

McMinnville Housing Authority
Rental Assistance Demonstration Conversion (RAD) Information for Current Residents
September 29, 2020

The expected closing date for the RAD conversion to a Project Based Rental Assistance Program (PBRA) is in October. At that time, McMinnville Housing Authority will sign a Housing Assistance Payment (HAP) contract with HUD. Your household is not subject to rescreening, but will be subject to any ongoing eligibility requirements that occur after conversion. Most households will not notice a change except that new leases and paperwork will have to be signed.

Lease & House Rules

If the closing occurs as expected, your household will be required to sign a new lease and lease addendums before December 1, 2020. The lease used is a standardized lease provided by HUD. One of the addendums to the lease is the House Rules. The House Rules replace the Admission and Continued Occupancy Policy that is used under Public Housing rules. You will be given more information about signing all the new paperwork in October and November.

Over Housed Families

Under RAD requirements, residents must be in the appropriate size unit for their family composition. If at the time of conversion, an eligible family assisted under the HAP contract is occupying a unit that is larger than appropriate because of the family's composition, the family will be permitted to continue to occupy the unit until an appropriate-sized unit becomes available. When an appropriate-sized unit becomes available, the over housed family must move to the appropriate-sized unit or pay the contract rent that is determined by HUD.

MHA is not required to help with the cost of the move, but has chosen to help with the cost of the transfer for households that are over-housed as of the RAD closing date. MHA will pay for the transfer of cable, internet and telephone services provided that the resident had the service prior to the RAD closing date. The resident will be responsible for moving all personal belongings to the new apartment and cleaning the old apartment. The resident will be charged for any cleaning or for any damages to the old apartment that are beyond normal wear and tear. If this applies to your household, you will receive more information as the transition occurs.

Flat/Ceiling Rent & Phase-In

In Public Housing, there are two ways to determine rent. Income-based rent is generally calculated at 30% of your household's income. Flat/ceiling rent is based on HUD's annual fair market rent calculations. Most residents currently pay an income-based rent and will not have an increase in rent as a result of the RAD conversion. However, households who currently pay a flat/ceiling rent may have a rent change because PBRA does not allow flat or ceiling rent.

If your household is currently paying flat/ceiling rent and your rent due to the conversion increase is less than the greater of 10 percent or \$25 per month, the change in rent will become effective at your next recertification (interim or annual).

If your household is currently on flat/ceiling rent and your rent will increase by more than the greater of 10 percent or \$25 per month, your household may qualify for a rent phase-in. This means you will not start paying a higher rent immediately. Instead, your rent will increase each year over either a 3-year or 5-year phase-in period until your household is paying the total tenant payment (TTP) calculated based on your income.

As the closing process continues, you will receive more information about signing your new lease and addendums. You will also be receiving more information IF your household is affected by the over-housed rule or the flat/ceiling rent phase-in rule.