

Section 811: Supportive Housing for Persons with Disabilities Program

By Gina Schaak, Senior Associate,
and Lisa Sloane, Senior Policy Advisor,
Technical Assistance Collaborative

Administering agency: HUD's Office of Asset Management and Portfolio Oversight

Year program started: 1992 (previous to this Section 811 was part of the Section 202 program)

Numbers of persons/households served: An estimated 24,500 households

Population targeted: Persons ages 18-61 who are extremely or very-low income, and have significant and long-term disabilities

FY16 funding: \$151 million for renewals only

Also see: *Olmstead Implementation*

The Section 811 Supportive Housing for Persons with Disabilities is a federal program that assists the lowest income people with the most significant and long-term disabilities to live independently in the community by providing affordable housing linked with voluntary services and supports. Congress passed major reforms to the Section 811 program in 2010. The reforms are creating thousands of new integrated Section 811 units beginning with an innovative and competitive Section 811 Project Rental Assistance (PRA) program made available by HUD through state housing agencies in FY12 and FY13 Notices of Funding Availability (NOFAs). The PRA NOFAs are intended to identify, stimulate, and support innovative state-level partnerships and strategies to substantially increase integrated permanent supportive housing opportunities. Forty-three of the 50 states plus the District of Columbia (D.C.) submitted applications in response to the FY12 and/or FY13 NOFA¹, a very high response rate for this innovative and supportive housing funding approach.

HISTORY

Over the course of the past two decades, the Section 811 program created more than 24,500 new

supportive housing units, primarily through the development of group homes and independent living projects, under regulations and guidelines developed in the early 1990s. Since that time, judicial decisions have affirmed important community integration mandates in the Americans with Disabilities Act (ADA), and national disability housing and services policies have evolved significantly to emphasize consumer choice, Medicaid-financed community-based services, and integrated housing opportunities. For many years, the Section 811 program did not keep pace with these improvements in disability policy. Demand for the program steadily declined, while the cost per unit from Section 811's capital-intensive model increased. In 2007, with less than 1,000 new units of Section 811 housing produced annually, national disability advocates began a successful three-year legislative campaign to reform, improve, and reinvigorate this important permanent supportive housing program. The Frank Melville Supportive Housing Investment Act of 2010—the Section 811 reform legislation signed into law by President Barack Obama in early 2011—honors the memory of Frank Melville, who was the first chair of the Melville Charitable Trust and a national leader in the supportive housing movement.

PROGRAM SUMMARY

The Section 811 Program includes two different components: the Capital Advance/PRA Contract, including a new multi-family integrated housing option, and the PRA Program. As Congress directed that all FY12, FY13, and FY14 funding for new Section 811 units be provided solely through the PRA option, the remainder of this article focuses on the PRA program. Advocates seeking additional information about the other Section 811 options are directed to HUD's webpage at http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/grants/section811ptl.

The Section 811 PRA program facilitates the creation of integrated supportive housing units for extremely low-income people with disabilities.

- **Affordability:** The Section 811 PRA program is targeted to non-elderly people with disabilities and extremely low incomes, at or below the

¹ The FY13 NOFA included funds appropriated in FY13 and FY14.

poverty level or 30% of AMI. The PRA program provides housing affordability by ensuring that tenants pay no more than 30% of their adjusted income for rent.

- **Cost-effective:** The statute requires that the PRA Program leverage capital from other sources such as the federal Low Income Housing Tax Credit (LIHTC) program, the Home Investment Partnerships (HOME program, or similar federal, state or local capital financing programs.
- **Integrated:** No more than 25% of the units in a development receiving PRA funds may be targeted specifically for people with disabilities. This ensures that people with disabilities living in PRA units will have the opportunity to live in affordable rental properties alongside people who do not have disabilities.
- **Voluntary Services:** States are required to make appropriate services available to PRA tenants. PRA tenants, however, are not required to accept or use services except on a voluntary basis.

Section 811 PRA funds are awarded by HUD to state housing agencies through a competitive NOFA process. To apply for Section 811 PRA funds, the state housing agency is required to enter into an agreement with the state health and human services agency and, if separate, the state's Medicaid agency. The agreement must identify the target population(s) to be assisted, the outreach and referral process for the Section 811 PRA units, and commitments of appropriate supportive services for Section 811 PRA tenants.

The state housing agencies select properties to participate in the PRA Program. Properties may be new construction or existing properties. Once selected, the owner will sign a Rental Assistance Contract (RAC) which includes an agreement to maintain the units for extremely low-income persons with disabilities for 30 years.

FUNDING

In May 2012, HUD published the first Section 811 PRA NOFA, announcing a demonstration to create an estimated 2,800 new integrated supportive housing units. By the August deadline, HUD had received applications from 35 states and the District of Columbia. In February 2013, HUD announced

PRA demonstration awards totaling \$98 million for the development of 3,006 units to the state housing finance agencies in California, Delaware, Georgia, Illinois, Louisiana, Massachusetts, Maryland, Minnesota, Montana, North Carolina, Pennsylvania, Texas, and Washington.

In March 2014, HUD published the second NOFA for the Section 811 PRA program, and, in early 2015, HUD announced PRA awards in the amount of \$150 million in 24 states plus the District of Columbia. Of the 43 states who have applied for Section 811 PRA program funding in the NOFAs, 29 (or 57% of states and the District of Columbia) will now be administering the program, with more than 6,500 units total anticipated.

States have demonstrated a high degree of interest in the PRA Program; 86% of the states plus the District of Columbia submitted applications in response to the FY12 and/or FY13 NOFAs.

FORECAST FOR 2017

In addition to renewal funds, national disability advocates will be advocating for \$25 million in the FY17 Budget for expansion of the Section 811 PRA Program to continue to address the critical need for community-based, affordable PSH for persons with significant disabilities and build on HUD's successful implementation of the PRA model. Affordable housing advocates are encouraged to support this request of \$25 million in FY17 for new PRA units.

TIPS FOR LOCAL SUCCESS

Advocates in states receiving Section 811 PRA funds from the FY12 and FY13 competitions should work with state officials to support the implementation of the demonstration. Advocates in states that did not apply for funds in FY12 or FY13 should educate state leaders, local agencies, and organizations on the new PRA option to encourage a successful application for funds in future rounds. At the state level, activities should focus on state housing agencies, state Medicaid, and state health and human service agencies. Nonprofit and for-profit developers that frequently use federal LIHTC and HOME funds should also be made aware of this new opportunity to assist people with disabilities. The PRA option is modeled after successful, innovative, integrated, supportive housing initiatives underway in several states,

including Louisiana, Illinois, Pennsylvania, and Massachusetts. Efforts in these states have resulted in thousands of new and integrated permanent supportive housing units being created by nonprofit and for-profit affordable housing developers.

WHAT TO SAY TO LEGISLATORS

Advocates are encouraged to contact their Members of Congress with the message that people with disabilities continue to be the poorest people in the nation. Nearly five million non-elderly adults with significant and long-term disabilities have Supplemental Security Income levels equal to only 20% of AMI and cannot afford housing in the community without federal housing assistance. Because of this housing crisis, many of the most vulnerable people with disabilities live unnecessarily in costly nursing homes, in seriously substandard facilities that may violate the ADA, or they may become homeless. The Section 811 PRA Program can help government reach its goals of ending homelessness and minimizing the number of persons living in costly institutions. National disability advocates are requesting \$25 million for expansion of the Section 811 PRA Program in FY17. Affordable housing advocates are encouraged to support this request. These funds will provide states with the flexibility to create new and more cost-effective permanent supportive housing options to help highly vulnerable people with disabilities live successfully in the community with supports, while also reducing reliance on expensive and unnecessarily restrictive settings.

FOR MORE INFORMATION

Technical Assistance Collaborative, 617-266-5657,
www.tacinc.org