U.S. Department of Housing and Urban Development (HUD)
Section 811 Project Rental Assistance (PRA) Demonstration Program

Overview

The U.S. Department of Housing and Urban Development's (HUD) **Section 811 Project Rental Assistance (PRA) Demonstration Program** was authorized by the Frank Melville Supportive Housing Investment Act of 2010 to allow persons with disabilities to live as independently as possible.

The goal of this program is to expand the number of supportive housing units available in order to promote the integration of low-income people with disabilities into the community who might otherwise be institutionalized or become homeless. The program is intended to support people with disabilities that qualify for Medicaid in their transition out of nursing facilities, out of foster care, out of homelessness, or to maintain their presence in the community.

The Michigan State Housing Development Authority (MSHDA) in partnership with the Michigan Department of Health and Human Services (DHHS) applied under HUD's Notice of Funding Availability (NOFA) and was awarded over $5.5 million of PRA funding. The purpose of these funds is to administer the placement of targeted individuals into eligible housing units and to facilitate the provision of services to the residents of approximately 274 of those units.

Eligible Applicants

- Owners and Property Managers experienced with Low Income Housing Tax Credit (LIHTC) properties.

Eligible Residents

- Extremely low-income households with incomes at or below 30% of Area Median Income (AMI); which consists of at least one non-elderly adult with a disability, between the ages of 18 and 61 upon admission to the program.

Eligible Units

- Current or new projects that meet the program requirements for 9% LIHTC, or 4% LIHTC combined with MSHDA direct lending programs.
- PRA will be targeted to units restricted to 50% AMI or below.

Key Considerations

- No more than 25% of a project's total units can be restricted to or set aside for persons with disabilities.
- PRA funds must not go to units already restricted to persons with disabilities using other sources of subsidies or that have received subsidies six months prior to receiving PRA funds.
- Certain federal overlays may apply to PRA-funded projects including, but not limited to, federal accessibility standards, environmental analysis, federal prevailing wage, and energy efficiency requirements.
- PRA funds cannot be used for capital development expenses.
- If a PRA beneficiary transitions, the unit must be retained as PRA for another eligible tenant.
- PRA assistance will begin in 2016 and all units must be fully leased by 2018.
- Properties will be required to sign a Memorandum of Understanding with the lead service agency.
- This is a rental assistance program, not a loan program. Eligible properties will receive an award through the PRA for project-based rental assistance. The PRA units will then be rented to persons with disabilities referred by DHHS.