



## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5630-N-10]

### Rental Assistance Demonstration: Notice of Increase in Cap and Rent Setting

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

**ACTION:** Notice

**SUMMARY:** This notice addresses the increase in the number of public housing units that may be awarded competitively under HUD's Rental Assistance Demonstration (RAD). It serves as notification to Public Housing Authorities (PHAs) that have submitted Letters of Interest (LOI) to reserve their position on the RAD waiting list that they are eligible for award under this expansion if they submit a complete RAD Application, Portfolio Award, or Multi-phase Award for the number of units identified in their LOI within 60 days of the publication of this notice. Awards are subject to existing eligibility and selection criteria; HUD is not changing such criteria with this notice. For CHAPs issued beyond the 185,000-unit cap (i.e., between 185,001 and 225,000 units), and for any replacement awards made as a result of revocations or withdrawals that occur after May 5, 2017, HUD will use rent levels based on FY 2016 public housing funding levels (FY16 RAD rent base year). Finally, for all existing and future Multi-phase Awards, this notice modifies the latest possible date for PHAs to submit an application for the final phase of the project covered by the Multi-phase Award to September 30, 2020.

**DATES:** For PHAs that can be awarded as a result of the expansion, the 60-day period to submit complete RAD Applications, Portfolio Award, or Multi-phase Award for the number of units identified in their LOI in compliance with Section 1.9 of PIH 2012-32/H 2017-03 Rev-3 begins

on the date of this publication in the Federal Register. This notice is effective on **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and the 60-day period ends on **[INSERT DATE 60 DAYS FROM 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.

#### **SUPPLEMENTARY INFORMATION:**

##### **I. Background**

On May 5, 2017, section 239 of Title II, Division K—Transportation, Housing and Urban Development, and Related Agencies, of the Consolidated Appropriations Act, 2017 (Pub. L. 115-31) (2017 Appropriations Act), amended the RAD statute, as authorized in Title II, Division C, of the Consolidated and Further Continuing Appropriations Act, 2012, (Pub. L. 112-55) by increasing the unit cap from 185,000 units to 225,000 units and extending the period for project applications until September 30, 2020 under the RAD First Component, which allows for the conversion of assistance under the public housing program to long-term, renewable assistance under Section 8.<sup>1</sup> The most recent version of the RAD program notice, Rental Assistance

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<sup>1</sup> The RAD statutory requirements were amended by the Consolidated Appropriations Act, 2014 (Pub. L. 113-76, signed January 17, 2014) (2014 Appropriations Act), the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235, signed December 16, 2014) (2015 Appropriations Act), the Consolidated Appropriations Act, 2016 (Pub. L. 114-113, signed December 18, 2015) (2016 Appropriations Act) and the Consolidated

Demonstration – Final Implementation, Revision 3 notice (PIH 2012-32 (HA) H 2017-03, REV-3), was published on January 12, 2017 and can be found on RAD’s website, [www.hud.gov/RAD](http://www.hud.gov/RAD). Its publication was announced on January 19, 2017 at 82 FR 6615.

## **II. RAD Unit Cap Increase and Rent Setting**

On May 5, 2017, the 2017 Appropriations Act amended the RAD statute by increasing the unit cap from 185,000 units to 225,000 units and extending the period for project applications until September 30, 2020. Per the RAD statute, HUD must select properties from applications for conversion as part of RAD through a competitive process. HUD will use the existing waiting list. Awards are subject to existing eligibility or selection criteria; HUD is not changing such criteria with this notice. These criteria are described in the Rental Assistance Demonstration – Final Implementation, Revision 3 notice (PIH 2012-32 (HA) H 2017-03, REV-3) issued on January 12, 2017. This notice announces the following:

1. HUD is now able to award RAD authority to certain projects where PHAs have submitted LOI to reserve their position on the RAD waiting list and have also submitted a complete RAD Application, Portfolio Award request, or Multi-phase Award request for the number of units identified in their LOI within 60 days of the publication of this notice. By an email sent on or before the effective date of this notice, HUD will identify and notify each PHA that may submit an application or request for an award as a result of the expansion. Failure to make a complete submission for the reserved units (that is, submit a complete application or request) within 60 days of the publication of this notice will result in a forfeiture of the PHA’s position on the waiting list.

2. HUD will fully allocate any remaining authority under the previously authorized 185,000-unit statutory cap to replace any withdrawn or revoked awards with new awards selected from the waiting list. HUD will use rent levels based on the FY14 RAD rent base year for replacement awards made under the 185,000-unit cap as a result of revocations or withdrawals that occurred prior to May 5, 2017. HUD will use rent levels based on the FY16 RAD rent base year for those CHAPs to be issued beyond the 185,000-unit cap (i.e., between 185,001 and 225,000 units) and for any replacement awards made as a result of revocations or withdrawals that occur after May 5, 2017. Rent levels are also subject to the rent setting limitations detailed in the Rental Assistance Demonstration – Final Implementation, Revision 3 notice (PIH 2012-32 (HA) H 2017-03, REV-3) issued on January 12, 2017.

3. For all Multi-phase Awards issued after May 5, 2017, PHAs will have until September 30, 2020, to submit an application for the final phase of the project covered by the Multi-phase Award. For any Multi-phase Awards issued prior to May 5, 2017, HUD may approve extensions up to September 30, 2020 on a case-by-case basis.

### **III. 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 public inspection during regular business hours in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW, Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, please schedule an appointment to review the FONSI by calling the

Regulations Division at (202) 708-3055 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number via TTY by calling the Federal Relay Service at (800) 877-8339.

Dated: August 18, 2017

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

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Dana T. Wade, General Deputy Assistant  
Secretary for Housing

**[FR-5630-N-10]**

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