



Update on HUD's Section 811 Project Rental Assistance (PRA) Program

October 2014

Visit TAC's Resource Center on Supportive Housing website at <http://811resourcecenter.tacinc.org> for a summary of the Melville Act reforms made to HUD's Section 811 Supportive Housing for Persons with Disabilities program and related 811 PRA program resources. HUD will also launch an 811 PRA Program webpage on the One CPD Resource Exchange this fall at <https://www.hudexchange.info/>

Introduction

The U.S. Department of Housing and Urban Development (HUD) Section 811 Project Rental Assistance (PRA) Program provides affordable housing linked with voluntary services and supports for extremely low-income people with disabilities. The program, which was authorized by the Frank Melville Supportive Housing Investment Act of 2010, seeks to expand the supply of integrated permanent supportive housing (PSH) opportunities consistent with the U.S. Supreme Court's *Olmstead* decision, the Americans with Disabilities Act (ADA), and best practice PSH models, while leveraging mainstream affordable housing, Medicaid, and other community-based supportive service resources.

Section 811 PRA funds are awarded to state housing agencies that set aside units in affordable housing projects whose capital costs are funded through federal Low-Income Housing Tax Credits, federal HOME funds, or other federal, state, and local funding sources. State housing agency grantees are required to partner with state Medicaid and health and human services agencies that must identify, conduct outreach to and refer eligible individuals with disabilities to PRA units and ensure their access to long-term services and supports in the community.

FY 2012 PRA Demonstration NOFA & Awards

On May 15, 2012, HUD released its first ever Notice of Funding Availability (NOFA) for the Section 811 PRA Program. Thirty-five states and the District of Columbia responded to the NOFA, demonstrating the high demand for the program's integrated PSH approach. On February 12, 2013, HUD announced the first Section 811 PRA grant awards totaling \$98 million to 13 states to create 3,530 new integrated PSH units.

As outlined in HUD's January 2014 Status Report to Congress, the FY2012 PRA competition demonstrated that the Section 811 Program's new PRA option will result in several positive outcomes. The first is producing new integrated PSH units more efficiently than the traditional

811 Capital Advance/Project Rental Assistance Contract (PRAC) approach had done previously, with 80% of the units expected to be ready for occupancy within 3 years.

The second is a highly cost-effective approach to creating 811 units for HUD. Creation of three times the number of units is projected through the FYs 2010 and 2011 Capital Advance/ PRAC approach with 30% less funding. In addition, grantees are leveraging other PSH resources including public housing agency (PHA) commitments of more than 1,500 Housing Choice Vouchers to be targeted upon turnover to people with disabilities.

Finally, the first 13 states to receive 811 PRA awards are targeting the most vulnerable people with disabilities, including people living in institutions and people who experience chronic homelessness. As HUD finalizes its Cooperative Agreements with the 13 grantees this fall, the first of many PRA units anticipated to be ready for occupancy in the program's first year of implementation will be ready to accept these vulnerable individuals as tenants.

FY 2013 NOFA

On March 4, 2014, HUD's FY 2013 Section 811 PRA Program NOFA was published, announcing the availability of \$120 million for 12 to 18 new awards. Thirty-four states and the District of Columbia responded, bringing the total number of states applying between the FY 2012 and 2013 NOFAs to 43. HUD anticipates announcing grant awards for this second round of PRA program funding this winter.

Program Evaluation

HUD's Office of Policy Development and Research (PD&R) expects to contract for an evaluation of the implementation of the new PRA program model beginning this fall, with a Report to Congress in January 2016. A second phase of the evaluation will focus on program outcomes and cost effectiveness if funding becomes available.