

Background

The Section 811 Project Rental Assistance Demonstration Program is an initiative of the U.S. Department of Housing and Urban Development (HUD). The Program assists extremely low-income people with disabilities to live independently in the community by providing rental subsidies linked with voluntary supportive services. The Program is operated by state housing agencies in collaboration with state Medicaid and health and human services organizations. In Rhode Island, the Program will be operated by RIHousing in collaboration with the **Rhode Island Executive Office of Health and Human Services (EOHHS)** and the **Rhode Island Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH)**.

In March 2015, RIHousing received an award of approximately \$5.6 million, which is anticipated to provide project-based rental assistance for 150 units statewide for 5 years. Renewal funding is expected to support rental subsidies for these units for an additional 15 years.

General Program Description

Program subsidies are project-based and remain with the housing unit at turnover. Assisted individuals/families contribute 30% of their monthly household income toward rent, in accordance with HUD rules, and the Program subsidy covers the balance.

Tenant Eligibility

- Tenants must be extremely low-income (at or below 30 percent of the median income for the area);
- At least one adult member of the household must have a disability;
- At least one person in the assisted household must be non-elderly (ages 18-61);
- Tenants must have the ability to fulfill the lease requirements with reasonable accommodation (if applicable); and
- The household member with the disability must belong to one of the following target populations:
 - Individuals living in institutional settings who:
 - Have been identified by the **Nursing Home Transition Program (NHTP)**, **Money Follows the Person (MFP) Program**, or **Managed Care Organization (MCO)** as appropriate for safe transition; or
 - Reside in a mental health or psychiatric rehabilitative residence.
 - High users of Medicaid services who are also a part of the homeless system and who have applied for and been placed on Rhode Island's Universal Waitlist.

Eligibility Requirements for Developments and Units

The Program provides **rental assistance to affordable housing developments financed with federal Low Income Housing Tax Credits, HOME funds, or other governmental funding sources**. Section 811 rental assistance may be used in a development that already contains some project-based units or other long term operating assistance, but cannot be used for units that already receive a project-based or long-term operating subsidy (or have received any such subsidy within the previous 6 months).

Participating owners will provide primarily one-bedroom and efficiency units for leasing in connection with the Program. RIHousing will also consider studio and single room occupancy (SRO) units. It is preferable that properties offer some two-bedroom units to accommodate tenants' needs. The final unit mix will be approved by RIHousing based on demand. It is also necessary for the properties to **provide access to community amenities such as jobs, transportation, recreation, retail services, health care, and social services.**

Requirements for Owners

- Owners/Agents must sign the following agreements with RIHousing to participate in the Program:
 - **Agreement to Enter into a Section 811 Rental Assistance Contract** that commits the owner to participate in the Program with respect to a particular development (for new construction projects only).
 - **Rental Assistance Contract (RAC)** providing for rental assistance payments for specified units for a period of 20 years. RIHousing has the ability to modify the number of Program-assisted units in the RAC as the needs of the population change over time.
 - **Use Agreement** that restricts a specific number of units for use by extremely low-income persons with disabilities for a minimum of 30 years.
- RIHousing has the ability to terminate the RAC and/or Use Agreement if Congress does not authorize funding beyond the initial five-year period. RIHousing does not intend to enforce a RAC or Use Agreement if Congress fails to appropriate funds adequate to meet the financial needs of covered units.
- Owners/Agents **must use HUD's Section 811 model lease.**
- Owners/Agents **must obtain access to HUD's Secure Systems.** HUD requires the use of the **Enterprise Income Verification (EIV)** system to verify tenant household income.

Inspections

Owners/Agents must agree to periodic physical inspections consistent with Uniform Physical Construction Standards. To the extent feasible, RIHousing will align these inspections with those required for other programs.

Environmental Requirements

The Program does not impose additional environmental requirements for properties that are already HUD-assisted or HUD-insured (provided that there are no physical changes beyond routine maintenance and minimal repairs).

Properties that are not already HUD-assisted or HUD-insured must demonstrate that they are free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect health and safety or conflict with the property's intended use. To satisfy this requirement, projects applying for assistance may provide a Phase I Environmental Site Assessment, or be able to certify that the site (i) is not listed on an EPA Superfund National Priorities, CERCLA or equivalent list; (ii) is not located within 3,000 feet of a toxic or

solid waste landfill site; (iii) does not have an underground storage tank other than a residential fuel tank; and (iv) is not known or suspected to be contaminated by toxic chemicals or radioactive materials.

Unit Damage

Owners/Agents may collect a security deposit in the amount of one month of the tenant's portion of the contract rent or \$50, whichever is greater. Section 811 funds may not be used to reimburse owners/agents for unit damages. Owners/Agents may collect any charges for unit damage that federal or state law allows. An owner/agent may deduct amounts owed by the family from a security deposit, consistent with local law, but any remaining balance must be refunded to the family or returned to RIHousing, in the event that it originated from the Security Deposit Program.

Payment Process

Owners/Agents must submit monthly electronic requisitions through HUD's computerized **Tenant Rental Assistance Certification System ("TRACS")**. Owners/Agents enter electronic submissions into TRACS using standard HUD forms. Requisition requests must be entered into TRACS by the 10th day of each month in order to secure payment for the following month. RIHousing will require owners to participate in direct deposit.

Special Claims

RIHousing will provide vacancy payments for covered units for owners/agents that have signed RACs, during initial lease-up and thereafter. Special claims for vacancy payments may not exceed 80 percent of the contract rent for up to 60 days of vacancy.

Serving Individuals with Disabilities

Owners/Agents **must comply with all applicable fair housing and civil rights statutes, regulations and ordinances**. Tenant referrals and screening processes **must comply with Rhode Island Housing's Affirmative Fair Housing Marketing Plan**. RIHousing, EOHHS, and/or BHDDH can provide coaching, information, and materials to participating property management staff in support of their efforts to improve customer service for persons with disabilities and develop cultural competency.

The Program provides a robust service platform for tenants who wish to participate. RIHousing, EOHHS and BHDDH are committed to ensuring that service providers are available to individuals and families receiving Section 811 rental assistance.

Upon receipt of a tenant's written permission, an owner/agent may communicate with the tenant's case manager, counselor, or other service provider. However, a Section 811 tenant may not be denied admission for choosing not to provide such written permission. If an owner/agent chooses to develop a release of information form for this purpose, the form should indicate that it is optional.

Tenant Referral

RIHousing will perform marketing and tenant outreach for the Section 811 Program, and qualify applicants for Program eligibility. **RIHousing will maintain the applicant waiting list and refer applicants to property owners/agents when a vacancy is anticipated.** Owners/Agents are responsible for screening tenants for occupancy in accordance with their Tenant Selection Plan.

Services to Tenants

RIHousing has entered into an agreement with BHDDH and EOHHS to provide services such as case management, transportation, employment support, independent living skills, mental health services, connection to Medicaid services, and assistance obtaining appropriate medical care. Program participants may choose to participate in these services, but will not be required to do so.

Resources

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/grants/section811ptl

<http://811resourcecenter.tacinc.org/policy-programs/section-811-program-faqs>