, 2016 (Pub. L. 114-113, signed December 18, 2015), the Consolidated Appropriations Act, 2017 (Pub. L. 115-31, signed May 4, 2017), and the Consolidated Appropriations Act, 2018 (Pub. L. 115-141, signed March 23, 2018).

- The owner adequately justifies a specific and well-developed redevelopment plan that requires the units to be unavailable for occupancy while the PHA is replacing the units on-site; or
- An unforeseen event (such as a natural disaster) renders the units uninhabitable.

In such circumstances, the owner must continue to comply with all applicable fair housing and civil rights requirements, which include the obligations under Section 504 to provide mobility and sensory accessible units to tenants with disabilities who require those features and provide tenants reasonable accommodations, and the Uniform Relocation Act as applicable.

### **c. RAD Interim Agreement**

During any period when a normal RAD PBV HAP contract cannot reasonably remain in force and is terminated, under conditions that HUD may establish, including for the protection of residents, HUD, the PHA, and the owner as applicable would enter into an Interim Agreement that provides the authority to carry forth the RAD requirements to the RAD PBV HAP contract that will cover the replacement units. The Interim Agreement would be executed prior to any termination of the original RAD PBV HAP contract and would implement the transition of the rental assistance from the RAD PBV HAP contract and ultimately to the replacement RAD PBV HAP contract. It would preserve the authority for the RAD PBV rental assistance to commence under the replacement RAD PBV contract. Further, the Interim Agreement would set forth any applicable development requirements and the conditions which must be met before the replacement RAD PBV HAP Contract can be executed.

## **II. Finding of No Significant Impact**

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations in 24 CFR part 50, which implemented section

102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for inspection at HUD's Funding Opportunities web page at:  
[https://www.hud.gov/program\\_offices/spm/gmomgmt/grantsinfo/fundingopps](https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingopps).

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Dominique Blom, General Deputy Assistant  
Secretary for Public and Indian Housing.

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Lopa Kolluri, Principal Deputy Assistant  
Secretary for Housing.

**[BILLING CODE: 4210-67]**

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