



OFFICE OF HOUSING
OFFICE OF PUBLIC AND INDIAN HOUSING

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

MEMORANDUM FOR: All Public Housing Authorities

FROM:

Signed by:
Benjamin Hobbs
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Benjamin Hobbs, Assistant Secretary, Office of Public and Indian
Housing

Signed by:
Joseph M. Gormley
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Joseph M. Gormley, performing the delegable duties of the Assistant
Secretary for Housing – Federal Housing Commissioner

SUBJECT: Updates to the Restore-Rebuild Initiative

DATE: May 12, 2026

On April 3, 2026, the Office of the President released the President’s budget proposal for FY2027. Among other important requests, the budget proposes to permanently re-set each PHA’s “Faircloth” cap to the number of public housing units it has as of October 1, 2027. Consistent with this proposal and President Trump’s focus on limiting Federal spending, the Department’s goals include reducing the existing public housing footprint and repositioning public housing units to the Section 8 platform. Consequently, HUD is winding down the Restore-Rebuild initiative. Restore-Rebuild is the process by which PHAs develop new public housing through mixed-finance development with a conditional pre-approval for the subsequent conversion of the newly developed public housing to a Section 8 contract through the Rental Assistance Demonstration (RAD). The following guidance identifies the changes effective immediately depending on where a specific transaction is in the Restore-Rebuild process:

For PHAs that have not yet requested a Notice of Anticipated RAD Rents (NARR), no new NARR requests will be accepted.

For PHAs that have requested NARRs, HUD will continue processing requests for NARRs that have been received as of the date of this memorandum, but that have not yet been issued.

For PHAs that have received or will receive a NARR, the NARR will be void 90 days after the date of this memorandum unless the PHA has either:

- a) received HUD approval for mixed-finance development or public housing acquisition under applicable regulations;
- b) submitted a substantially complete mixed-finance development proposal or public housing acquisition proposal to HUD for the proposed project; or

- c) demonstrated through documentation from a state allocating agency that an application for Low-Income Housing Tax Credits for the proposed project has been submitted and is under review or has been approved.

HUD will not issue a RAD Conversion Conditional Approval (RCCA) for a proposed project that does not demonstrate that it has met one of these criteria. Transactions that have met one of these criteria will be able to continue towards the completion of their development process through construction and RAD conversion [in accordance with existing Restore-Rebuild guidance](#).

This memorandum does not otherwise make any changes to public housing mixed-finance development policies or to RAD. For questions regarding Restore-Rebuild, please contact the PIH Office of Urban Revitalization at our@hud.gov with regards to submission of mixed-finance development proposals or the Office of Recapitalization at rad@hud.gov with regards to NARRs or RCCAs.