

# Section 811 Project Rental Assistance Program

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Unit Identification



# Today's Agenda

- New Staff Training Series
- Eligible Properties
- Unit identification strategies
- Steps to executing a RAC/Use Agreement
- Meeting but not exceeding target number of units



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# New Staff Training Series



# Training Series

- Webinar 1: 811 PRA Overview
- Webinar 2: Unit Identification
- Webinar 3: From Outreach to Move-in
- Webinar 4: Ongoing Grantee Responsibilities
- Webinar 5: HUD Systems- Grantee Responsibilities
- Webinar 6: Helping Owners Meet their Responsibilities
- Webinar 7: Supporting Successful Tenancies
- Webinar 8: Discussion



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# Eligible Properties



# Eligible Multifamily Properties

- Any new or existing property owned by a nonprofit, public or a private entity with at least 5 housing units.
- Financing commitments have been made by the Grantee or any housing agency currently allocating LIHTC or any state housing or state community development agency allocating and overseeing assistance under the HOME Investment Partnerships Act (HOME) and/or any federal agency or any state or local government program.



# Ineligible Multifamily Properties

- Existing units receiving any form of long-term (longer than 6 months), project-based operating housing subsidy, within a six-month period prior to receiving Rental Assistance Payments are ineligible.
- 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.
- Units with use agreements requiring housing for persons 62 or older would not be eligible to receive Rental Assistance Payments.

# Integration Requirement

- No more than twenty five percent of the total units in the property can be restricted to supportive housing for persons with disabilities or have any occupancy preference or use restriction for Persons with Disabilities



# PRA Requirements for Properties

- Consider creating screening tools for properties (examples on share site)
- Davis Bacon
- Energy and Water Conservation
- Lead Paint
- Fair Housing and Civil Rights
  - Fair Housing Act
  - Section 504
  - ADA Title III
  - Equal Access
- Uniform Act (URA)



# Accessibility

- New Construction or Substantial Rehabbed properties must have:
  - 5% of total units of the entire property (not 811 units specifically) accessible to persons with mobility disabilities.
  - 2% of total units of the entire property (not 811 units specifically) accessible to persons with hearing or visual disabilities
- Other Section 504 requirements for the property will be covered in ***Webinar 6: Helping Owners Meet their Responsibilities***

# Environmental Review

- Grantees are required to conduct environmental reviews
- Existing properties
  - If HUD-assisted or HUD-insured and will not engage in activities with physical impacts or changes beyond routine maintenance activities or minimal repairs are not required to comply with the environmental tenets.

Watch HUD's Environmental Review Training Webinar here:  
<https://www.hudexchange.info/trainings/courses/section-811-pra-environmental-review/>

# Existing vs. New Construction/Rehab

Example Requirement	Applies to New Construction/Rehab	Applies to Existing Properties
Davis Bacon	Yes	No
Uniform Relocation Assistance	Yes	No
Lead Based Paint	No – unless a rehab of pre-1978 property	Yes
Flood Plain	Yes	Yes

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# Unit Identification Strategies



# Grantee Considerations

- Existing housing vs. new construction
- Properties must meet:
  - Eligibility Requirements
  - Leveraging commitments (in Grantee Application)
  - Rents cannot exceed FMR, unless Grantees can justify higher rents according to PRA.207
- Other desirable characteristics
  - Familiarity with HUD Systems, TRACS



# Unit Identification Strategies

## Unit Identification Methods

- ✓ NOFA/RFP
- ✓ LIHTC – QAP
  - Scoring/set-aside/threshold
  - Pipeline properties
- ✓ Owner outreach
  - Individual outreach
  - Associations
  - Conferences

## Things to remember

- ✓ No one “right” way
- ✓ Likely have to use multiple strategies
- ✓ Make midcourse adjustments

# Unit Selection- Working with Partners

- Critical to include partners!
- Ensure units will be filled in a timely manner = units must be desirable to target population
- Work with partners to identify variables making units desirable, workable
  - Location
  - Unit size
  - Accessibility
  - Number needed
- What process will you use to include partners?



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# Executing a RAC/Use Agreement



# Steps to Executing a Rental Assistance Contract (RAC)

- Steps to RAC
  - Request & Receive RAC Number from HUD
  - Execute RAC & Use Agreement
  - Record Use Agreement (according to local requirements)
  - Send RAC & Rent Schedule Form to HUD (use RAC checklist)
- Before Tenant Referrals
  - Approve Property Tenant Selection Plan



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# Projecting Grant Expenditures



# Projecting Grant Expenditures

- HUD awarded each Grantee a \$ amount, not a total number of units
- Each RAC has 5 years of funding
  - RACs will have different start dates
  - After 5 years, the Property will be eligible for continued funding, but will be subject to future appropriations
- Over time, based on the actual expenditures of program, Grantee may need to adjust the number of units in RACs
  - Units can be added to or subtracted from RACs if original projections were not accurate

	Fund Disbursement Deadline	Leasing Deadline
<b>FY12 Grantees</b>	9/30/2025	9/30/2020
<b>FY13 Grantees</b>	9/30/2026	9/30/2021



# Projecting Grant Expenditure Tool

- Grantees should create a tool to track expenditures over time.
  - Begin with expenditure assumptions

<b>Total Tenant Payment</b>	Assume rent payment of target population (such as % of SSI)
<b>Changes in Contract Rent</b>	Assume an annual increase of rent based rent adjustment methodology used by your program
<b>Changes in Utility Assistance</b>	Update with any changes to utility allowance amounts

- After lease-up, projections should be updated by actual expenditures to keep projections accurate

# Peer to Peer Time



# Questions?

