

The Future of Public Housing Rental Assistance Demonstration Fact Sheet

Chris Hayes and Matt Gerken

The US Department of Housing and Urban Development's Rental Assistance Demonstration (RAD) program launched seven years ago to test a new strategy intended to maintain public housing stock in the face of long-term capital needs shortfalls. The program could transform public housing by allowing the conversion of public housing units to project-based Section 8 contracts (either project-based vouchers, which are part of the Housing Choice Voucher Program, or to project-based rental assistance). Initially, the number of units eligible for conversion was capped at 65,000. Since then, Congress has increased the cap periodically; most recently (in fiscal year 2018), it was raised to 455,000 units, almost 45 percent of the country's public housing stock.

RAD and the National Public Housing Inventory

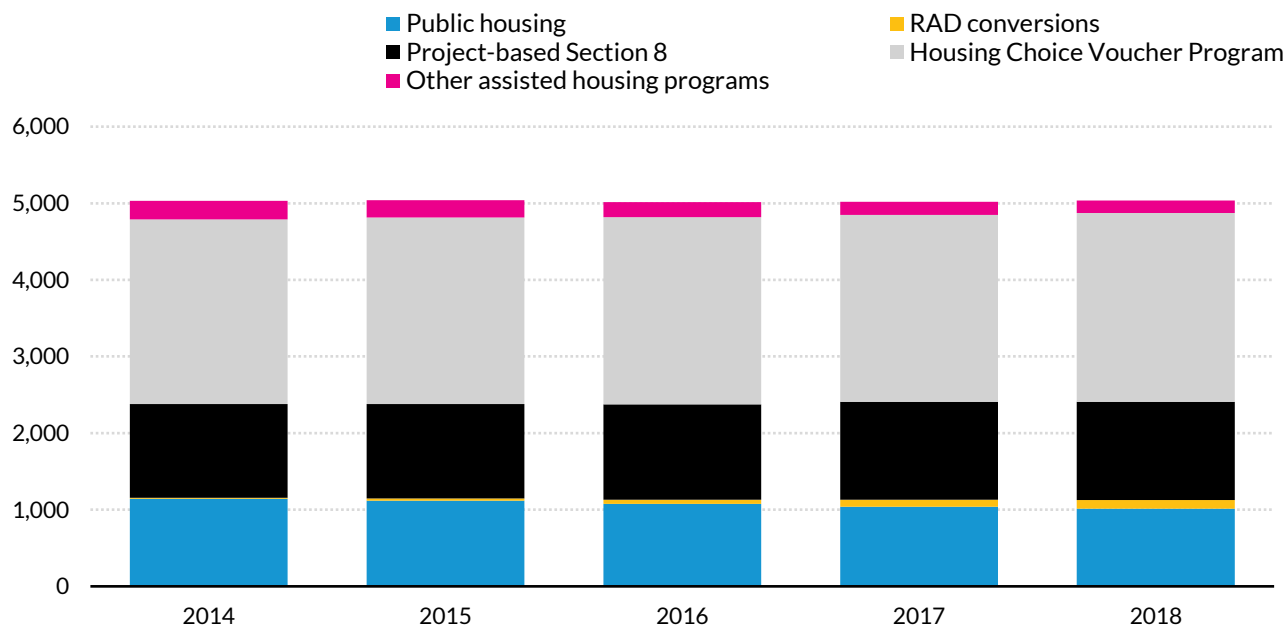
We are a long way from seeing a widespread impact from the program. As figure 1 shows, the amount of converted RAD housing is growing, but RAD conversions remain only a small part of the nation's assisted housing—that is, federal programs that provide subsidies to reduce rents for low-income tenants.

The program's impact on public housing is more visible. About 10 percent of pre-RAD public housing has been converted to project-based voucher or project-based rental assistance developments (table 1).

FIGURE 1

US Assisted Housing Programs

Thousands of units



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Sources: US Department of Housing and Urban Development (HUD), "A Picture of Subsidized Households" and "Rental Assistance Demonstration Resource Desk" data.

TABLE 1

Units Approved for Conversion versus Units Converted, by Type of Public Housing Authority

PHA size	ALL PHAs		RAD PHAs	
	Share of units approved	Share of units converted	Share of units approved	Share of units converted
Small (0–99 units)	14	13	97	90
Medium (100–999 units)	13	7	81	45
Large (1,000+ units)	19	10	29	18
Total	17	10	34	19

Sources: HUD, “A Picture of Subsidized Households” and “Rental Assistance Demonstration Resource Desk” data.

Notes: Percentages are of all public housing units. Units approved are those in projects where HUD has awarded a “Commitment to enter into a Housing Assistance Payment contract,” including those that have converted.

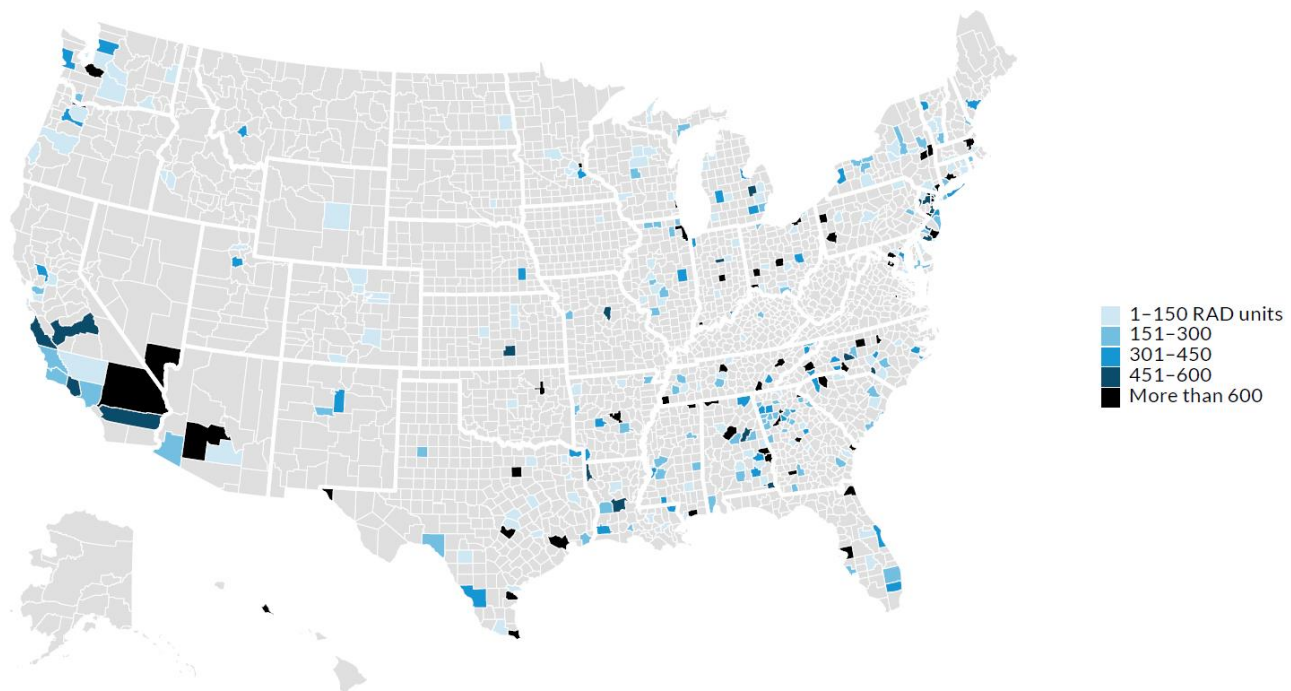
For the communities that have chosen to use the program, the adjustment can be significant; small PHAs in particular are using RAD to convert almost all their public housing units. Among small PHAs that would have RAD projects by 2018, nearly all (98 percent) had assisted housing programs dominated by public housing in 2013, but by 2018, 98 percent no longer had any public housing units. Medium-sized PHAs are undergoing a more modest transformation. For those with RAD projects, 62 percent had no more public housing units by the end of 2018.

No one region is more likely to be turning to RAD. As figure 2 shows, PHAs from across the country are using RAD, and they include both urban and rural housing authorities.

FIGURE 2

Location of RAD Units, by County

Converted units and units that have been approved for conversion as of 2018



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Source: HUD, “Rental Assistance Demonstration Resource Desk” data.

Note: Units approved are those in projects where HUD has awarded a “Commitment to enter into a Housing Assistance Payment contract,” including those that have converted.

RAD Conversion Progress

Between 2013 and 2018, the number of public housing units in the US declined by 126,000. Most of the reduction was a result of RAD conversions. As of the end of 2018, over 110,000 units had been converted, with an additional almost 90,000 units in projects that had received a “Commitment to enter into a Housing Assistance Payment contract” (CHAP) award, HUD’s initial approval for the PHA to begin work on the terms of the conversion, but that had not yet completed conversion (table 2).

RAD projects take time to move through the pipeline. Projects that converted in 2019 have been in the pipeline an average of 2.5 years since receiving a CHAP award. Figure 3 shows that CHAP awards continue to be well below the cap and were so even before the cap increased to 455,000 units in fiscal 2018.

TABLE 2

Share of Approved RAD Units That Have Been Converted, by Type of Public Housing Authority

PHA size	Number of PHAs	Total units converted	Total units in pipeline	Total RAD units	Share converted
Small (0–99 units)	56	7,344	552	7,896	93%
Medium (100–999 units)	184	18,587	13,591	32,178	58%
Large (1,000+ units)	214	83,437	59,710	143,147	58%
Total	454	110,910	88,342	199,252	56%

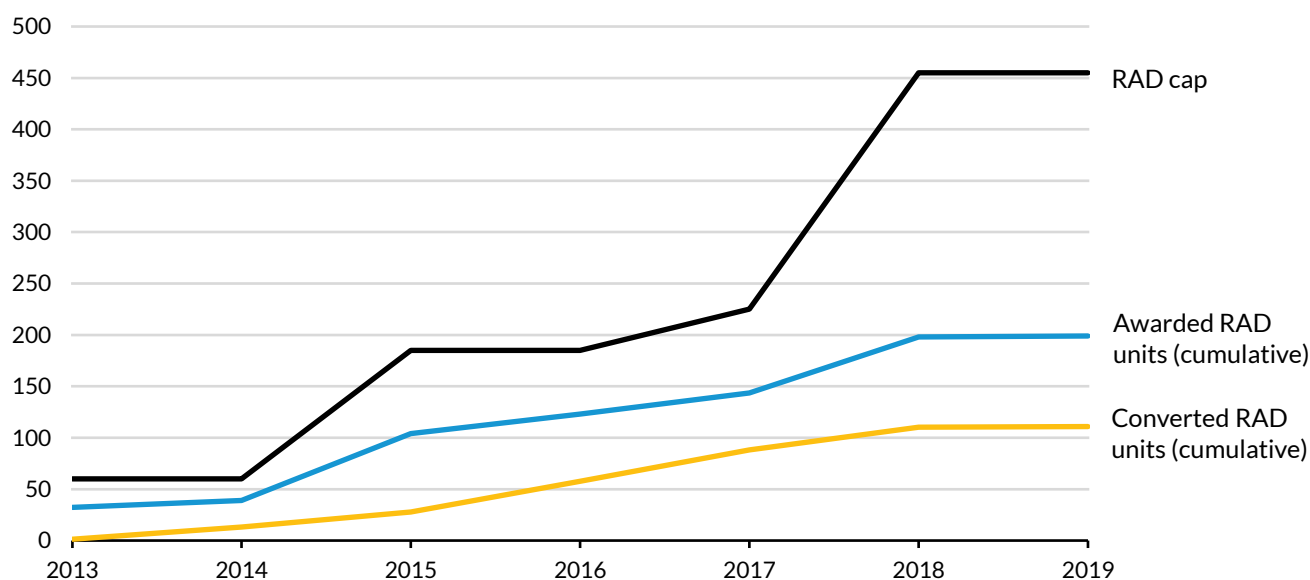
Source: HUD, “Rental Assistance Demonstration Resource Desk” data.

Note: Only includes PHAs with RAD projects as of 2018; excludes PHAs for whom PHA size was unavailable.

FIGURE 3

RAD Conversion Process Is Gradual

Thousands of units



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Source: HUD, “Rental Assistance Demonstration Resource Desk” data, as of April 2019.