

New Resource for Supporting Housing: Section 811 PRA

CHC ANNUAL CONFERENCE

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Overview of Section 811 PRA

- ❖ The Frank Melville Supportive Housing Investment Act of 2010 modernized and reformed HUD's Section 811 Supportive Housing for Persons with Disabilities Program to transform and increase cost-effective permanent supportive housing.
- ❖ These reforms created the new Section 811 PRA program, which offers project-based rental assistance for extremely low-income persons with disabilities.
- ❖ Section 811 PRA requires structured state-level partnership linking affordable housing with community-based services and support.
- ❖ Since February 2013, HUD has awarded \$248 million in Section 811 PRA grant awards to 29 states and the District of Columbia, generating more than 7,500 anticipated permanent supportive housing units.

Overview of Section 811 PRA

- ❖ PRA funds can only be used strictly for project-based rental assistance and administrative costs incurred by the Grantee (DOH). There are NO capital or development dollars.
- ❖ Eligible Property Owners enter into a Rental Assistance Contract (RAC) with the Grantee to set aside a number of CT811 units.
- ❖ Although State health & human services/Medicaid agencies are required to make commitments of supportive services for the PRA program, tenant participation is **voluntary**.
- ❖ This is a HUD Multifamily Housing Program. Administration of this program falls under HUD Handbook 4571.2 and 4571.4 for implementation, in accordance with HUD Handbook 4350.3 (Change 4) for occupancy.

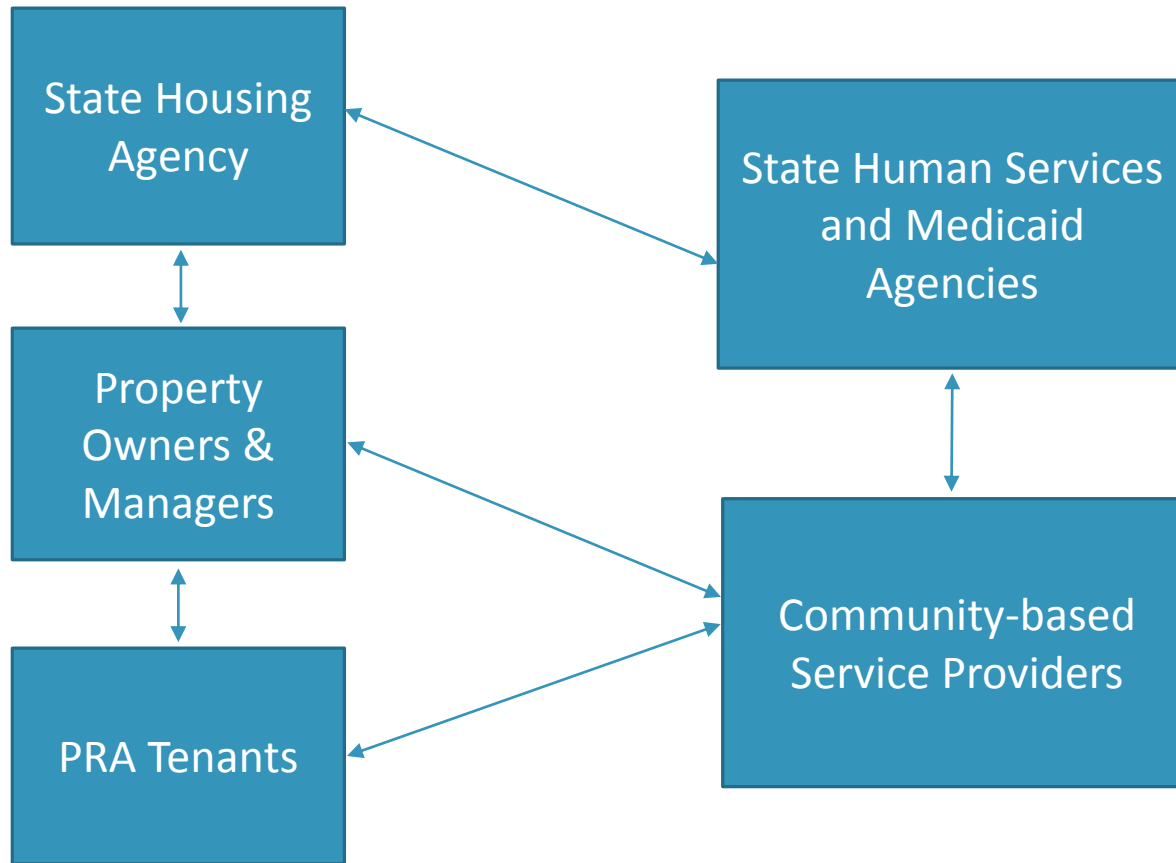
Overview of CT811

- ❖ The CT Department of Housing was awarded \$4,112,906 in March 2015 for the first 5 years of a 20-year Cooperative Agreement with HUD.
- ❖ These funds are anticipated to generate 150 permanent supportive housing units throughout the state.
- ❖ DOH, along with the support of CHFA, DSS, DMHAS, OPM are part of an Interagency Partnership Agreement tasked to administer CT811.
- ❖ Clients of DSS and DMHAS are referred to DOH. Eligible clients will be referred to the property to apply for a CT811 unit.

PRA Program Requirements

- ❖ Property must have a Use Agreement for a minimum of 30 years
- ❖ Property management must use the HUD Model Lease
- ❖ Tenant data and voucher processing is through the Tenant Rental Assistance Certification System (TRACS) and other HUD Systems
- ❖ Davis Bacon labor standards apply to projects with 12 or more PRA units
- ❖ Uniform Physical Condition Standards (UPCS) inspections required at least every 3 years
- ❖ Environmental reviews required for new and existing properties (completed projects that are HUD-assisted/HUD-insured are exempt)

PRA Program Relationships



Eligible Tenants

- ❖ Extremely Low Income Households: Total annual income cannot exceed 30% of the Area Median Income

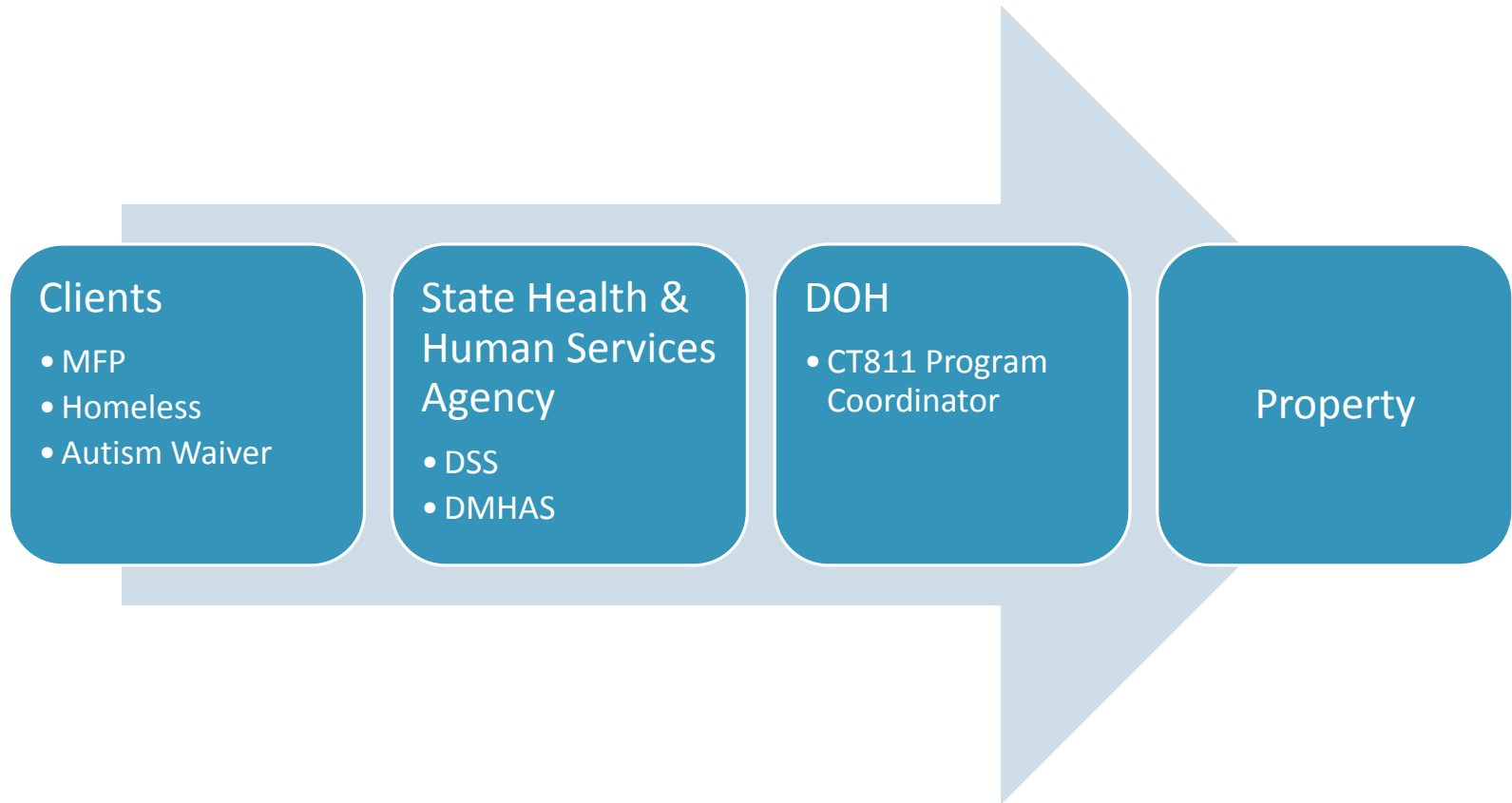
- ❖ Households with at least one individual who meets ALL of the following qualifications:
 - Disabled, as defined by HUD
 - Between the ages of 18 and 62
 - Eligible for community-based, long-term care services

- Note: Client referrals must come from DSS or the CAN

Target Populations

- ❖ DSS shall target persons eligible for the State's Money Follows the Person (MFP) Demonstration and are currently institutionalized, seeking transition to home and community-based supports and services. This includes people between the ages of 22 and 62 who are eligible for services under the State's 1915(c) waivers for persons with developmental disabilities.
- ❖ DMHAS shall target persons who are experiencing homelessness or chronic homelessness through the State's Coordinated Access Networks.
- ❖ DSS shall target persons eligible for services under an approved 1915c waiver for persons with Autism Spectrum Disorder and who are risk for institutionalization or homelessness.

Referral Process



Eligible Multifamily Properties

- ❖ Any new or existing property with at least five units owned by a housing authority, nonprofit or private entity
- ❖ Project must have received financing or financing commitments of LIHTC, HOME, or any other federal, state, or local financial assistance program, EXCLUDING Section 202 or Section 811 Capital Advances
- Not Eligible: Units receiving long-term operating subsidies in the last 6 months (such as Section 8); senior-restricted units; units that already have restricted use for persons disabilities

Unit Integration

- ❖ Units must be disbursed and integrated throughout the property
- ❖ To ensure community integration, no more than 25% of total units in Eligible Properties can:
 - Be restricted to supportive housing for persons with disabilities (under PRA or any other federal or state program), or
 - Have any occupancy preference for persons with disabilities
- Note: Persons with disabilities may not be prohibited from applying for residency in non-PRA units.

Unit Identification

Three Production Initiatives

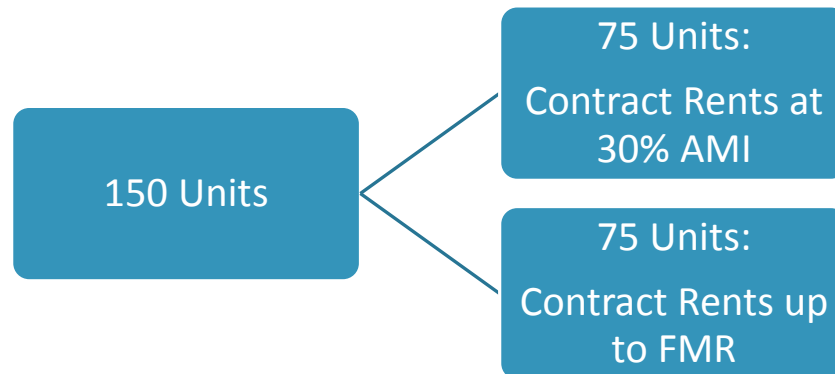
- ❖ Initiative 1 - Negotiated Placement: Identification of new or substantially rehabbed projects already under DOH or CHFA financing.
- ❖ Initiative 2 - Scattered Site (Community-based) Placement: Placement of Section 811 PRA into existing properties through the use of Request for Qualifications (RFQ).
- ❖ Initiative 3 - New Housing Production: Use of competitive RFQs and DOH/CHFA financing to leverage capital development, with Section 811 PRA subsidies included in underwriting process.

Preferred Features

- ❖ Projects near public transportation and community services
- ❖ 0BR and 1BR units, a limited number of 2BR units can be considered
- ❖ Some units with accessibility features
- ❖ Owner managed or management agencies with federal project-based housing experience, and experience with HUD Systems

Rental Assistance Contracts (RACs)

- ❖ Initial RAC term is for 20 years, with 5-year funding cycles, subject to appropriations.
- ❖ RAC designates number of units and types of unit (e.g. 1BR-1BA; 2BR-2BA; accessible, etc.) rather than designating specific units (apt. #101, #B5, etc.).
- ❖ Owners can enter into a RAC for anticipated vacancies from unit turnover.
 - Note: Existing tenants are not eligible for CT811
- ❖ Units under contract with CT811 are eligible for vacancy payments for up to 60 days at 80% of Contract Rent



Common Program MYTHS

- ❖ **Myth #1:** It's just like the Section 8 (HCVP) or RAP program.
 - Tenant-based vouchers are different from project-based subsidies. The funding and management of the program stays with the project in the 811 PRA program.
- ❖ **Myth #2:** The units have to be vacant.
 - A fully occupied project can be under contract. Applicants from the 811 PRA program will be housed in a contract unit upon turnover.
- ❖ **Myth #3:** The units have to be accessible.
 - While accessible units are a plus, they are not required. Some clients do not need the accessible features. It is helpful for the owner/manager to be open to reasonable modifications should the client need them.
- ❖ **Myth #4:** The populations are difficult to house.
 - While housing disabled individuals with sensitive circumstances can be a challenge, the processes and services are in place to make these transitions as smooth as possible. Permanent supportive housing has resulted in long-term tenancies.

How to Apply

- ❖ Review Program Highlights handout or visit CHC website for these presentation slides
- ❖ CT811 Information and Project Application can be found on DOH website at www.ct.gov/doh under “Programs” or upon request.
- ❖ Contact us with questions/requests for owner meetings:

Michael Santoro

- Michael.Santoro@ct.gov
- (860) 270-8171

Tawny Pho

- Tawny.Pho@ct.gov
- (860) 270-8091

Terry Nash

- Terry.Nash@chfa.org
- (860) 571-4253

Guest Panelist

Rick Toney

Director of Asset Management

Dakota Partners

Owner of the first Section 811 Project in Connecticut,

Laurel Hill, located in Brookfield

Thank you
for your participation!

Questions?

