

# Section 811 PRA Program

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Helping Owners Meet their Responsibilities



# Today's Agenda

- Training Series
- Executing Documents
- HUD Systems
- Vacancy/Applicant Screening
- New Tenants
- Occupancy
- Asset Management
- Fair Housing and Civil Rights
- Collaboration – Tenancy Supports.



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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~~ [POSTPONED- Date TBA]
  - **New Webinar!- Reasonable Accommodation**
- Webinar 6: Helping Owners Meet their Responsibilities
- Webinar 7: Supporting Successful Tenancies
- Webinar 8: Discussion



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# Executing Documents



# Executing Documents

Grantee (State Housing Finance Agency) initiates executing documents for 811 PRA Program.

Document	Function
ARAC (Agreement to Enter into a Contract)	Optional document – Grantees can use this form to commit a property to participate in the PRA program in the future (example: for new construction properties)
RAC (Rental Assistance Contract)	20-year contract between Owner and Grantee Sets forth rights and duties of the Owner and the Grantee and outlines number and type of units
Use Agreement	30-year commitment to the program recorded with the property



# Rental Assistance Contract (RAC)

- Form HUD-92235-PRA; Ex. 8 and 9 of the Cooperative Agreement
- 20 year Agreement between Grantee and Owner
- **Part I**
  - Outlines specific # of PRA units owner will provide and maximum amount of PRA rent Grantee will pay for those units
  - Similar to the Section 8 HAP agreement
  - RAC includes information regarding: contract term, number of assisted units, number of bedrooms, contract rent, utility allowance, and gross rent
- **Part II**
- Annual Adjustment factor
- Utility Allowance



# Use Agreement

- Form HUD-92238-PRA; Exhibit 10 of Cooperative Agreement.
- Signed by Owner and Grantee and witnessed
- Owner agrees to operate PRA units for not less than 30 years
- May be released from this obligation if federal funds not available

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# HUD Systems



# HUD Systems

Owners required to use HUD Systems as appropriate. Many owners will be new to these HUD systems.

System	Purpose
Tenant Rental Assistance Certification System (TRACS)	Collects tenant data and payment requests
Integrated Multifamily Access exchange (iMAX)	Electronic system to communicate TRACS data
Enterprise Income Verification (EIV)	Web-based system to verify employment and income information

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# Filling Vacancies/ Applicant Screening



# Referrals

- Owner must notify the Grantee when an 811 PRA unit become vacant.
- Grantee may refer one or more applicant for each vacancy to the property to be screened by the Owner.
- The Owner may not charge an application fee to the 811 PRA household.



# Screening

- Owner may screen entire household
  - PRA eligible household member
  - Other household members
  - Live-in aide
- Screening should be consistent with property's tenant selection plan
  - Tenancy history
  - Criminal history
- Owner will likely verify income for all household members
  - HUD 4350.3– 30% AMI
  - Employment Income Verification (EIV) System



# Denials

- If applicant is denied at the Property, the Owner must notify the 811 PRA applicant and the Grantee with the reason for denial.
- The Grantee must track reasons for denial for reporting to HUD.
- Applicants have the right to:
  - Request a Reasonable Accommodation
  - Meet with the Owner
  - Remain on the Grantee's waiting list for other properties



# Move-In

- If accepted, Owners are responsible for the following at move-in:
  - Move-in inspection
  - Executing 811 PRA lease with tenant
  - Determining Tenant Rent
  - Collecting security deposit (optional)



# Vacancy Payments

- Grantee program may but are not required to include Vacancy Payments.
- Payments may not exceed 80 percent of the contract rent for up to 60 days of vacancy.

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# New Tenants



# Lease

- Model Lease – Owner must use the PRA model lease, as included as Exhibit 11 of the Cooperative Agreement.

## Required Attachments

- a. Attachment No. 1 - Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures, form HUD-50059
- b. Attachment No. 2 - Unit Inspection Report.
- c. Attachment No. 3 - House Rules (if any).
- d. Attachment No. 4 – Pet Rules (if any).
- e. Owner's Live-in Aide Addendum (if any)

# Tenant Rent Calculation

- Determine Total Tenant Payment (TTP) – Owners must determine based on the requirements of the HUD Handbook 4350.3.
- $TTP = \text{rent} + \text{utilities}$
- Calculation of TTP is the greater of the following:
  - 30% of monthly adjusted income;
  - 10% of monthly gross income; or
  - Welfare rent (welfare recipients in as-paid localities only).
- It is possible for the Tenant Rent to be \$0 if the utility allowance is greater than the TTP. A utility reimbursement to the tenant must be provided if the utility allowance is greater than the TTP.

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# Occupancy



# Recertification

## Recertification of Household Income and Composition

- Owners must recertify the income of the 811 PRA household and household composition at least annually or with certain changes to the household.
- PRA tenant may request an interim certification for reasons such as changes in income and increases in medical or childcare expenses.
- PRA household does not have to remain at or below 30% AMI in order to remain eligible for the 811 PRA unit.
- If the PRA household's income increases to the point that their total tenant payment equals the total housing expense for that unit, the 811 PRA tenant can stay in their housing without the 811 PRA subsidy. The 811 subsidy is moved to another unit.

# Overcrowded and Under Occupied Units

- If because of change in family size an Assisted Unit is smaller than appropriate for the eligible family to which it is leased, or that the unit is larger than appropriate, the Owner shall refer to the Grantee's written policies regarding family size, unit transfers and waitlist management.
- Single person households must occupy a one bedroom or efficiency- unless a larger unit is needed for a reasonable accommodation.
- The Owner should notify the Grantee of changes in family size.

# Tenant Organizing

Owners may not impede the efforts of tenants to organize including unreasonably withholding the use of common rooms.

# Evictions

- PRA tenants are protected by the HUD 811 PRA lease, which requires that the owner must have cause, such as nonpayment of rent.
- Grantees are strongly encouraged to require Owners to notify Grantee of at-risk tenancies including 14-day and 30 day notices.
- Grantees and partners are strongly encouraged to plan how service partner agencies will assist tenants to either prevent eviction or plan for a new residence if appropriate.

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# Asset Management



# Inspections

Owners must make their units, property, and tenant files available for inspection at the request of the Grantee.

- UPCS – Grantees will perform a Uniform Physical Conditions Standards (UPCS) on all 811 PRA units and related facilities at least every 3 years.
- Annually, the Owner must inspect all 811 PRA units to determine whether the appliances and equipment in the unit are functioning properly and to assess whether a component needs to be repaired or replaced.

# Rent and Utility Allowance Adjustments

- On RAC anniversary, Owners are responsible for requesting allowable rent and utility allowance adjustments.
- Grantee must submit RAC adjustments to HUD.

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# Fair Housing and Civil Rights



# Fair Housing and Civil Rights

- Owners must comply with all applicable fair housing and civil rights requirements including, but not limited to:
  - The Fair Housing Act
  - Title VI of the Civil Rights Act of 1964
  - Section 504 of the Rehabilitation Act of 1973
  - Title III of the Americans with Disabilities Act
- Owners must also comply with:
  - HUD's Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity requirements.
  - Local Discrimination Laws - If the Owner is in a state or jurisdiction that has also passed a law or laws proscribing discrimination in housing based upon sexual orientation or gender identity, or a law or laws proscribing discrimination in housing based on lawful source of income, the Owner must comply with those laws of the states or localities in which the programs or activities are conducted.



# Fair Housing and Civil Rights

- Effective Communications - Owners must ensure that all communications are provided in a manner that is effective for persons with hearing, visual, and other communications-related disabilities (consistent with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities)
- Limited English Proficiency (LEP) Owners must take reasonable steps to ensure meaningful access to their programs and activities to LEP individuals who, as a result of national origin, are limited in their English proficiency.



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# Collaboration



# Ongoing Collaboration

- Owners will need support from Grantees for their 811 PRA tenants. Their primary purpose is to provide housing for the 811 PRA tenants – not to provide supports.
- Grantees and their partner agencies need to decide how to best support Owners. Some helpful practices include:
  - A single point of contact for owners to make it easy for owners to reach out with any concerns about tenants, such as nonpayment of rent.
  - Tenants can proactively provide permission for owner to contact case manager, family or other.
  - Local service agencies can do relationship building with housing providers, not necessarily about a particular 811 tenant, but to create that bridge for all potential and current tenants.

# Questions?

