



RENTAL ASSISTANCE DEMONSTRATION

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U.S. Department of Housing and Urban Development

Secretary Julián Castro

"The affordable housing crisis is growing. RAD is part of the solution."
Secretary Julián Castro

Director's Corner



One of the most exciting and powerful features of the RAD program is its flexibility, allowing local actors to address local problems in locally appropriate ways. We've seen the many different ways PHAs use this flexibility to recapitalize their properties. RAD's Choice Mobility feature is a similarly flexible tool which PHAs can use to expand economic and educational opportunities for their residents.

In this newsletter, we're pleased to offer some ideas to consider and some examples of Choice Mobility programs leading PHAs have developed outside the RAD context, with links to resources for learning more. We've also included an overview of the new HUD Affirmatively Furthering Fair Housing ("AFFH") rule, for those of you unfamiliar with it. We hope PHAs and their partners use RAD as a tool to support their AFFH strategies, and that they engage with the ideas sketched here, and with other ideas, to implement robust Choice Mobility policies. Each locality needs to figure out what it can do to build partnerships and dedicate resources to support Choice Mobility, and RAD can be part of a powerful upward mobility strategy.

-Tom Davis, Director of Office of Recapitalization

Making the Most of RAD's Mobility Option

For affordable housing owners who pride themselves on creating opportunities for their residents, a robust implementation of RAD's Choice Mobility provision is a natural extension of an access-to-opportunity strategy. Especially when paired with counseling and favorable agency policies, residents can use housing choice vouchers to create new opportunities for themselves and their children.

Recent groundbreaking research by Raj Chetty has found that family moves to high-opportunity, low-poverty communities have profound long-term effects on children, particularly those under age 13. Many years later, these children earn 30% more as adults, are more likely to have attended college and have more stable financial and personal lives than peers who grew up in high-poverty communities. A RAD property owner can support and even instigate these opportunity-creating moves, simultaneously supporting residents and meeting the PHA's affirmatively furthering fair housing obligations.

Case studies from across the country – particularly the successful programs in Baltimore, Chicago and Dallas – illustrate that there's a lot voucher administrators can do to maximize residents' long-term success. With significant resources, a PHA can build a robust network of partnerships with counseling agencies and other PHAs in a region. But even more resource-constrained agencies can implement some of the best practices these trailblazer agencies have proven to be effective. The following are some ideas and best practices to consider.

Allow time to consider move options – The resident family must live at the RAD property for at least a year (2 years at PBRA properties) before the family is

eligible for the housing choice voucher. This time is a huge opportunity for the PHA and property owner to introduce residents to the idea of opportunity moves. Time lets the resident consider the options, plan for a move to a potentially unfamiliar community, save money for move-related expenses, and ultimately to search for and find a new home. A PHA should review their housing choice voucher policies to ensure that residents have time after they know they will get a voucher to actually search for and lease a unit, since the search in high opportunity communities may take longer than the house hunt in a familiar neighborhood.

Confirm the resident's housing stability – The PHA can remove some of the stress of pursuing an opportunity move by regularly communicating that the family can keep their RAD unit if they don't find an apartment they like in a community they like.

Encourage new ideas – Unlike residents on the standard housing choice voucher waiting list, RAD residents are physically clustered in one location – great for a sustained and effective communication and counseling effort. Property management staff can reference the opportunity in routine conversations – at a minimum, during annual income recertifications. PHAs or partner agencies can conduct periodic workshops on-site, or organize events with former residents who have moved to high-opportunity communities. While more effort for the PHA, follow-up counseling after the move can help ensure the family's long-term success. Follow-up counseling is particularly important for the adults and older teens who may experience more isolation after moving to an unfamiliar community.

Making the Most of RAD's Mobility Option Continued...

Provide information – Residents may not have considered opportunity moves and may not know where the opportunities are. Successful programs, like the Chicago program described in this newsletter, identify high opportunity areas to help residents target their search. Important information can also include transit options to get to and from the opportunity area for house-hunting and to understand a future commute. Basic efforts include posters and maps in common areas of the property. More robust programs include landlord outreach, referral lists and even organized tours of high opportunity communities.

Review the PHA Administrative Plan – At a minimum, PHAs should review their voucher policies to make sure they don't impose barriers to opportunity moves. Consider the time it takes participants to find apartments, the point in the process when the PHA issues the vouchers, and whether the process puts families at risk of losing a unit they might have leased. A PHA might also consider establishing a regional collaborative with other PHAs, a strategy which has proven particularly effective. Finally, agencies should explore what flexibility they might have under 24 CFR 982.503(a)(3), under any Moving to Work authority or under a small area FMR program to provide rents which are competitive in high-opportunity communities.

Make contracting arrangements results oriented. If the PHA uses a contractor to provide mobility counseling for residents, consider results-focused contract language which pays the contractor for the successful opportunity moves, not simply for the time spent working with residents. Conversations with PHAs that have successful programs can provide tips on selecting and managing counseling contractors.

Keep documentation – A PHA should track residents' moves to document the agency's compliance with its affirmatively furthering fair housing obligations.

Many of these efforts – time, stability, workshops and information distribution – are relatively low-cost items. PHAs with more resources may choose to implement a more robust strategy to support the residents. In either case, the PHA and the project owner have a unique opportunity to support residents in improving their children's future prospects by implementing a robust RAD Choice Mobility program. RAD requires mission-driven ownership, and creating opportunities for residents is what mission-driven ownership is all about.

King County's Community Choice Program

The Community Choice Program operated by the King County Housing Authority (KCHA) in Washington helps families with young children make informed choices about neighborhood and school quality when deciding to move. The program also aims to improve educational outcomes for children and youth by helping children access high performing schools.

KCHA contracts with a service provider, Hopelink, which assists enrolled families with the housing search, identifying units, the move process, and working with landlords. Through Hopelink, the program also provides post-move support to help families troubleshoot issues that may arise with their landlord, or in their new community after the move.

KCHA tracks how many families have moved to very high opportunity neighborhoods and retention in these neighborhoods. In order to define "very high opportunity neighborhoods" KCHA is utilizing maps developed by the Kirwan Institute and Puget Sound Regional Council that include factors such as education outcomes, economic health, neighborhood and housing quality, transportation and health, and environmental factors. This is combined with data on elementary school characteristics, including neighborhoods where the third-grade reading proficiency is at least 80 percent and where less than 20 percent of students receive free or reduced lunch.

Since March of 2014, 69 households have enrolled in the program, 12 families have moved to opportunity neighborhoods, and two are in the process of moving. All families that have moved through the program have stayed in the opportunity neighborhoods. For more information on the Community Choice Program, email Elizabeth Westburg at elizabethw@kcha.org.

What is RAD?

The **Rental Assistance Demonstration (RAD)** allows public housing agencies (PHAs) and owners of HUD-assisted properties to convert units to project-based Section 8 programs, providing an opportunity to invest billions into properties at risk of being lost from the nation's affordable housing inventory. RAD 1st component transactions cover Public Housing units. Units that fall under this component are subject to a unit cap and are limited to current funding. RAD 2nd component transactions cover Rent Supplement (Rent Supp), Rental Assistance Payments (RAP), and Section 8 Moderate Rehabilitation projects. Unlike 1st component transactions, 2nd component transactions are not subject to the cap, but are constrained by the availability of tenant protection vouchers (TPVs). Both components allow housing programs to convert their assistance to long-term, project-based Section 8 contracts, providing a more stable source of funding.

For more information about RAD please visit our [website](#) and [resource desk](#). For specific questions please contact the RAD team at RAD@hud.gov. Click [here](#) to sign up for the RAD Mailing List!

Testing Regional Mobility Strategies

The Chicago Regional Housing Choice Initiative (CRHCI), a partnership between eight Chicago-area PHAs and two non-profits, sought to test different methods of offering Housing Choice Voucher (HCV) participants greater housing options. In this three-year experiment, over 3,500 households were encouraged to move to “areas of opportunity” as measured by the Department’s 2011 Opportunity Index, which measured census tract data for factors such as poverty, transit access, housing stability, labor market engagement, job access, and school performance.

For the CRHCI, partners refined an [existing project-based initiative](#) to explore the benefits of creating a regional wait list and introducing choice-based housing marketing. Participants could also use their voucher in any of the partner PHA jurisdictions, an area of over 2,300 square miles, including urban, suburban, and rural communities. HCV households in the program were split into three groups: one received mobility counseling and a \$500 incentive to move, another received only the incentive, and a control group that received neither counseling nor the incentive.

The regional approach utilized “standardized materials, centralized procedures, and a single point of contact”, which created financial efficiencies that can potentially “be used to pay for regional mobility programs going forward.” The CHRCI offers examples of strategies PHAs can use in their areas to increase housing choice for residents and provide greater access to areas of opportunity. To download the full report on the CHRCI, go to <http://www.hcp-chicago.org/2014/wp-content/uploads/2011/04/HCP-41715-Narrative-final-report-CRHCI.docx>

Chicago Regional Opportunity Map



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Affirmatively Furthering Fair Housing

We all want the same basic things for our families: a safe, affordable place to call home, a quality education for our kids, and access to transportation, jobs, retail and services. But the reality is that not everyone has equal access to those things. Despite genuine progress and transformation in the 47 years since the Fair Housing Act was enacted, the zip code in which a child grows up remains a strong predictor of that child's success.

The Civil Rights Act of 1968 obligates the federal government and certain recipients of federal funds to affirmatively further fair housing (AFFH) as a means of ensuring equal access to opportunities for all people. The AFFH Rule was published to equip communities with the data and tools they need to meet the obligation and address significant disparities in housing needs and in access to opportunity.

HUD is committed to providing program participants with guidance, clear instructions, and the assessment tools with which to complete an assessment of fair housing for their jurisdiction, and with the ongoing training and technical assistance they need to be successful. The goals and priorities participants set in the assessment will inform their Consolidated Plans, PHA Plans, and Capital Fund Plans, allowing program participants to make informed policy and investment decisions that will help them affirmatively further fair housing in the most meaningful and efficient ways for their communities.

Strategic planning decisions, of course, appropriately remain in the hands of the program participants who know their communities. HUD encourages program participants to collaborate with one another, invite robust community participation, and leverage their local knowledge to determine the right balance of strategies for their community, including through targeted investment in racially concentrated areas of poverty, developing new affordable housing in areas with quality schools, jobs, and transportation, or expanding mobility to areas with better access to opportunity.

The AFFH Rule is about maximizing housing choice and access to opportunity for individuals and their families in communities across the country, and about providing program participants the with the information and flexibility they need to do fair housing planning effectively at the local level where they can address the concerns of their community. Ultimately, a person's zip code should not prevent them from reaching their aspirations. For more information on AFFH visit <https://www.hudexchange.info/programs/affh/>

RAD Stats As Of 12/1/2015

RADOMETER

Total construction activity leveraged (closed projects, 1st component)

\$1,651,256,627



RAD 1st Component

	Units	Projects
Active CHAPs	105,163	913
Multiphase/Portfolio Reservations	49,483	350
Closed Conversions	25,805	241
Applications Under Review	19,107	163
Total	199,558	1,604
Statutory Cap	185,000	N/A
Waiting List	14,558	N/A

RAD 2nd Component

	Units	Projects
Active Conversions	8,424	80
Closed Conversions	18,022	135

HUD Releases Choice Neighborhoods Planning and Action Grants Funding

The Department recently announced the release of new **Choice Neighborhoods Planning and Action Grants**, which will enable communities to create locally driven plans to transform struggling neighborhoods, as well as implement early improvements. These grants, together with RAD, can lay the foundation for revitalizing distressed housing, transforming the surrounding neighborhood, and promoting opportunities for families.

Applicants must submit an application by February 9, 2016 and will receive additional points if all of the housing targeted in their application has received a CHAP. For more information, go to www.hud.gov/cn.

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