

# SECTION 811 PROJECT RENTAL ASSISTANCE



## **What is the Section 811 PRA program?**

- Authorized under Frank Melville Supportive Housing Act of 2010
- Provide rental assistance to extremely low income special needs individuals or households

## **In HMFA/DHS's Case**

- Assist the State of NJ in their Olmstead settlement obligations by providing permanent supportive housing to individuals leaving developmental centers, state psychiatric hospitals as well as those at risk of institutionalization

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## **How the 811 PRA Subsidies Work:**

- PRA subsidies are assigned to a specific unit(s) and remains with the housing unit
- Total of 206 PRA subsidies available worth \$5.1 Million for the initial 5 years

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## **Subsidy Break Downs Include:**

- 110- One-bedroom affordable at 34% of AMI
- 46 Two-bedroom affordable at 34% AMI
- 50-Two-bedroom affordable at 50% AMI\*

*\*To be used for existing Multi-Family units*

## **Additional Tenant Based Rental Assistance**

- 40 DCA State Rental Assistance (SRAP)
- 63 Tenant Based DHS Subsidies
- Both these subsidies are tenant based

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## Eligible Projects

- 4% LIHTC and FRM Projects that opted into 811 PRA
- Existing Tax Credit Projects and Tax Credit Projects in future allocation cycles
- Bond Financed Agency Tax credit Projects
- Projects that did not opt into 811 PRA must complete 811 PRA application and accepted on a rolling basis

## Ineligible Types of Projects

- Projects designated for individuals 62 and older
- Projects with existing project-based vouchers
- Projects already with more than 25% set-aside Special Needs units
- Projects with less than five (5) units

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## **HMFA's Role**

- In partnership with DHS administers the Section 811 PRA Program

## **NJDHS' Role**

- Coordinates timely referral of individuals/households to 811 PRA awarded projects
- Provides voluntary services and supports to 811 PRA tenants in the projects

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**Owners who participate in 811 PRA are required to complete:**

- HMFA and Owner Agreement to enter into 811 PRA Contract
- PRA Rental Assistance Contract
- Use Agreement

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## Tenant Referral

- Owners will notify HMFA of availability of units
- HMFA will notify DHS who will refer tenant
- If tenant selects unit, DHS will refer to HMFA and forwards application. HMFA verifies and determines applicants' eligibility and forwards application to project Owner
- Owner determines applicant's eligibility based on Owner's tenant selection plan
- Owner completes tenant certifications & recertification and transmits electronically
- HMFA electronically transmits data to HUD via TRACS
- Owner must provide justification in writing to HMFA if tenant found ineligible

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## **Owner's Responsibilities**

- Verify tenant's income through EIV
- Verify information related to Social Security numbers of prospective tenants
- Compute PRA payments
- Conduct background checks if required
- Conduct annual income recertification
- Submit tenant data electronically to HMFA with TRACS standards



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Criteria for 811 PRA Selection		Points	
Projects with more than 25% of the units set-aside for persons with disabilities will be excluded from consideration		Excluded	
Projects with age-restricted units to those over 62 will be excluded from consideration		Excluded	
Projects with less than 5 units will be excluded from consideration		Excluded	
Selection of 110 One- Bedroom 811 PRA Units		Selection of 96 Two-Bedroom 811 PRA Units*	
Points		Points	
Geographic locations reflecting preferences of target population	4	Geographic locations reflecting preferences of target population	4
Accessibility of the units	3	Accessibility of the units	3
Unit mix reflecting need of target population	3	Unit mix reflecting need of target population	3
Suitability of project site	2	Suitability of project site	2
Access to transportation, employment opportunities and other community integration opportunities	2	Access to transportation, employment opportunities and other community integration opportunities	2
Amenities offered in the project	1	Amenities offered in the project	1

**NOTE:** Projects must have a minimum of 12 points to be considered eligible for 811 PRA subsidies

\* Fifty (50) of these units are set-aside for existing LIHTC & Bond financed Multi-Family units

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## **Form of Lease**

- Owners must use HUD Model 811 PRA Lease Form and required addenda
- Lease is for a term of one year
- Any modification of lease must be approved by HMFA and in accordance with HUD requirements

## **Waiting List**

- Existing projects must update their tenant selection plan to include the target population

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## **Unit Inspection by HMFA**

- Based on HUD's Uniform Physical Conditions Standards (“UPCS”)
- After initial inspections, first UPCS inspection within 3 years after the signing of Rental Assistance Contract (“RAC”)
- Following HMFA inspection, tenant inspects unit
- Owner keeps the HMFA inspection report as an attachment to lease

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## **Foreclosure and Transfers of Properties**

- In the event of foreclosure or property transfers, RAC will transfer to new Owner and payment continues

## **Term of 811 PRA**

- Term of RAC 20 Years\*
- Term of initial 811 PRA term-5 Year
- Subsequent renewal subject to HUD appropriations
- Use Agreement 30 Years\*

## **Payments under RAC**

- Payments made monthly by HMFA upon requisition by Owner through TRACS

*\* If Congress fails to renew the program, owners will not be held to the 30-year Use Agreement*

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## **Vacancies**

- Vacancy payments not to exceed 80% of contract rent for 60 days
- No vacancy payment over 60 days.

## **Rent Increases**

- Rent adjustments will be considered by HMFA based upon Owner's request

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## **Support Services**

- Tenants participation is voluntary and can't be required
- Voluntary supports services of provider of tenant's choice supported by DHS

## **811 PRA Owner Compliance**

- Fair Housing and Civil Rights Laws
- Accessibility Requirements
- Davis Bacon Labor Standards
- Phase I Environmental Report
- Lead Based Paint

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## **DHS Tenant Based Rental Voucher**

- 63 TBRV that travel from unit to unit with tenant
- To be managed by Supportive Housing Connection Program

## **DCA State Tenant Based Rental Assistance**

- 40 SRAP travel from unit to unit with tenant
- Will be managed by DCA Div. of Housing

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## Contact

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