

Section 811: Supportive Housing for Persons with Disabilities Program

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Administering Agency: HUD’s Office of Asset Management and Portfolio Oversight

Year Started: 1992 (before this, Section 811 was part of the Section 202 program)

Numbers of Persons/Households Served:

The 811 Capital Advance Program serves an estimated 28,000 households over 2,390 properties. Funding to date for the 811 Project Rental Assistance (PRA) program is expected to produce over 9,000 units.

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

Funding: At this time, the FY23 budget is not finalized. There is a big gap between the amounts proposed by the House and the Senate. In addition, as discussed below, HUD has funds remaining from previous Appropriations for development of new Section 811 units.

See Also: For related information, reference the *Olmstead Implementation* section of this *Guide*.

The Section 811 Supportive Housing for Persons with Disabilities is a federal program that assists the lowest-income people with significant and long-term disabilities in living independently in the community by providing affordable housing linked with voluntary services and supports. Congress passed significant reforms to the Section 811 program in 2010 including the creation of the PRA Program. The PRA Program is intended to identify, stimulate, and support innovative state-level partnerships and strategies to substantially increase integrated permanent supportive housing opportunities.

HISTORY

Historically, the Section 811 program created 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 and reinvigorate this important 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 several components, two of which currently receive HUD funding: Capital Advance/Project Rental Assistance Contract (PRAC), which includes a new multi-family integrated housing option, and the Project Rental Assistance (PRA) Program.

Section 811 Capital Advance/PRAC: Only 501(c)(3) nonprofits are eligible to apply for the S. 811 Capital Advance/PRAC program. HUD provides funding for capital costs as well as PRAC to cover

annual operating costs. HUD estimates there are currently 31,600 S. 811 Capital Advance/PRAC units. In November 2019, HUD issued a NOFA for the Section 811 Capital Advance/PRAC projects with funds from HUD FY18 and FY19 Appropriations. This was the first Capital Advance/PRAC NOFA since 2010. On November 30, 2020, HUD announced \$54.7 million in awards to 15 nonprofit organizations. Highlights of this NOFA include:

- **Leveraging:** Applicants were highly encouraged to leverage other sources of funds to support the development of the Section 811 units.
- **Partnership:** Heightened focus on sustained partnerships between the applicant and key stakeholders that provide a foundation for implementing housing-related services and supports.
- **Site Control:** All proposals must provide evidence of site control.
- **Types of housing:** Eligible housing types are limited to integrated housing (units within a multifamily property), group homes, and condominiums. The number of units set aside for persons with disabilities within a condominium or multifamily property including supportive housing for persons with disabilities or to which any occupancy preference for persons with disabilities applies may not exceed 25% of the total number of dwelling units.
- **Delegated processing.** Delegated processing will be made available for multifamily projects that consist of a combination of capital advance and other sources. This option is not available for any project that is a group home.

Section 811 Project Rental Assistance (PRA):

Only state housing agencies are eligible to apply for the PRA program. The PRA program provides funds for project-based rental assistance where the capital is provided through other local, state or federal programs; PRA funds cannot be used for capital.

Since May 2012, HUD has published three Section 811 PRA NOFAs. These NOFAs resulted in Cooperative Agreements for \$364 million with 30 states. Approximately 9,500 units are expected to be produced through these programs. States have demonstrated a high degree of interest in the PRA Program; 43 of the states plus the District of Columbia submitted applications in response to the NOFAs.

In addition to new integrated, affordable housing, projected outcomes of the most recent NOFA include:

- Facilitating and sustaining effective and successful partnerships between state housing and state health and human service/Medicaid agencies to provide permanent housing with the availability of supportive services for extremely low-income persons with disabilities;
- Discovering replicable approaches to providing housing with access to appropriate services for persons with disabilities;
- Identifying innovative ways of using and leveraging Section 811 PRA funds;
- Substantially increasing integrated affordable rental housing units for persons with disabilities within existing, new, or rehabilitated multifamily properties with a mix of incomes and disability status; and
- Creating more efficient and effective uses of housing and health care resources.

Additional information about the program is available at <https://www.hudexchange.info/programs/811-pra/>.

FUNDING

In November 2019, HUD published NOFAs for both the PRA Program and the Capital Advance Program. In 2020, awards were made under both programs.

FORECAST FOR 2023

From fiscal years 2018–2021, the Committee provided a total of \$206,755,000 for capital advances and project rental assistance contracts.

The “FY22 Appropriations Act” provided an additional \$160,000,000 for new capital advances and project rental assistance contracts to increase the availability of affordable housing for persons with disabilities. This funding will provide for approximately 1,800 new affordable housing units for persons with disabilities. Thus far, the Department has issued Notices of Funding Availability (NOFA) or Notices of Funding Opportunity (NOFO) for only \$112,000,000. The House language directs the Department to expeditiously make all remaining funding provided in fiscal years 2018, 2019, 2020, and 2021 available within 60 days of enactment of this act and to award that funding within 180 days of enactment of this act.

In the “FY22 Appropriations Act,” Congress expanded the Rental Assistance Demonstration (RAD) program (see RAD program elsewhere in this *Guide*) in order to support preservation of existing Section 811 PRAC projects. In fall 2022, HUD requested comments on a Notice implementing this expansion of RAD but a final Notice had not been issued as of yet.

TIPS FOR LOCAL SUCCESS

Advocates in states that have not yet received Section 811 PRA funds should work with state officials to support the implementation of this innovative model. Advocates in states that did not apply for or receive funds through the recent NOFAs 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 provide affordable and supportive housing for people with disabilities. The program website is available at <https://www.hudexchange.info/programs/811-pra/success-stories/> and provides videos and stories from tenants in Louisiana, Maryland, Washington State, and Massachusetts that can be used to

educate stakeholders, including developers and property managers, about the program.

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. The Technical Assistance Collaborative (TAC)’s publication *Priced Out* describes how over 4 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 are homeless. The Section 811 PRA Program can help the government reach its goals of ending homelessness and minimizing the number of persons living in costly institutions.

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.