



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-8000

OFFICE OF PUBLIC AND INDIAN HOUSING

Special Attention of:
Public Housing Agencies (PHAs)
Public Housing Directors
Resident Management Corporations

Notice PIH 2024-40 (HA)
Issued: December 26, 2024
This notice supersedes and replaces Notice
PIH 2021-07

Cross-References: Notices: PIH 2016-22; 2019-13; 2020-23; 2021-37; 2023-07; RAD Final Implementation Notice Revision 4 (H-2019-09; PIH-2019-23 (HA)

Subject: Demolition and/or disposition of public housing property, eligibility for tenant-protection vouchers, and associated requirements.

I. Purpose.

This notice explains application requirements to request the U.S. Department of Housing and Urban Development's (HUD's) approval to demolish and/or dispose of public housing property under Section 18 of the United States Housing Act of 1937 (42 U.S.C. 1437p) (1937 Act) and related Tenant Protection Voucher (TPV) eligibility for such actions (refer to PIH Notice 2023-07, Revision 1 or the latest Housing Choice Voucher (HCV) Funding Notice). This notice is used in conjunction with HUD's implementing regulations at [24 CFR Part 970](#) and other requirements to the Special Applications Center (SAC) applications. This document is intended to provide clarity to the public regarding existing requirements under the law.

For purposes of this notice, public housing includes all dwelling property, including units in mixed finance transactions and non-dwelling property (e.g., vacant land, administrative buildings and community buildings) acquired, developed, modernized, operated, or maintained with 1937 Act funds (other than Section 8 assistance provided under the 1937 Act).

II. SAC Application Requirements.

- A. **Processing.** HUD's SAC reviews demolition and disposition applications (SAC applications) in accordance with the requirements of [24 CFR Part 970](#). SAC only reviews complete SAC applications. Pursuant to 24 CFR 970.29, HUD will disapprove a SAC application if HUD determines: (1) a certification made by the PHA under [24 CFR Part 970](#) is clearly inconsistent with the PHA Plan or any information and data available to or requested by HUD; or (2) the application was not developed in consultation with residents, resident groups, and local government officials.
- B. **PHA Plan.** The PHA must certify that the proposed demolition or disposition of a public housing property is included in a PHA Annual Plan, Significant Amendment, or MTW Annual Plan. All PHAs must discuss the demolition or disposition at a public hearing, as required by 24 CFR 903.7(h)(2). The PHA must comply with the resident

<ul style="list-style-type: none"> Proposed rehab where hard construction costs exceed 60% of the HCC for the given market area 	up to 60% Section 18 at least 40% RAD
<ul style="list-style-type: none"> Proposed rehab where hard construction costs exceed 30% of the HCC for the given market area 	up to 30% Section 18 at least 70% RAD

A PHA intending to use a RAD/Section 18 Construction Blend must first submit an Application for the project in accordance with Section 1.9 of the RAD Notice.

2. **RAD/Section 18 Small PHA Blend.** For any PHA with 250 or fewer public housing units under its ACC, **at the PHA's discretion**, up to ninety percent (90%) of the units in a Converting Project may be disposed of under Section 18 **and at least ten percent (10%) of the units must be converted under RAD.** The PHA is not required to remove all its remaining public housing units through a Small PHA Blend transaction. However, to be eligible for the Small PHA blend, in addition to the PHA Plan requirements the PHA must submit to the HUD Field Office a feasible repositioning plan approved by the PHA's Board of Commissioners and acceptable to HUD that shows how the PHA will remove the remainder of its public housing assets and will result in the closeout of the PHA's Section 9 ACC consistent with PIH Notice 2019-13 or successor notice (see further guidance that HUD will post) .

Any PBV contract created under this subparagraph must be administered by a Section 8 contract administrator with at least 250 HCV units under its HCV Consolidated ACC prior to the creation of the PBV Housing Assistance Payments (HAP) contract unless the Field Office determines that the proposed contract administrator has sufficient capacity to administer the PBV contract. The Field Office will consider factors such as the proposed contract administrator's prior SEMAP scores, recent HCV-related audit findings for the contract administrator, and whether the proposed contract administrator will have sufficient budget authority and units under its Consolidated ACC (in addition to any existing RAD or Non-RAD PBV HAP Contracts) to adequately serve the tenant-based waiting list and provide mobility options for the PBV residents.

A PHA intending to use a RAD/Section 18 Small PHA Blend must first submit an Application for the project in accordance with Section 1.9 of the RAD Notice.

3. **Sequenced Blends.** A PHA that has first received approval for a property under a Section 18 disposition application under another justification under Section III.A of this notice (except for under Section III.A.2 and Section III.A.3.c) shall be subject to the provisions governing RAD/Section 18 Blends provided they request and receive SAC approval to conditionally rescind the Section 18 approval for some portion of RAD eligible units and convert the public housing assistance of at least 10% of units under RAD.

- C. **Justification Criteria of Non-Dwelling Buildings and Vacant Land (24 CFR 970.17(d)).** The PHA certifies, by narrative statement and supporting documentation, that disposition of non-dwelling buildings or vacant land meets one of the criteria: under