

# “New” Resource for Supporting Housing: Section 811 PRA



# Poll Question

- ❖ Have you heard of the Section 811 PRA (CT811) Program?

# 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 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.
- ❖ In August 2020, HUD awarded \$74 million in Section 811 PRA grants to 12 states. Prior to this, HUD had awarded approximately \$248 million between two funding rounds.

# 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

- ❖ CT DOH was awarded \$4,112,906 in March 2015 for the first 5 years of a 20-year Cooperative Agreement with HUD.
  - ▶ FY13 funds are fully encumbered. 70 units of PSH generated, with 97% occupancy rate. Minimal turnover.
  - ▶ Section 811 PRA Project Owners: LIHTC projects owned by for-profit LLCs, Historic Tax Credit project owned by non-profit developer, State Moderate Rental project owned by PHA
- ❖ CT DOH was awarded \$6,979,172 in August 2020. This grant is expected to generate approximately 113 PSH units.
- ❖ 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.

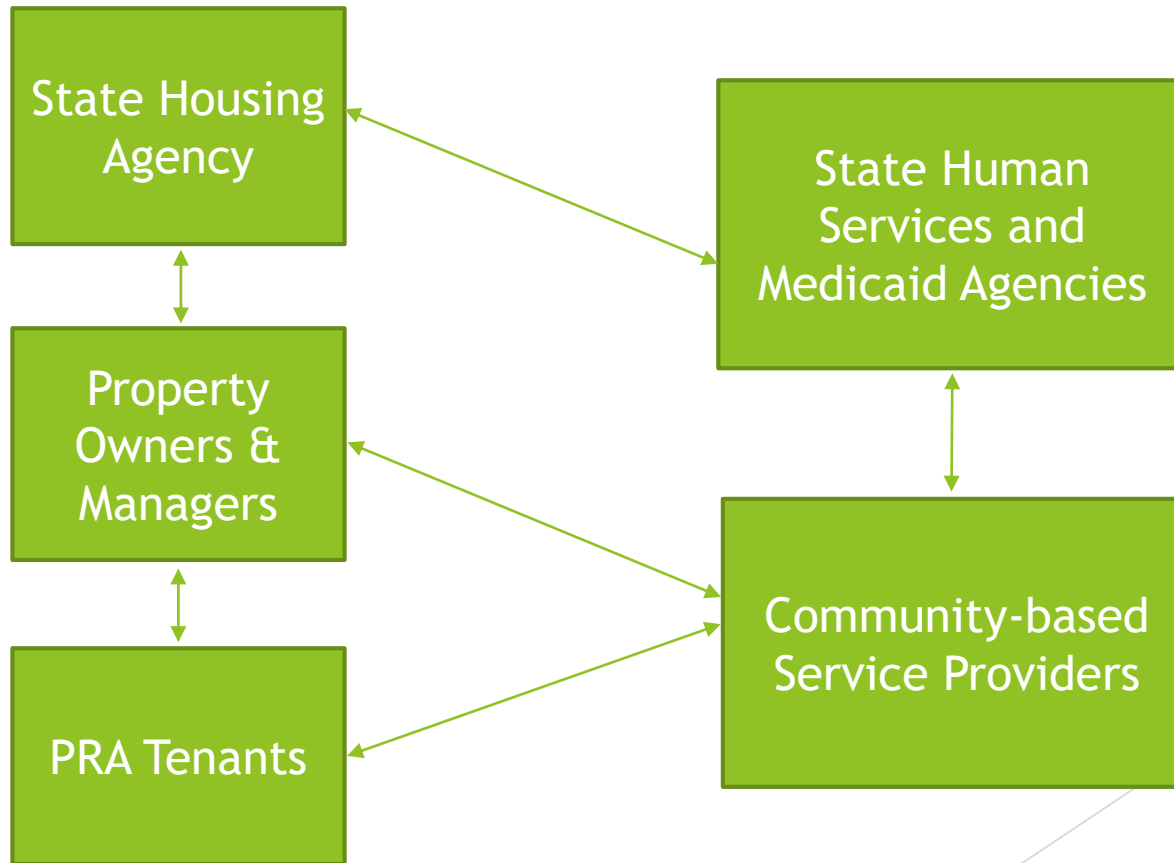
# PRA Program Requirements

- ❖ 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)

# Poll Question

- ❖ Which PRA Program Requirements are most challenging for a property owner?

# PRA Program Relationships





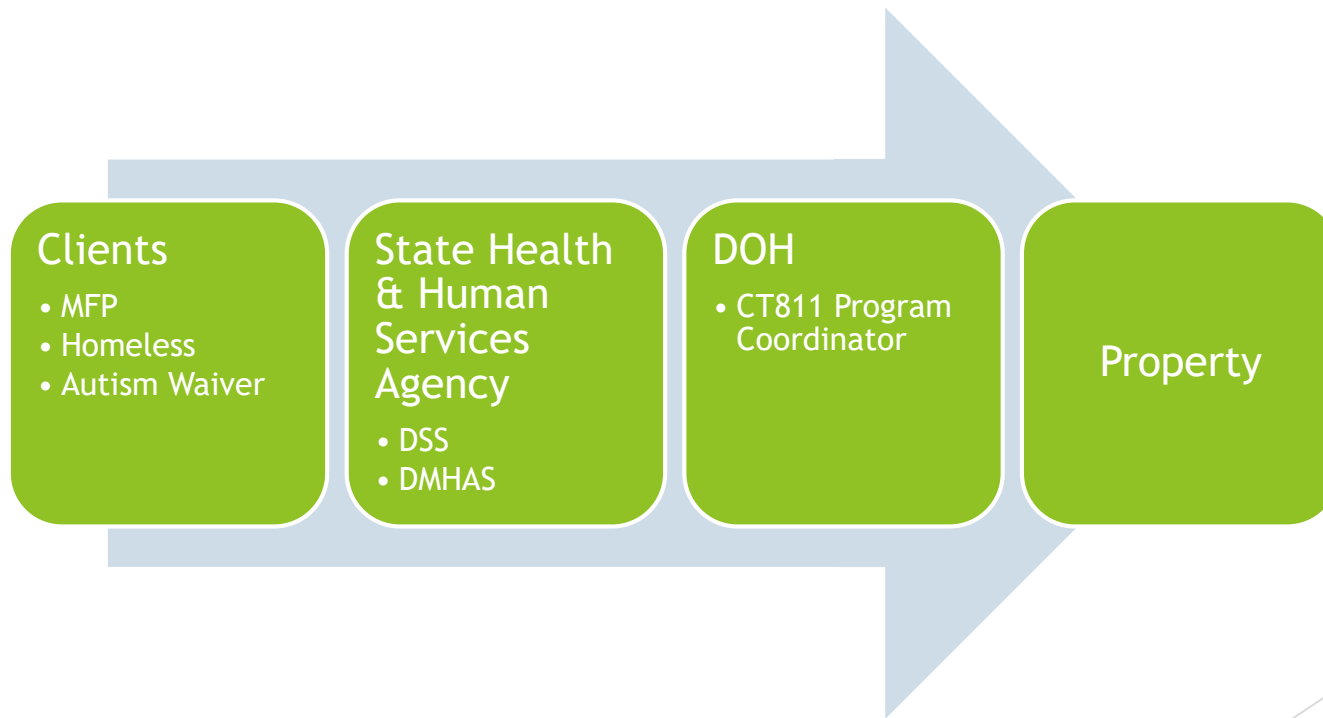
# Eligible Tenants

- ❖ 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. Tenants leased in place are not eligible.

# 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 Project 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

- ❖ 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

Funding is available for Gross Rents up to the applicable HUD Fair Market 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.

# Inquiries Accepted

- ❖ These slides are available in the “Files” section of this Webinar session
- ❖ CT811 Information can be found on DOH website at [www.ct.gov/doh](http://www.ct.gov/doh) under “Programs” or upon request.
- ❖ Contact us with questions/requests for owner meetings:

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Thank you  
for your participation!

Questions?

