

# **Section 811 Project Rental Assistance Demonstration (PRA Demo)**

**Securing New Housing Opportunities  
through the Federal Section 811 Program**

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# Panelists

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Andrew Sperling

National Alliance on Mental Illness (NAMI)

[andrew@nami.org](mailto:andrew@nami.org)

Lisa Sloane

Technical Assistance Collaborative (TAC)

[lsloane@tacinc.org](mailto:lsloane@tacinc.org)

# HOUSING NEEDS OF PEOPLE WITH DISABILITIES

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# Where do People with Disabilities Live?

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- “Worst Case” Housing Needs Report
  - 1.1 - 1.4 million non-elderly adult renters with disabilities with very low incomes have “worst case” housing needs
    - Paying more than 50% of income for rent and/or
    - Living in seriously substandard housing
- 412,000 adults ages 31-64 in nursing homes
- In Adult Care Homes = 330,000 adults with mental illness
- In Group Homes = 500,000 adults with disabilities
- In Emergency Shelters = 180,000 adults with disabilities

# Housing Crisis for People with Disabilities

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- Nationally, on average, in 2010, people with disabilities receiving SSI had to pay **112%** of their monthly income to rent a one-bedroom unit and **99%** for a studio
- In 2010 there was not one single housing market in the US where a person with a disability receiving SSI could afford to rent a modest housing unit

# Housing Crisis for People with Disabilities

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- 30% of income towards housing costs according to federal housing affordability guidelines
- 30% of SSI = \$202
- National Average 1 BR rent = \$785
- “Housing Affordability Gap” = \$583
- “Gap” must be filled by an on-going rental subsidy
- “Priced Out” Message: Rent Subsidies Are Essential

# SSI Income

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# State Context

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- States are increasingly challenged to:
  - Reduce reliance on expensive institutional care
  - Assure compliance with the U.S. Supreme Court's *Olmstead* decision
  - Prevent and end homelessness among people with disabilities
- Section 811 PRA Demo can help meet this challenge by:
  - Providing community living opportunities for people with disabilities
  - Expanding integrated permanent supportive housing options
  - Engaging the development community in providing units for people with disabilities in mainstream affordable housing
  - Initiating and supporting state-level cross system collaborations



# Federal Policy Context

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- Current Federal policy context is supportive
  - *Olmstead*
  - HUD-HHS Partnership
  - Affordable Care Act
  - Preventing and Ending Homelessness
- Funding available for services/supports (e.g., Money Follows the Person, Medicaid waiver and optional services, comparable state-funded long-term care services, etc.)
- Melville Act of 2010 reformed and revitalized the Section 811 Program
- HUD has created FY 2012 Section 811 PRA Demonstration Program targeted to States to address these needs and link to these services/supports

# New Section 811 Project Rental Assistance (PRA) Demonstration

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- New funds available to provide project based rental assistance for extremely low income people with disabilities including people who are homeless
- New opportunity for states to develop integrated supportive housing targeted to extremely low income households, add to portfolio of options available
- Another opportunity to be at the table with state Medicaid agency
- Consistent with *Opening Doors* and HEARTH Act goals of accessing and leveraging mainstream resources

# PRA Model = Efficient, Cost Savings (TAC estimates)

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## FY10 and FY11

- \$150 million
  - 984 units
  - \$147,000 per unit per year
- (1 year PRAC)*

## FY12

- \$85 million
- Est. 2,800 units
- \$6,000 per unit per year

# SECTION 811 PRA DEMO

# Section 811 Supportive Housing for Persons with Disabilities Program

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- HUD provides funding to create and support rental housing with the availability of supportive services for very low-income and extremely low-income adults with significant disabilities
- The housing must make support services available; however, services are elective and not mandatory for the tenant
- Section 811 Supportive Housing for Persons with Disabilities Program promotes and facilitates community integration for people with significant and long term disabilities

# Section 811 PRA Demo

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- New Project-Based Rental Assistance Approach
- Helps governments systematically and efficiently create integrated and highly cost-effective supportive housing units
- Requires structured state-level partnership linking affordable housing with community-based services and supports
  - Services are elective not mandatory for tenant
- Offers people with significant disabilities the opportunity to live in high quality rental housing alongside other tenants who do not have disabilities.
  - No more than 25% of the units in any property can be set-aside for people with disabilities (maximum, not a minimum)

# 811 PRA Funding for State Housing Agencies

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- HUD will provide PRA funds to the State housing finance agency or other appropriate housing agency (State Housing Agency) through a competitive Notice of Funding Availability (NOFA)
- State Housing Agency will commit PRA funds to affordable housing properties
  - State Housing Agency will select new or existing properties for the Section 811 PRA rental assistance
  - Goal is to build on the state housing pipeline (s)

# Eligible Properties

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- Any new or existing multifamily property owned by a nonprofit or private entity with at least 5 housing units
- Housing assisted with Section 811 PRA Demo funds must have a minimum 30 year use restriction for extremely low-income persons with disabilities
- Properties with existing use restrictions for persons with disabilities are not eligible, unless such PRA Demo funds are being used to support other units in the building without such restrictions.
- Existing units receiving any form of long-term operating housing subsidy within a six-month period prior to receiving PRA Demo funds, such as assistance under Section 8, are ineligible to receive this assistance.



# PRA Demo Operations

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- Eligible tenants selected in accordance with state approved tenant selection policies, criteria and federal non-discrimination laws
- Tenant's rent contribution cannot exceed 30% of adjusted income
- Initial lease between the tenant and the owner must be not less than one year

# Housing/Human Services/Medicaid Agreement

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- Goal: Supportive housing partnerships between the State Housing Agency and the State Medicaid and human services agencies
- To apply for the Section 811 PRA Option, State Housing Agency must have a written Agreement with the State Medicaid and human services agencies (if separate agencies)
- Agreement must:
  - Identify the target populations to be served by the project;
  - Set forth methods for outreach and referral; and
  - Make available appropriate services for tenants of the project; use of services by tenant is voluntary

# Section 811 PRA Partnership

Critical Element	Source	Examples
<b>Capital</b>	<ul style="list-style-type: none"> <li>• State Housing Agency, HFA</li> <li>• State or local govt.</li> <li>• Private foundation</li> </ul>	<ul style="list-style-type: none"> <li>• Low Income Housing Tax Credit</li> <li>• HOME</li> <li>• CDBG</li> <li>• Foundation funds</li> </ul>
<b>Operating Subsidy</b>	<ul style="list-style-type: none"> <li>• HUD</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Section 811 PRA</b></li> </ul>
<b>Support Services</b>	<ul style="list-style-type: none"> <li>• State Medicaid Agency</li> <li>• State Human Services Agency</li> </ul>	<ul style="list-style-type: none"> <li>• Home and Community Based Waiver Services</li> <li>• Money Follows Person</li> <li>• State services funds</li> <li>• Rehab Option</li> </ul>

# Eligible Tenants

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- Extremely low-income (i.e., 30% of AMI or below);
- Disabled as defined in NOFA;
- Household must include at least one individual with a disability who is 18 years of age or older and less than 62 years of age at the time of admission into the property; and
- This person must also be eligible for community-based, long-term care services as provided through Medicaid waivers, Medicaid state plan options, state funded services or other appropriate services related to their disability.

# Examples of Eligible Populations

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- High priority Medicaid populations such as:
  - Persons participating in CMS's Money Follows the Person (MFP) Demonstration Program
  - Persons receiving home and community-based waiver services and/or state plan services
  - Persons receiving Medicaid State Plan services for the treatment and rehabilitation of behavioral health conditions
  - Persons who are homeless and have a disability (as defined in Section 811 statute)

# PRA Demo NOFA Timeline

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- NOFA released May 15, 2012
- Applications due August 7, 2012
- \$85 million available for new units
- Estimated 2,800 units nationally
- 9-16 awards
- Initial award for 5 years with 1 year renewals
- \$2 million minimum and \$12 million maximum
- [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/grants/fundsavail/nofa12/sec811PRAdemo](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail/nofa12/sec811PRAdemo)

# 35 States + DC Respond to NOFA

Alaska	Illinois	Minnesota	New York	South Dakota
California	Indiana	Mississippi	North Carolina	Texas
Colorado	Louisiana	Missouri	North Dakota	Utah
Connecticut	Maine	Montana	Ohio	Vermont
Delaware	Maryland	New Hampshire	Oregon	Washington
Florida	Massachusetts	Nevada	Pennsylvania	West Virginia
Georgia	Michigan	New Jersey	Rhode Island	Wisconsin
				District of Columbia

# GETTING INVOLVED



# How Providers Can Participate

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- Did your state apply for FY12 PRA funds?
  - State Housing/Finance Agency
  - State Human Services Agency
  - State Medicaid Agency
- Did the target populations meet state priorities including ending homelessness

# How Providers Can Participate

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- Service providers play critical role in outreach
- Advocate for Section 811 PRA funding in FY13 Budget
  - President's FY13 - \$150 million
  - S 2322 - \$150 million
  - HR 5972 - \$165 million (**level with FY12**)

# Additional Resources

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- <http://811resourcecenter.tacinc.org/>
- [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/mfh/grants/section\\_811ptl](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/grants/section_811ptl)

# QUESTIONS