MSHDA
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Frequently Asked Questions
- 811PRA Program -

811 Project Rental Assistance Program

Welcome Owners/Developers!

We are excited to have you as partners in the 811PRA program!

Here are some answers to questions we've received:

- What difficulties to placing households, does the 811PRA program resolve?
  - Availability of barrier-free/accessible units.
  - Affordability via rental assistance specifically for the age 18-61, non-elderly population; and
  - Flexibility of reasonable accommodations.

- Do 811PRA vouchers reduce the number of vouchers already offered to each county?
  - No, the 811PRA vouchers are new vouchers and do not reduce current county allocations.

- When can an owner apply? Do they need to have secured a tax credit award?
  - Owners can apply gaining 811PRA, conditional to tax credit award.

- Can the 811PRA units float?
  - Yes. 811PRA units may be distributed and redistributed among the property as necessary.

- Does the responsibility of providing services fall to property management?
  - No. Providing services is the responsibility of the Service Coordinator and housing agent.

- Is assistance available to pay all tenant rent in cases of a zero-income tenant?
  - Yes, although disability income is typically in place with applicants. If a disability claim is pending at the time of unit placement, 811PRA assistance may be used to cover the tenant rent in full.

- Can property owners be reimbursed for unit modifications needed for tenants with disabilities?
  - Possibly – A range of possible accommodations such as grab bars, ramps, etc. may be available through the Money Follows the Person (MDP) program. MFP requires that modifications are pre-approved. The Service Coordinator will be the point of contact for unit upgrades using MFP.

- Is funding available for clothing, furniture, etc. for these populations vacating

nursing homes for 811PRA independent living?
  - Yes, through the Money Follows the Person program as well as other MDHHS financing sources.

- Can tenants age out, disqualify at recertification due to an increase in income, or become ineligible if tenant's disability improves to the point where services are no longer necessary?
  - Upon initially qualifying the unit at move-in, the household maintains its qualified 811PRA status regardless of age or income at recertification, and the tenant may not be evicted simply for refusal of services. Note: Since 811PRA units may float, an over-income at recertification unit that no longer receives assistance may be swapped with a vacant unit.

- Is one lead housing agent from MDHHS assigned to each county, or shared?
  - There is one lead that uses a triage system of contacts behind the scenes so that one single point of contact is available.

- How is a property's credit check of an applicant handled?
  - It will be important to relax owner-imposed credit standards since the target population typically scores lower than the general population.

- Is a Tenant Selection Plan required within the 811PRA program?
  - Yes, and the Tenant Selection Plan closely mirrors the Section 8 program requirements.

- How are the homeless defined as eligible?
  - Applicants must have a service case with Community Mental Health, and preference has yet to be determined since MSHDA has other programs designed specifically to serve the homeless.

- Do addendums to the HUD Model Lease need prior approval?
  - Yes – apart from the Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA) Lease Addendum, owners are required to send lease addendums to MSHDA. Owners may only modify the lease terms with a tenant at the end of the initial term or a successive term by serving an appropriate notice to the tenant, together with the provision of a revised agreement or addendum.

- Are 2-bedreoom units allowed to be 811PRA units?
  - Yes. As long as the tenant's needs are properly documented by the service provider, as to why a 2-bedroom is necessary.

- Is any preference given toward new construction vs. rehab when awarding?
  - No. Both construction types are valued equally.

- What if the property is in the 500-year flood plain?

  - No new construction activities or projects can be located in the mapped 500-year floodplain or in the 100-year floodplain according to FEMA's Flood Insurance Rate Maps (FIRM). Existing structures may be assisted in these areas, except for sites located in coastal high hazard areas (V Zones) or regulatory floodways but must meet the following requirements: The existing structures must be flood-proofed or must have the lowest habitable floor and utilities elevated above both the 500-year floodplain and the 100-year floodplain. The project must have an early warning system and evacuation plan that includes evacuation routing to areas outside of the applicable floodplains. Project structures in the 100-year floodplain must obtain flood insurance under the National Flood Insurance Program. No activities or projects located within the 100-year floodplain may be assisted in a community that is not participating in or has been suspended from the National Flood Insurance Program.

- Can 811PRA units be placed in a development that already contains project-based units?
  - Yes, as long as the 811PRA units are not placed on the units within the property that are already receiving project-based assistance, or on units that have received this assistance in the 6 months prior to the unit receiving 811PRA assistance. HUD requires that no more than twenty five percent (25%) of the *total units* in an eligible multi-family property can: (1) be provided 811PRA assistance payments; (2) be restricted to supportive housing for persons with disabilities; or (3) have any occupancy preference for persons with disabilities.

- Because properties will be required to use the Enterprise Income Verification (EIV) System, will property management staff be required to keep two separate tenant files?
  - No. Please see "Suggested 811PRA File Outline" on the Owner page of the 811PRA section of MSHDA's website. Properties will be responsible for documenting all sources of income and maintaining it separately from EIV verification. Folder dividers are acceptable.

- What is the turnaround time for getting payment on a monthly basis?
  - Requisitions of funds must be made using the Tenant Rental Assistance Certification System ("TRACS"). Owners will enter electronic submissions into TRACS using HUD form 50059 for each 811PRA unit and HUD form 52670. Requisition requests are processed monthly and must be submitted into TRACS by the 10th day of each month in order to secure payment for the *following* month.

- Can I be reimbursed with 811PRA money for damages to my unit by an 811 tenant?
  - No. However, properties may collect from the tenant any charge allowed by state and federal law, for unit damage by the tenant. Also, when the 811PRA tenant moves out, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the

lease, as reimbursement for any unpaid tenant rent, damages to the unit or other amounts which the family owes under the lease. The owner must give the tenant a written list of all items charged against the security deposit and amount of each item. After deducting the amount used as reimbursement to the owner, the owner must promptly refund the full amount of the balance to the tenant.

- What if the property that is has 811PRA units is no longer able to operate?
  - As with any other MSHDA financed property, MSHDA will hold the owner to all obligations made under the Use Agreement, and associated contracts. This will be handled on a case-by-case basis.

- If the 811PRA program is not renewed by HUD, what is the owner's liability to continue serving the target population?
  - There is no owner liability to continue to rent to new 811PRA applicants since the rental assistance contract is void if the program becomes discontinued. This scenario is very unlikely. HUD seems to be moving towards funding populations.

- Does Section 3 of the Housing and Urban Development Act of 1968 apply to the 811PRA program?
  - No. It does not apply.

Michigan State Housing Development Authority is committed to providing meaningful access. For reasonable accommodations, modifications, translation, interpretation, or other services, please contact MSHDA-811PRA@michigan.gov