



**RENTAL ASSISTANCE AND HOMELESS SOLUTIONS
SECTION 811 RENTAL ASSISTANCE PROGRAM**

REQUEST FOR APPLICATIONS (RFA)

www.michigan.gov/mshda

Due Date: January 29, 2016

TIMETABLE FOR APPLICATIONS

Request for Applications Webinar	<p>December 15, 2015 – 2:00 – 3:30 p.m.</p> <p>Click here: https://connect4.uc.att.com/stateofmichigan/meet/?ExEventID=81413972</p> <p>Dial-in only:</p> <ol style="list-style-type: none"> 1. Dial (877) 402-9753 2. When prompted, enter the Meeting Access Code: 1413972#
Application Due Date	January 29, 2016
Award Notification	February 29, 2016
Any Remaining Funds	Effective March 1, 2016 811 Program applications will be accepted on a first come, first serve basis until all available funds have been awarded.

APPLICATION FILING REQUIREMENTS

Applications are due on January 29, 2016 for the 811 Program Project Rental Assistance (PRA) funds and will be accepted from Eligible Applicants via mail at: MSHDA, Attn: Juliann Kline, PO Box 30044, Lansing, MI 48909. **In addition to the hard copy via mail, the applicant must submit an e-application along** with the required exhibits to klinej1@michigan.gov. Faxed documents will not be accepted.

An application package will consist of the completed 811 Application form and all required attachments. The Application and other forms are available at: www.michigan.gov/mshda, click on Homeless and Special Needs Housing, click on 811 Program.

All RFA and application questions should be sent to MSHDA-811QA@michigan.gov.

DUE WITHIN 60 DAYS OF AWARD:

Attachment A: MOU between the Tenant Referral Organizations (TRO)/Primary Service Provider, PRA Applicant, and the Property Management Company.

INTRODUCTION

The Michigan State Housing Development Authority (MSHDA) in cooperation with the Michigan Department of Health and Human Services is pleased to announce the availability of approximately \$5,108,287 for Project-based Rental Assistance (PRA) funds targeted to 174 individuals as set forth under the terms of this Request for Applications. The application due date is January 29, 2016.

The authority for the PRA Program is Section 811 of the Cranston-Gonzalez National Affordable Housing Act, as amended by the Frank Melville Supportive Housing Investment Act of 2010 (Pub. L. 111-374). The funding is made available by the Department of Housing and Urban Development (HUD) Appropriations Act 2012, Public Law 112-55, 125 Stat. 552, Approved: November 18, 2011.

Awardees will enter into Rental Assistance Contracts with MSHDA for PRA units. All payments will flow through the TRACS and rents are set at 50% AMI for each county. MSHDA's goal is to have 40 units under contract in 2016, 75 units in 2017, and the remaining 59 in 2018. This program will serve non-elderly persons with disabilities and support their integration back into communities across Michigan. The persons' in-home care needs will be met via home healthcare providers funded by the MI Choice Waiver or other Medicaid funded programs. Most of the eligible tenants will need one bedroom units and many will benefit from barrier free units; therefore, developments with these unit types will be prioritized for awards.

I. ELIGIBLE APPLICANTS

The entity submitting the PRA application to MSHDA must be the Project Owner. For the purpose of application submission and evaluation, the Project Owner is the developer of the project(s) proposed for PRA assistance. The Project Owner must have an ownership interest in the project. Once a project is selected to receive PRA assistance, the Project Owner must enter into a Rental Assistance Contract with MSHDA.

Eligible Applicants must enter into a formal written agreement with one or more Eligible Tenant Referral Organizations (TRO/Primary Service Provider) as discussed below.

II. ELIGIBLE TENANTS

PRA funds will be used to serve extremely low income, at or below 30% Area Median Income (AMI), non-elderly persons with disabilities who are 18 years of age but less than 62 years of age at the time of lease up. The person with the disability must be eligible for participation in a Medicaid home and community-based services program.

III. TENANT REFERRAL ORGANIZATIONS (TRO/PRIMARY SERVICE PROVIDERS)

As of the date of application by the Eligible Applicant for PRA funds under this RFA, Eligible TRO/Primary Service Providers must be a current Money Follows the Person (MFP), MI Choice

Waiver, Nursing Facility Transition Program, Community Mental Health Services, MI Health Link HCBS Waiver, or Adult Home Help Program provider.

An organization is prohibited from acting as both a TRO/Primary Service Provider and an Applicant or Property Manager in the same referral transaction, i.e. a TRO/Primary Service Provider cannot refer PRA tenants to properties it manages.

The TRO/Primary Service Provider recruits and selects tenants for the targeted units. The TRO/Primary Service Provider has the primary responsibility for identifying potential tenants' need for supportive services and implementing the means to access them. Duties include, but are not limited to:

- A. Submitting a Letter of Referral to Property Management company/ies on behalf of the applicant for targeted units.
- B. Assisting applicants for targeted units with the application process directly or in collaboration with additional service providers.
- C. Acting as the point of referral contact with Property Management over the life of the project.
- D. Working with tenants, property management, and additional service providers to resolve issues that could lead to the eviction of the tenant.

IV. HOUSING PROVIDER AND TENANT REFERRAL ORGANIZATION WRITTEN AGREEMENT REQUIREMENTS

PRA Applicants, their property management agents, and their partner TRO/Primary Service Provider must complete and sign a Memorandum of Understanding which outlines the roles and responsibilities of each party. This agreement must be submitted 60 days after receipt of a PRA award. A sample MOU is found in **Attachment A** of the Application. The sample also contains the required provisions of any such agreement. Michigan Department of Health and Human Services (DHHS) will be responsible for identification of Tenant Referral Organizations and Service Providers in the local area of the development.

V. ELIGIBLE USES OF FUNDS AND AWARD AMOUNTS

PRA funds are for rental assistance within Eligible Projects as set forth below. PRA assistance will pay the difference between the Total Tenant Payment of the assisted household required by HUD and rent for the particular unit as calculated under the rules of the Low Income Housing Tax Credit Program. PRA funds cannot be used for development or rehabilitation financing.

An Eligible Applicant may submit more than one application for PRA funds. However, separate applications must be made for each property. Eligible TRO/Primary Service Providers may be a partner in more than one application.

- A. A PRA Application must request assistance for a minimum of five units.
- B. The awarded number of units will be determined in part by the number of patients residing in restrictive settings that are between the ages of 18 to 61 years old.

- C. The facilities from which Eligible Tenants are exiting must be in the service area of a TRO/Primary Service Providers.
- D. The State may adjust awards as necessary to utilize available funds within the time periods required by HUD.

VI. ELIGIBLE PROJECTS AND UNITS Projects requesting PRA funds shall meet the following minimum requirements:

- A. Eligible projects must be multifamily rental properties that have a Reservation of Low Income Housing Tax Credit with MSHDA. Note: the State may determine based on a project's development timetable that insufficient time exists to meet this occupancy deadline.
- B. No more than twenty-five percent (25%) of the total project units can: (a) be provided PRA Rental Assistance Payments; (b) be restricted to supportive housing for persons with disabilities; or (c) have any occupancy preference for persons with disabilities, regardless of the source of that restriction.
- C. PRA funds cannot assist units already restricted to persons with disabilities. Existing units receiving PRA funding cannot have received any form of long-term operating subsidy within a six-month period prior to receiving PRA funds.
- D. Eligible Projects must be able to comply with the terms of this RFA and other federal and state requirements in the timeframes required.

XI. OCCUPANCY DEADLINES

In order to help ensure that MSHDA can meet program deadlines, MSHDA may disencumber any of the awarded funds for units that remain unoccupied if sufficient cause exists to believe that the occupancy deadline cannot be met. Before the decision is made to disencumber awarded funds, the State will contact the Property Owner and TRO/Primary Service Providers to discuss the progress made in PRA rent-up and ways to try to avoid de-obligation of funds. The State reserves the right to make disencumbered funds available to supplement existing PRA awards, or to make additional new awards.

XII. FEDERAL OVERLAY REQUIREMENTS

A. Barrier Free/Accessibility Requirement for Units, Buildings, and Facilities - Including Public and Common Use Areas

Eligible Projects may consist of a mix of accessible and non-accessible units.

- For each Eligible Project for which PRA funds are requested, PRA Applications must include a signed certification from the project architect or other qualified third-party inspector which certifies that the project meets the following federal and State accessibility requirements applicable to the project at the time of construction or

rehabilitation: (a) HUD Uniform Physical Condition Standards at 24 CFR Section 5.703, (b) the Uniform Federal Accessibility Standards at 24 CFR Section 40.7, (c) Section 504 of the Rehabilitation Act of 1973 as implemented by 24 CFR Part 8 (Section 504), and (d) the design and construction requirements of the Fair Housing Act and HUD's implementing regulations at 24 CFR Part 100.

- Development Owners and TRO/PRIMARY SERVICE PROVIDER must ensure that the Eligible Project(s) is readily accessible to and usable by individuals with disabilities and must grant reasonable accommodation requests in accordance with Section 504, the Fair Housing Act, and the Americans with Disabilities Act, and applicable program requirements. For "Frequently-Asked Questions" regarding reasonable accommodation, see, <http://www.hud.gov/offices/fheo/library/huddojstatement.pdf>.
- In addition, all tenant communications must be provided in a manner that is effective for persons with hearing, visual, and other communications-related disabilities consistent with Section 504 and, as applicable, the Americans with Disabilities Act.

B. Affirmatively Furthering Fair Housing

- Affirmative Furthering Fair Housing Marketing Plan (AFFHMP): Pursuant to Section 808 (e) (5) of the Fair Housing Act, PRA TRO/Primary Service Provider must take actions to provide information and otherwise attract eligible-PRA tenants regardless of race, color, national origin, religion, sex, disability, familial status, sexual orientation, or gender identity who are not likely to apply to the program without special outreach. TRO/Primary Service Provider must follow the procedures set forth in the State of Michigan PRA AFFHMP in order to market the PRA Program to the Eligible Tenant populations.
- Outreach: TRO/Primary Service Provider shall not begin accepting applications for PRA-assistance or otherwise making PRA Program referrals until after conducting outreach required pursuant to the AFFHMP.

Limited-English Proficiency

Pursuant to Executive Order 13166, PRA-assisted properties shall take reasonable steps to ensure meaningful access to their programs and activities by persons with Limited-English Proficiency (LEP). As requested in the application, information must be provided regarding the types of LEP assistance provided to persons residing or seeking to reside in the proposed PRA project(s). For additional LEP guidance, see: [Limited English Proficiency \(LEP\) - HUD](#).

Environmental Requirements

A Phase I Environmental Study will be required if you:

- Do not have a new or updated Phase I dated within 180 days from the date you took ownership of the property or the date of the last qualifying real estate transaction, such as construction, rehab, or refinancing.

- If the Phase I was done prior to 1995.
- Note: If you have a Phase I and it meets these requirements but it does not include a “vapor screen” done in accordance with to ASTM 2600-10, then the 811 Program requires this additional screen be performed. Vapor screens became more common in Phase I’s around 2008-2010. Check your report or ask your consultant to verify.

To determine if the environmental study done on your Tax Credit Development meets 811 Program standards contact Daniel Lince, MSHDA, at: lincd@michigan.gov, or Michael Vollick, MSHDA, at: VollickM2@michigan.gov.

Lead-Based Paint: For Eligible Projects that do not trigger the requirements below, a self-certification is required.

Federal Lead-Based Paint requirements apply to assisted units and common areas in properties: (1) constructed prior to January 1, 1978 (2) when a child of less than six (6) years of age resides or is expected to reside, and (3) in which such units will receive an annual average of more than \$5,000 of project-based rental assistance per-unit in any year. For these projects a copy of the project’s lead risk assessment and remediation report will be required before PRA funds will be awarded.

For properties meeting the requirements of (1) and (2) above in which such annual assistance per unit is less than or equal to \$5,000 per unit, documentation of the project’s visual assessment for deteriorated paint and paint stabilization actions will be required before PRA funds will be awarded.

The Environmental Protection Agency’s Renovation, Repair and Painting (RRP) Rule also applies when renovation, repair or painting work is conducted on properties subject to Lead-based Paint Requirements. Among other requirements, the work, using lead-safe work practices, must be a conducted or supervised by certified lead renovator working for a certified lead renovation firm when the amount of work exceeds the RRP Rule’s minor repair and maintenance area threshold.

See the Lead Safe Housing Rule at 24 CFR 35, subparts B, H and R; http://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/enforcement/lshr, and the RRP Rule at 40 CFR 745, <http://www.epa.gov/lead/pubs/renovation.htm>.

XIII. Other Program Information:

- A. PRA Set-Aside: Once a Project Owner receives an award of PRA funds, they must set-aside vacant units for PRA tenants in one or more properties identified in their application. As occupied units turn-over they will be offered to PRA tenants until the total awarded units are under contract. The units may be “floating” units, i.e. a specific unit does not

need to be identified until a TRO/Primary Service Provider has a tenant(s) ready to move in.

- B. Pursuant to HUD Rental Assistance Contract requirements, the Project Owner, or their designee, must inform their PRA TRO/Primary Service Provider of a vacancy and hold the unit open for a reasonable period of time. If no Eligible Tenant is identified within a reasonable period of time, the unit may be leased to tenant(s) not eligible for the PRA Program; however, this household is not entitled to the benefit of the PRA rental assistance, and the next available suitable unit shall be made available for occupancy by a prospective PRA tenant.
- C. Vacancy Loss claims are limited to 80% of the contract rent for up to 60 days of vacancy provided the owner (1) commences and performs actions to fill the vacancy, and (2) has not rejected any eligible applicants except for good cause.
- D. An Eligible Tenant with a legitimate reason for rejecting a particular unit can do so. The unit can then be offered to the next Eligible Tenant on the PRA waiting list, with the rejecting Eligible Tenant retaining his/her same position on the waiting list.
- E. Rejection of a particular unit for an Eligible Tenant due to lack of physical accessibility can only be done if a reasonable accommodation cannot be made. Requests for accessibility modifications on individual units can be made to the TRO/Primary Service Provider.
- F. To prevent over or under-utilization of project units, Project Owners must develop and abide by occupancy standards which meet the requirements of Section 3-23 of HUD Handbook 4350.3 REV-1 as well as the minimum and maximum occupancy standards required by code requirements and the project's other funding sources.
- G. TRO/Primary Service Provider must ensure when selecting Eligible Tenants for placement in individual units within Eligible Projects that tenants can exercise housing choices among suitable projects within a community in deciding where they want to live.
- H. PRA units must be dispersed and integrated within Eligible Projects.

XIV. APPLICATION EVALUATION

Additional application evaluation factors are described below.

A. Applicant or Property Manager Experience and Capacity

Eligible Applicants or their proposed PRA Project property manager(s) must demonstrate that it has the following:

1. The PRA subsidy will be administered through a contract similar to Project-Based Section 8 contracts. Eligible Applicants or their management agent must have experience with Project Based Section 8 subsidy processing, including the use of the

Tenant Rental Assistance Certification System (TRACS) and Enterprise Income Verification (EIV). HUD requires Eligible Applicants to have the capability to transmit tenant information using HUD 50059 (certification and recertification form) and HUD 52670 (voucher data). Eligible Applicants must also have experience calculating tenant rents in accordance with HUD occupancy guidelines (HUD Handbook 4350.3 REV-1).

2. Properties associated with the Eligible Applicant must have no significant findings of non-compliance with State agency requirements.

XV. PROGRAM EVALUATION AND REPORTING

Recipients of PRA funds shall participate in program evaluation and reporting as required by HUD and/or the State.