

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 (prior to this, Section 811 was part of the Section 202 program)

Numbers of Persons/Households Served: An estimated 32,800 households

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

Funding: FY19 Funding is \$184 million

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 Project Rental Assistance (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. With HUD funds provided by FY12 and FY13 Notices of Funding Availability (NOFAs), these reforms are creating thousands of new integrated Section 811 units. Forty-three of the 50 states plus the District of Columbia submitted applications in response to the FY12 and/or the FY13 NOFAs (the FY13 NOFA included funds appropriated in FY13 and FY14), which is a very high response rate for this innovative and supportive housing funding approach.

HISTORY

Over the past two decades, the Section 811 program created more than 34,000 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 two different components: the Capital Advance/Project Rental Assistance Contract (PRAC), which includes a new multi-family integrated housing option, and the Project Rental Assistance (PRA) Program. Congress directed that all FY12, FY13, and FY14 funding for new Section 811 units be provided solely through the PRA option, so 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 https://www.hud.gov/program_offices/housing/mfh/progdesc/disab811. 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 30% of AMI. The PRA Program provides housing affordability by ensuring that tenants pay no more than 30% of their adjusted income for rent and utilities.
- **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.

HUD awards Section 811 PRA funds 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's Medicaid agency and, if separate, the state health and human services agency. The agreement must identify the state's target population(s) for the program, the outreach and referral process for the PRA units, and commitments from appropriate supportive services aimed at serving the target population.

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. This NOFA resulted in Cooperative Agreements with 12 states totaling \$98 million for the development of an estimated 2,300 units. In March 2014, HUD published the second NOFA for the Section 811 PRA Program, awarding \$150 million to 24 states. Twenty-eight states are now administering the program, with more than 6400 units anticipated. 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 FY12 and/or FY13 NOFAs.

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

FORECAST FOR 2019

The FY18 budget included \$82.6 million for new Section 811 capital and PRA. HUD is in the process of conducting listening sessions with stakeholders to inform the NOFA. It is unclear whether the NOFA will include capital only or PRA only or both options. The NOFA is expected in Spring 2019. Disability advocates would like to see the NOFA provide PRA for states that are interested in administering PRA but did not receive funding in the FY12 or FY13 awards as well as states that have allocated all of their funds and have additional need for integrated housing for people with disabilities.

In addition to renewal funds, national disability advocates will be advocating for \$82.6 million in the FY19 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 \$82.6 million in FY19 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 or receive 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 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 several 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 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 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. National disability advocates are requesting \$82.6 million for the expansion of the Section 811 PRA Program in FY19.

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.