MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

811 Project Rental Assistance (811PRA)
Owner/Property Management Agent
Operating Manual

This document can also be found at:
MSHDA 811PRA Owner/Property Management Agent webpage.

The information provided herein is for your convenience and may have non-material differences in formatting.

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Part 1: Introduction

ABOUT THE 811PRA PROGRAM

The Section 811 Project Rental Assistance (811PRA) Program, hereafter referred to as 811PRA, authorized by the Frank Melville Supportive Housing Investment Act of 2010, is a U.S. Department of Housing and Urban Development (HUD) program designed to expand the supply of permanent supportive housing for extremely low-income people with disabilities.

PROGRAM OVERVIEW

The 811PRA is a partnership program that simultaneously makes available integrated affordable housing and support services for persons with disabilities. In Michigan, the partnership is between Michigan State Housing Development Authority (MSHDA) and the Michigan Department of Health and Human Services (MDHHS). MSHDA provides rental assistance to properties on behalf of qualified extremely low-income households, and MDHHS makes available support services that tenants may access on a voluntary basis. This partnership is formalized in the Inter-Agency Partnership Agreement between agencies which may be updated from time to time.

To ensure the 811PRA units provide integrated housing for persons with disabilities (i.e., an opportunity for persons with disabilities to live alongside households that do not have disabilities), the program has capped the percentage of 811PRA units and units set aside for individuals with disabilities that may be in any single multifamily property at 25%.

While the 811PRA is a project-based program, MSHDA is implementing the program in a manner that maximizes a tenant's opportunity to choose which property they would like to live in. Although Owners and Property Management Agents (O/A(s)) may commit to MSHDA that they will provide a certain number of units for the 811PRA, properties will only be eligible to receive assistance on a unit if an eligible tenant chooses to reside there. "Eligible Tenants" are defined in Exhibit 1 of the Cooperative Agreement between HUD and MSHDA. Eligible Tenants are referred by MDHHS Case Manager/Service Coordinators to MSHDA, which then directs those individuals to available assisted units where community-based long-term care support is made available by the service partners (not by the property). Services are available at time of referral and are strictly voluntary. Neither referral nor tenancy may be conditioned on an Eligible Tenant's willingness to accept or not accept such services.

USE OF THIS MANUAL

This Manual provides program information to help O/As understand the process of applying for 811PRA funds (if available), contracting for funds, screening and leasing units to eligible applicants, accessing payments, applicable property standards, and other helpful considerations to operating the 811PRA.

This Manual is intended to educate and prepare O/As on the requirements for units assisted with 811PRA funds. Some sections of this Manual may only be applicable to O/As, while others may be more applicable to Property Management Agents depending on the agreement in place between the parties. O/As managing units assisted by the 811PRA are expected to follow the procedures described in this Manual and the forms and documents provided, and to use this information in conjunction with any other requirements that may be placed on the property associated with other funding sources to which a property may be subject.

This Manual is designed to supplement published 811PRA-related documents and is not a substitute or an amendment to those documents. MSHDA encourages Owners to review all 811PRA-related documents with their Property Management Agents so that they are fully aware of the contractual obligations being committed for the property.

ELIGIBLE PROPERTIES

While those using this Manual may have properties that have already been committed by the O/A to participate in the program, below is a short background on property eligibility that applies to all participating Eligible Multifamily Properties.

Multifamily projects with five or more units funded by MSHDA's Low-Income Housing Tax Credit Program are eligible to participate in and/or compete for the 811PRA.

The 811PRA cannot be provided in units already receiving any form of long-term (longer than 6 months) project-based operating subsidy, such as Section 8 assistance, or within 6 months of receiving such assistance. This does not limit the property from participation as long as the 811PRA is associated with units that are not receiving the alternate project-based subsidy. In addition, properties designated for persons who are elderly and some supportive housing properties are not eligible to receive 811PRA assistance.

Other program requirements that impact whether a development can receive 811PRA assistance are discussed under the Property Selection Process section of this Manual. This is only germane in the use of this Manual in the case that a property has not yet been determined to be a participating Property.

ELIGIBLE TENANTS

Applicants eligible for 811PRA include households which:

- Income at or below HUD's posted Extremely Low-Income limit (30% of Area Median Income)
- Age between 18 and 61
- Disabled as defined by the HUD 811PRA
- Eligible for long-term care services
- Not convicted of methamphetamine production on federally-assisted property
- Not on a lifetime sex offender registry

- Not convicted of illegal use of any Scheduled Drug, including recreational and medical marijuana

OWNER (O/A) RESPONSIBILITIES

Because several requirements must be completed prior to tenant occupancy at the property, it is important that O/As familiarize themselves with HUD Handbook 4350.3 REV-1, current HUD Notices (including HUD Notice H 2013-24), and regulations prior to signing their Rental Assistance Contract (RAC).

Under this 811PRA partnership, O/As are responsible for the following steps. These are reflected roughly in the order they typically take place, with variances based on unique situations.

1) TENANT SELECTION PLAN

O/As must submit their Tenant Selection Plan to MSHDA before a RAC can be signed. The Tenant Selection Plan is the plan that identifies how a property selects and screens all of its applicants.

2) EXECUTION OF DOCUMENTS

The Rental Assistance Contract (RAC) is executed between the O/A and MSHDA no later than the time that MSHDA is notified of rental units ready to be leased by 811PRA tenants. For properties that have newly constructed/rehabilitated units coming onto the market, O/As are expected to sign the RAC at least 120 days prior to the beginning of lease up. The RAC sets up a 20-year contract between the O/A and MSHDA with the O/A agreeing to provide the rental units and MSHDA agreeing to provide the rental assistance.

3) UNIT AVAILABILITY

Local Service Coordinators assist Eligible Tenants to identify and select properties they are interested in. MSHDA must be notified by an O/A that a unit is available – either for initial occupancy or at turnover as soon as a vacancy is known, but no later than seven (7) days after the vacancy becomes known to the O/A. O/As are required to submit a monthly report regarding the availability of their 811PRA units.

Based on the preferences noted by the Eligible Tenants, MSHDA will then use that information to identify an eligible household interested in that Property and notify their Service Coordinator/Case Manager of the availability of the unit. Generally, MSHDA expects to have households on waiting lists for each property, ready to proceed with tenancy when units become available.

4) SCREENING OF APPLICANTS

After notification of an available unit, the MSHDA 811PRA staff will refer the identified Eligible Tenant(s) to the O/A.

The O/A will screen referred applicants as provided under their tenant selection plan. O/As are expected to screen 811PRA applicants in the same manner as applicants to non-811PRA units in the development as affirmed in the O/A's Tenant Selection Plan. O/As must also complete additional screening criteria based on 811PRA requirements, such as those required by HUD Handbook 4350.3 as discussed in Table 3.

5) HOUSEHOLD INCOME

O/As must collect and verify Social Security numbers and the income, asset, and expense information of all household members in order to determine household income eligibility. O/As should consult HUD Handbook 4350.3 for complete information on how to determine household income in accordance with 24 CFR, Part 5. The use of the Enterprise Income Verification (EIV) system is required per the HUD 4350.3.

Refer to Handbook 4350.3 REV-1: Chapters 3-3, B. and C., 3-9, and 3-11, and 3-31 for further guidance on Social Security Numbers of Eligible Family Members; as well as Federal Register /Vol. 81, No. 45 /Tuesday, March 8, 2016.

6) TENANT RENT

Under the program, tenants in 811PRA units will generally pay no more than 30% of their monthly income for rent (including the cost of utilities). After move-in, the O/A will collect this amount each month directly from the tenant. The difference between the amount being paid directly to the O/A and the contract rent for the unit will be the amount of 811PRA paid to the OA by MSHDA.

7) INITIAL WALK-THROUGH INSPECTION & LEASE EXECUTION

Once the O/A has determined that the tenant is income eligible and has satisfied the tenant screening criteria, the O/A will execute a lease between the O/A and tenant. The lease required for use in the 811PRA is HUD Form 92236- 811PRA, which can be accessed at the Participating Owner/Agent webpage: Michigan's 811PRA O/A Page

As part of the leasing process, the tenant must be present during the move-in inspection. The tenant may bring another party to assist them with this unit inspection if needed.

8) HUD SECURE SYSTEMS

Prior to receiving 811PRA assistance, the O/A must be set up in HUD Secure Systems including:

- ✓ TRACS (Tenant Rental Assistance Certification System): An automated system of record used by HUD in coordinating tenant tracking and rental payments. TRACS is designed to process subsidy contracts, tenant rental assistance information, and O/A requests for payment (vouchers). TRACS collects tenant data and voucher data for project-based programs and authorizes payment for subsidy programs.

- ✓ iREMS (Integrated Real Estate Management Systems): iREMS is the official HUD source of data on multifamily housing's portfolio of insured and assisted properties. iREMS provides automated support to collect and maintain accurate data on HUD funded properties. Files sent to HUD are logged, processed, and submitted to TRACS for payment processing by iREMS.

- ✓ EIV (Enterprise Income Verification): A web-based computer system containing employment and income information.

MSHDA will be able to assist in this process either directly or through a third party procured via MSHDA or the O/A. To the extent necessary, the O/A must maintain accurate and updated tenant and property information to ensure that no challenges occur in the property's receipt of payment.

9) HOTMA and NSPIRE

The O/A is responsible for ensuring all requirements related to the Housing Opportunity Through Modernization Act (HOTMA) and the National Standards for the Physical Inspection of Real Estate (NSPIRE) are followed and implemented.

10) 811PRA REQUIREMENTS

The O/A is responsible for developing policies and procedures to ensure compliance with MSHDA's and HUD's rules for the program, including records retention schedules, tenant certification procedures, inspection schedules, compliance with fair housing regulations, staff training procedures, etc.

In addition to the O/A, there are three other parties with specific responsibilities under this program: MSHDA, MDHHS, Service Coordinators/Case Managers. Table 1 outlines the responsibilities of these parties.

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TABLE 1		
Task/Process	**Responsible Entity**	**Activities**
Outreach to Eligible Tenants	**Service Coordinators/Case Managers** (Community-based organization staff)	• Conduct outreach to potential tenants • Pre-screen potential tenants for 811PRA eligibility • Assist applicants in the application process • Ensure access to services
Waiting List Management & Referral to 811PRA Units	**MSHDA 811PRA staff**	• Communicate with O/As regarding vacancies • Notify Service Coordinators/Case Managers of vacancies
Coordination of Long-Term, Community-Based Services	**Service Coordinators/Case Managers** (Community-based organization staff)	• Conduct service needs assessment • Develop/implement/monitor service plan/plan of care/personal recovery plan • Provide/coordinate services & ongoing tenancy supports • Main service Point of Contact for 811PRA tenants • Follow-up to address O/A concerns
Dispute Resolution/ Communication	**O/As, Service Coordinators/Case Managers**	• Responsible for dispute resolution related to 811PRA tenancy • Communication between O/A's and Service Coordinators/Case Managers regarding tenancy issues
Housing Management	**O/As**	• Execute documents (RAC, etc.) and ensure program compliance • Set-up use of TRACS and iREMS for 811PRA payment • Screen eligible applicants for units within properties • Determine household income • Conduct initial unit inspection • Collect tenant portion of rent and process subsidy requests and vacancy claims • Maintain safe, sanitary housing units

TENANT ISSUES

Support services are provided by MDHHS and community-based organization staff.

When a person with a disability, in one of the Target Populations, is interested in applying for an 811PRA unit, they will be assisted by a Service Coordinator/Case Manager. These individuals are responsible for pre-screening applicants for eligibility.

Once an Eligible Tenant is accepted by an O/A and is ready to become an 811PRA Tenant, the Service Coordinator/Case Manager will coordinate the individual service providers within the service area. Services are voluntary and may include:

Examples of Services	Examples of Services
• Support coordination	• Nursing services (preventative nursing)
• Targeted case management	• Respite services
• Community living supports	• Adult day health (adult day care)
• Skill building assistance	• Environmental modifications
• Supportive/integrated employment services	• Non-emergency medical & non-medical transportation
• Clubhouse psychosocial rehabilitation program	• Medical supplies and equipment not covered under the Medicaid State Plan
• Assertive community treatment	• Chore services
• Assistive technology	• Personal emergency response systems
• Enhanced pharmacy	• Private duty nursing
• Occupational therapy	• Counseling
• Individual/group therapy	• Home delivered meals
• Fiscal intermediary services	• Training in a variety of independent living skills
• Goods and services	

O/As who have units occupied by an 811PRA tenant may contact the tenant's Service Coordinator/Case Manager. Occasionally, disputes between a tenant and an O/A may need to be handled with assistance other than that of the Service Coordinator/Case Manager. A MSHDA 811PRA staff member will be available as a resource to facilitate the Dispute Resolution process.

Some examples of when it may be appropriate to initiate the dispute resolution process include:

- Late or non-payment of rent
- Problems with landlord or neighbors
- Frequent repair requests
- Suspected criminal activity
- Frequent visits/people moving in
- Problems maintaining one's apartment

An open dialogue between O/As, the tenant and Case Managers will increase the likelihood that the participating tenant will have a successful housing outcome and that the property will have a long-lasting compliant tenant resulting in reduced turn-over and fewer vacancies.

Part 2: Contracts & Agreements

AGREEMENT TO ENTER INTO A RENTAL ASSISTANCE CONTRACT (ARAC)

The 811PRA ARAC is a document that commits the O/A to participate in the program and to make available a certain number of units at a property to the 811PRA. The ARAC does not commit to the development that those units will be occupied by an 811PRA tenant or that 811PRA participation is assured. The ARAC includes the following terms:

- The number of 811PRA units that the property will commit to make available to Eligible Tenants
- Contract term will be for 20 years
- Obligation to enter into a RAC
- Provisions to release the O/A from their 811PRA obligations if funding is unavailable from HUD or if there is evidence showing a lack of demand
- Obligation to share with MSHDA the Tenant Selection Plan (policy)
- Obligation to meet HUD requirements outlined in the Cooperative Agreement, including Environmental, Davis-Bacon, and compliance with the HUD Handbook 4350.3.
- Requirement that once a RAC is signed, the O/A must notify MSHDA of the vacancy of any unit as soon as possible.

RENTAL ASSISTANCE CONTRACT (RAC)

The RAC is the executed agreement between MSHDA and each O/A outlining all terms and conditions required of both MSHDA and the O/A in the operation of the 811PRA units. MSHDA cannot disburse any Rental Assistance Payments to O/As until a RAC is executed. The RAC indicates, among other things, the unit and bedroom size information associated with one or more 811PRA units. The RAC is executed once all other contract documents have been received. These documents are as follows:

1) ARAC (Agreement to Enter into a Rental Assistance Contract)
2) RAC (Rental Assistance Contract) Parts I & II
3) RAC Submission Checklist
4) Rent Schedule-HUD 92458
5) Signed Memorandum(s) of Understanding
6) Tenant Selection Plan with 811PRA Addendum
7) Lobbying and Conflicts of Interest Certification
8) Energy & Water Conservation Certification
9) Environment Review-MSHDA

10) Environment Review-HUD
11) SF 1199A and a Voided Check
12) Use Agreement

The RAC has a term of 20 years with an initial funding cycle of five years. After five years, the contract will continue, but funding will be subject to annual federal appropriations. The RAC is structured into two parts outlined below. Depending on demand for the property, MSHDA and the O/A may together decide to amend the RAC.

RAC Part I is form HUD 92235-811PRA
RAC Part II is form HUD-92237-811PRA

PART I INCLUDES:

- Number of 811PRA Units
- Bedroom Sizes
- Maximum Annual RAC amount
- A description of Contract Term, including provisions articulating that if Congress fails to appropriate funds adequate to meet the financial needs of the Assisted Units, HUD will not require MSHDA to enforce the Use Agreement covered under a RAC
- Contract Rent, Utility Allowances, and Gross Rent.

Part I also incorporates, through reference, the Affirmative Fair Housing Marketing Plan, the Use Agreement, the Model Lease, and the Program Guidelines.

PART II INCLUDES:

- O/As' Responsibilities
- Rental Assistance Payments
- Vacancy Payments
- Rent Adjustments
- Termination of Tenancy

Part I and Part II of the RAC can be accessed here: Owner Documents for 811PRA Contract Execution

USE AGREEMENT

O/As are required to sign and record the 30-year Use Agreement, agreeing to make available the approved number of 811PRA units for such period of time. The Use Agreement must be recorded consistent with local law.

If appropriate funds are not adequate to meet the future financial needs of the RAC, MSHDA may choose to release the O/A from some or all of these obligations if other funding is not available.

Part 3: Owner/Agent Responsibilities & Processes

AFFIRMATIVE FAIR HOUSING MARKETING PLAN

MSHDA has an Affirmative Fair Housing Marketing Plan which establishes the process of outreaching to and receiving referrals from eligible households across the state. Although O/As will not be responsible for conducting any specific outreach under MSHDA's 811PRA, it is important that the O/A is aware that MSHDA and MDHHS will conduct these activities.

REFERRAL TO PROPERTY

Once a RAC is executed with a property and there is unit turnover, the O/A must notify MSHDA as soon as they are aware that any unit(s) is coming available, but at a minimum of ten calendar days of learning about the vacancy. O/As are required to submit a Property Status Update each month regarding the availability of their 811PRA units.

When notified of an available unit, MSHDA 811PRA staff works with Service Coordinator(s) to identify one or more eligible 811PRA applicants from the waiting list for the property. The eligible applicant's Service Coordinator/Case Manager will be notified that a unit is available. MSHDA will only refer 811PRA applicants that have been approved to be in the 811PRA program and who are ready to fill out an application at the property.

TENANT SELECTION & ADMISSION

The O/A will screen referred 811PRA applicants as provided under their 811PRA Tenant Selection Plan Addendum (TSP). TSPs must comply with all local, state, and federal fair housing and anti-discrimination laws. O/As must also comply with HUD's Equal Access to Housing in HUD Programs regardless of Sexual Orientation or Gender Identity requirements. The TSP will be reviewed and/or updated at least bi-annually to ensure that it reflects current operating practices, program priorities, and HUD requirements. All TSP updates will be dated. All revisions to the TSP must be submitted to MSHDA for review and approval prior to implementation, including those resulting from changes in property management.

The O/A is required to follow the screening criteria required by HUD Handbook 4350.3 REV-1, Change 4, Housing Notices, regulations, and statutes. Applicable HUD Notices relating to O/A occupancy requirements include but are not limited to:

- H-2015-04 Methodology for Completing a Multifamily Utility Analysis
- H 2013-24 811PRA Project Rental Assistance (811PRA) Occupancy Interim Notice
- H 2013-06 Enterprise Income Verification (EIV) System
- H 2012-26 Extension of Housing Notice 2011-25, Enterprise Income Verification (EIV) & You Brochure – Requirements for Distribution and Use
- H 2012-22 Further Encouragement for O/As to Adopt Optional Smoke-Free Housing Policies
- H 2012-11 State Registered Lifetime Sex Offenders in Federally Assisted Housing

- H 2012-09 Supplemental Information to Application for Assistance Regarding Identification of Family Member, Friend or Other Persons or Organization Supportive of a Tenant for Occupancy in HUD Assisted Housing

Depending on the existing tenancy of the property, these criteria may already be in use. As indicated in Chapter 4, Section 1 of the Handbook, the O/A must have screening standards in place prohibiting the admission of those who have engaged in certain drug-related or criminal activity. The mandatory prohibitions are outlined in Table 2 below.

TABLE 2	
Prohibited Tenants:	**Allowable Exceptions:**
Any household containing a member(s) who was evicted in the last three years from federally assisted housing for drug-related criminal activity.	✓ Evicted household member has successfully completed an approved, supervised drug rehabilitation program; *or* ✓ Circumstances leading to eviction no longer exist
A household in which any member is currently engaged in illegal use of drugs or for which the O/A has reasonable cause to believe that a member's illegal use or pattern of illegal use of a drug may interfere with the health, safety, and right to peaceful enjoyment.	None, but may choose to exclude prohibited household member and/or, must consider whether such household member is participating in or has successfully completed a supervised drug rehabilitation program, or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the O/A may require the applicant or tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug rehabilitation program or evidence of otherwise having been rehabilitated successfully.
Any household member who is subject to a state sex offender lifetime registration requirement.	None, but may choose to exclude prohibited household member.
Any household member if there is reasonable cause to believe that member's behavior, from abuse or pattern of abuse of alcohol, may interfere with the health, safety, and right to peaceful enjoyment by other residents. The screening standards must be based on behavior, not the condition of alcoholism or alcohol abuse.	None, but may choose to exclude prohibited household member and/or, must consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the O/A may require the applicant or tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised alcohol rehabilitation program or evidence of otherwise being rehabilitated successfully.

The O/A is required to only consider convictions, not arrests.

Once the O/A confirms the household's eligibility, and the applicant agrees to lease the unit, the O/A can move forward with signing the HUD 811PRA lease (HUD-92236-811PRA) directly with the 811PRA applicant.

Application Fees: O/As cannot collect application fees, holding fees, background check fees or any payment other than a Security Deposit, from an 811PRA applicant.

Security Deposit: O/As must collect an amount equal to the Total Tenant Payment at the time of move-in or $50, whichever is greater.

811PRA units are to be made available to all 811PRA-*eligible* tenants. And therefore, a project cannot set further age restrictions on units receiving 811PRA assistance.

CHANGES IN OWNERSHIP OR MANAGEMENT

When a change in ownership or property management is anticipated, the O/A must notify MSHDA prior to the effective date of the change. The O/A will be required to complete an Exhibit 2 form and submit it for review.

If the change in management includes any updates to the property's TSP, the revised TSP must be submitted along with the form. MSHDA will review the submission, including any proposed TSP changes, to ensure alignment with 811PRA requirements. Any revised TSP must be approved by MSHDA 811PRA staff prior to implementation. Until approval is received, the O/A must continue to apply the currently approved TSP on file for all 811PRA applicants and Assisted Units.

Additional documents such as 1199A and MOUs must also be reviewed and revised, if needed.

DENIAL OF ADMISSION

The O/A may deny admission to 811PRA applicants that do not meet the requirements of their TSP. In these instances, the O/A must notify the applicant and MSHDA in writing of the determination and include the following:

- Reasons for the denial of admission
- Notice of applicant's right to respond to the denial in writing or meet with the O/A to dispute the rejection
- Notice of applicant's right to request a Reasonable Accommodation or to participate in an informal hearing process (See the Reasonable Accommodation Section for more information).

The 811PRA applicant may also exercise other rights if the applicant believes that he or she is being discriminated against based on race, color, national origin, religion, sex, disability, or familial status.

In accordance with the Violence Against Women Reauthorization Act (VAWA) of 2022, O/As must not deny admission on the basis that the applicant has been a victim of domestic violence, dating violence, sexual assault, or stalking.

According to Handbook 4350.3, Chapter 4, Section 2, applicants must have a right to dispute the denial to live in a unit. This right must be clearly communicated to the applicant. The results of the dispute must be communicated both to the applicant and MSHDA in writing.

O/As should refer to Handbook 4350.3 REV-1, chapter 4-9 for further guidance on denying applicants admission.

INCOME ELIGIBILITY DETERMINATION & DOCUMENTATION

As part of the 811PRA tenant selection process, the O/A is responsible for all Income Eligibility Determinations to ensure the combined annual income of all members of the applicant's household, at the time of admission into the HUD 811PRA Program, does not exceed the extremely low-income limit as defined by HUD. Income limits are published annually and are available from the local HUD office or on-line at: https://www.huduser.gov/portal/datasets/il.html

The household is defined as those who will live in the 811PRA unit, not necessarily those with whom the applicant is living at the time of application.

In order to determine eligibility, the O/A must obtain and verify information related to household income and composition. Adult members of a family must sign consent forms and, as necessary, verification documents so that the O/A can verify sources of family income and family size.

The O/A must collect the following to verify income:

- Social Security Numbers of Eligible Family Members. Refer to Handbook 4350.3 REV-1: Chapters 3-3, B. and C., 3-9, and 3-11, and 3-31 for further guidance; as well as Federal Register /Vol. 81, No. 45 /Tuesday, March 8, 2016

- Income through the use of HUD's Enterprise Income Verification (EIV) system, pursuant to 24 C.F.R. 5.233(a) (2). Refer to Handbook 4350.3 REV-1, Chapter 3-30 for further guidance

- Income information related to income eligibility. Refer to Handbook 4350.3 REV-1, Chapter 3-30 for further guidance.

O/As should consult Handbook 4350.3 for complete information on how to determine household income according to 24 CFR, Part 5. Exhibit 5-1 from Handbook 4350.3 outlines income inclusions and exclusions and can be accessed here: HUD 4350.3

O/As are required to verify all household members' information using methods that are acceptable to HUD. The O/A is responsible for determining if the verification documentation is adequate and credible. Acceptable methods of verification, in order of acceptability to HUD, are:

- Enterprise Income Verification (EIV)
- Third-party verification from source (written)
- Third-party verification from source (oral); and
- Family certification.

EIV is a web-based computer system containing employment and income information. The information comes from the Social Security Administration (SSA) and the U.S. Department of Health and Human Services. This information is used to meet HUD's requirement to independently verify the applicant and tenant's employment and/or income. O/As are able to use the EIV system to determine if applicants use a false Social Security number, have failed to report or under reported the income of a spouse or other household member, or receive rental assistance at another property. Instructions for accessing and using EIV are posted on the Multifamily EIV website at: HUD Multifamily EIV

If third-party verification is not available, O/As must document in the 811PRA tenant file why third-party verification was not available. Third-party verification is the process of getting an independent party to confirm a piece of information. Appendix 3 from Handbook 4350.3 outlining acceptable forms of verification can be accessed here: HUD 4305.3

INITIAL CALCULATION OF TENANT RENT SHARE

O/As are required to determine the 811PRA applicant's income before the applicant is allowed to move in and at least annually thereafter. Once the applicant's income is verified, the O/A will use the information to determine the Rental Assistance Payment and the Tenant Rent. The Rental Assistance Payment is the amount of assistance paid to the Property on behalf of the tenant and is calculated using the tenant's annual income, less allowable deductions. HUD program regulations specify the types and amounts of income and deductions to be included in the calculation of annual and adjusted income.

The Total Tenant Payment (TTP) and Tenant Rent for rental assisted units must be calculated according to the requirements in HUD Handbook 4350.3 Chapters 5-25, 5-26, 5-27, and 5-30.
TTP is the amount a tenant is expected to contribute for rent and utilities. TTP for 811PRA is based on the family's income. Calculation of TTP is the greater of the following:

- 30% of monthly adjusted income
- 10% of monthly gross income
- Welfare rent (welfare recipients in as-paid localities only)
- $25 Minimum Rent ***DOES NOT APPLY*** to 811PRA -(HUD 4350.3 Figure 5-6)

Tenant rent is calculated by subtracting the MSHDA allowed utility allowance (if any) from the TTP. Tenant rent is the portion of the TTP the tenant pays each month directly to the O/A for rent. If a property has a utility allowance, it is possible for the Tenant Rent to be $0 if the utility allowance is greater than the TTP. A utility reimbursement to the tenant must be provided if the utility allowance is greater than the TTP. The O/A must document in the tenant file the distribution of any utility allowance reimbursement provided to a tenant.

ANNUAL AND INTERIM RECERTIFICATION

ANNUAL RECERTIFICATION

O/As must conduct a recertification of family income and composition at least annually. O/As must then recalculate the tenants' rents and assistance payments, if applicable, based on the information gathered. Tenants must supply information requested by the O/A or HUD for use in a regularly scheduled recertification of family income and composition in accordance with HUD requirements. See Chapter 7 of Handbook 4350.3 for more information.

INTERIM RECERTIFICATION

O/As must conduct interim recertifications of family income and composition in accordance with HUD requirements when tenants notify the O/A that:

- A family member moves out of the unit
- The family proposes moving a new member into the unit

Owners/Property Management Agents must notify MSHDA 811PRA staff when a tenant provides notification of a family member moving out of the unit or when the family proposes to move a new member into the unit.

- An adult member of the family who was reported as unemployed on the most recent certification or recertification obtains employment
- The family's income cumulatively increases by $200 or more per month

Tenants may request an interim recertification due to any changes occurring since the last recertification that may affect the TTP or tenant rent for the tenant. Reasons a tenant may request an interim recertification include:

- Decreases in income, including but not limited to loss of employment, reduction in number of hours worked by an employed family member, and loss or reduction of welfare income
- Increases in allowances, including but not limited to increased medical expenses, and higher childcare costs
- Other changes affecting the calculation of a family's annual or adjusted income, including but are not limited to a family member turning 62 years old, becoming a full-time student, or becoming a person with a disability

If the tenant's rent increases because of an interim adjustment, the O/A must give the tenant 30 days advance notice of the increase. The effective date of the increase will be the first of the month commencing after the end of the 30-day period.

LEASING REQUIREMENTS

All O/As are required to use the HUD 811PRA Model Lease, which can be accessed here: 811PRA Model Lease. This lease is for a term of one year and automatically renewable for successive terms of one month.

The model lease outlines the tenant and O/A responsibilities and covers the following:

- Total Rent (Contract Rent)
- Security Deposit Amount (may not exceed total tenant payment or $50-whichever is greater)
- Utilities Provided
- Utility Payment (if tenant responsible for any utilities)
- Rental Assistance Payment
- Tenant Rent Share
- Termination & Required Notices

The following documents must be attached to the model lease:

- HUD-50059
- House Rules
- VAWA Lease Addendum
- Move in inspection
- Lead-based paint disclosure form (if applicable)
- Pet rules (if applicable)
- Live-in Aide Addendum (if applicable)

Any Security Deposit collected by the O/A must be used in accordance with HUD Security Deposit Requirements and is subject to State and local law.

The O/A must place the security deposits in a segregated, interest-bearing account. The balance of this account must at all times be equal to the total amount collected from the Eligible Tenant plus any accrued interest. The O/A must comply with any applicable State and local laws concerning interest payments on security deposits and return the security deposit to the family following the requirements in HUD Handbook 4350.3 REV-1, Paragraph 6-18.

RENT PAYMENTS TO PROPERTIES

Once a RAC has been executed and the O/A has signed an 811PRA Model Lease with an Eligible Tenant, the O/A may begin submitting monthly requisitions of funds to MSHDA. O/As may submit requests for two types of payments outlined in Table 3 below:

TABLE 3	
Contract	**Notification Requirements**
Rental Assistance Payment	Difference between the contract rent for the unit and the tenant rent (usually 30% of adjusted income).
Vacancy Payment	Only after initial lease-up: May not exceed 80% of the contract rent for up to 60 days of vacancy.

Prior to submitting the first voucher, the property completes an 1199A Bank Account information form and submits it to MSHDA 811PRA staff.

Requests for rental assistance payments must be submitted by the 10th day of each month to secure payment for the following month. If an O/A is having issues with their voucher submission, they should notify MSHDA. For more information on the TRACS system, see HUD's MAT User Guide (version 202D) or visit the following HUD webpage: HUD TRACS & MAT Webpage

NSF Fees/Late Fees/Replacement Keys: These types of charges ***cannot be assessed*** against an 811PRA tenant. Only charges that are specifically listed in the lease (rent/ utilities/damage) can be billed to the resident. No pet deposit may be charged for assistance animals. O/As must comply with legal and regulatory provisions concerning such request, including applicable provisions of HUD Occupancy Handbook 4350.3.

INITIAL CONTRACT RENT & RENT INCREASES

There is no rent reasonableness requirement in the 811PRA Program and the initial rent amounts are to be 60% LIHTC rents.

After the initial contract rent setting, contract rents may be adjusted annually. The calculation or methodology used for the annual adjustment amount will be outlined in the RAC. After the signing of the original RAC with MSHDA, upon request from the O/A to the MSHDA, Contract Rents will be adjusted each April, with an effective date of June 1st. The O/A will submit a Rent Schedule with rent amount and utility allowance (if applicable). MSHDA will review and approve each written request and ensure that the approved annual rent adjustment coincides with Part II of the RAC, section 2.7(b). After MSHDA approves Rent Schedule, MSHDA will modify iREMS, and notify HUD and the O/A.

UTILITY ALLOWANCES

For Properties in which the tenant pays all or some utilities, O/A will utilize MSHDA-published utility allowances, which reflect an estimated average amount that tenants will pay for utilities assuming normal consumption. Utility allowances are outlined in the RAC when there are tenant-paid utilities. Funds covering the utility reimbursement will be paid to the O/A in trust, solely for the purpose of making utility reimbursements. If the utility reimbursement is not disbursed to the tenant or utility provider (e.g., the tenant never picks up the check, tenant never cashes the check or tenant moves-out), the funds must be returned to MSHDA. The check should be voided, and the funds returned to MSHDA as an adjustment on the voucher. The O/A needs to ensure before returning the funds that the tenant has been given sufficient opportunity to cash the checks and that all

attempts have been exhausted in reaching former tenants, including any requirements under state or local law.

A utility reimbursement to the tenant must be provided if the utility allowance is greater than the TTP. The tenant will pay no tenant rent. The utility reimbursement is calculated by subtracting the TTP from the utility allowance. The O/A is responsible for disbursing the utility reimbursement payment to the tenant. Rather than paying the utility reimbursement directly to the household, if the household and utility consent, the O/A may make the utility reimbursement payable jointly to the household and the utility company or pay the reimbursement directly to the utility company. The O/A must provide the utility reimbursement to the tenant or utility provider ***within 5 business days*** of receipt of the assistance payment from MSHDA. Tenant signature of receipt is required.

INSPECTIONS

MOVE-IN

Prior to occupancy of any 811PRA unit by an eligible applicant, the eligible applicant must be given the opportunity to be present for the move-in unit inspection (see HUD 4350.3 Appendix 5 Sample Move-In/Move-Out Inspection Form). The inspection of the 811PRA unit must be completed by both the O/A and the eligible applicant and both must sign an Inspection Form, using either the template provided by the HUD 4350.3 Appendix 5 Sample Move-In/Move- Out Inspection Form or a MSHDA approved form certifying they have inspected unit and have determined it to be Decent, Safe, and Sanitary in accordance with the criteria provided in the form. The O/A will keep a copy of this inspection form and include it as an attachment to the lease.

Service Coordinators/Case Managers should be notified so they may be able to assist the applicant with the inspection of the unit which may include assistance with scheduling, transportation, or interpreter services.

ANNUAL

The O/A must perform unit inspections of all 811PRA units on at least an annual basis to determine whether the appliances and equipment in the unit are functioning properly and to access whether a component needs to be repaired or replaced. This will ensure that the O/A is meeting its obligation to maintain the 811PRA units in Decent, Safe, and Sanitary condition. The O/A may use their own form or the HUD 9602 for every annual inspection of an 811PRA unit. The annual Inspection Form must be available upon request.

MEETING OTHER FEDERAL REQUIREMENTS

The requirements reflected below in Table 4 summarize federal requirements covering multifamily developments participating in the 811PRA Program throughout the duration of the program. O/As should review the 811PRA Guidelines and implementing regulations to fully understand these requirements. The file monitoring schedule for the 811PRA for MSHDA is expected to be scheduled along with other program reviews.

TABLE 4				
Federal Requirement	**811PRA Guideline**	**Requirement Summary**	**Implementing Regulation**	**Additional Guidance**
Fair Housing and Civil Rights Laws	§ PRA.408	O/As must comply with all applicable fair housing and civil rights requirements, including any related state or local laws.	4 CFR 5.105(a), including but not limited to: the Fair Housing Act; Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; Title III of the Americans with Disabilities Act. HUD's Equal Access rules at 24 CFR. § 5.100, 5.105(a)(2), 5.403	HUD Fair Housing LInk
Effective Communi-cations	§ PRA.410	Communications must be effective for persons with hearing, visual, and other communication-related disabilities.	Section 504 of the Rehabilitation Act of 1973(see 24 CFR § 8.6) and the Americans with Disabilities Act.	www.ada.gov
Tenant Organi-zation Rights	§ PRA.409	O/As may not impede the reasonable efforts of tenants of the Assisted Units to organize.	24 CFR Part 245 or any successor regulations of 24 CFR Part 245.	Tenant Org Rights
Barrier Free/ Accessibility Require-ments	§ PRA.407	O/As must meet accessibility requirements of relevant laws and regulations. Assisted units may be a mix of accessible units for those persons with physical disabilities and non-accessible units for those persons without physical disabilities.	Section 504 of the Rehabilitation Act of 1973 (see 24 CFR part 8); Title III of the Americans with Disabilities Act (see 28 CFR part 36); Fair Housing Act (24 CFR Part 100); 10 TAC Chapter 1, Subchapter B.	http://www.justice.gov /crt/about/hce/documents/jointstatement_accessibility_4-30- 13.pdf

LIMITED ENGLISH PROFICIENCY (LEP)

Persons who, as a result of national origin, do not speak English as their primary language and who have a limited ability to speak, read, write, or understand English are considered persons with limited English proficiency (LEP). It is the policy of MSHDA that language assistance will be made available for persons with LEP to ensure that they have meaningful access to the 811PRA. Meaningful access may entail providing language assistance services, including oral and written translation, where necessary.

Where possible, MSHDA will assist O/As in meeting this requirement such as the provision of documents in different languages. Contact MSHDA 811PRA staff for more information.

FAIR HOUSING POSTER

O/As are required to post HUD's fair housing poster at any leasing offices located at properties with 811PRA units. This poster can be downloaded at the web link below: HUD Fair Housing Poster

OCCUPANCY

Below is HUD's policy relating to unit occupancy and the determination of whether a unit is overcrowded or under occupied. In general, the chart below reflects a baseline standard. However, the considerations noted below in the bullets may prompt other adjustments, including State or local occupancy codes, to derive an accurate number of persons for the specific household.

OCCUPANCY ALLOTMENT TABLE:

Bedroom Size	Standard Number of Persons
0 (efficiency)	1
1	1-2
2	2-4
3	3-6
4	4-8

- Generally, a two-persons-per-bedroom standard is acceptable. An O/A may establish a different standard for assigning unit size based on specific characteristics of the property (e.g., some bedrooms are too small for two persons), however, if fewer than 2 persons (over the age of 6) per bedroom for each rental unit are required for reasons other than those directed by local building code or safety regulations, a written justification must be provided by the O/A.

- O/As are responsible for the final determination that households meet the occupancy standards of their TSP, HUD Handbook 4350.3 and Exhibit 5 of the Cooperative Agreement, Part D § PRA.404.
- At initial occupancy, O/As may not place a lower number of tenants in a unit than allowed for occupancy by HUD Handbook 4350.3 Chapter 3-23 or another reasonable standard developed by the MSHDA. A single person must not be permitted to occupy a unit with two or more bedrooms, except for the following persons:
- A person with a disability who needs the larger unit as a reasonable accommodation.
- A person with a live-in aide.
- A displaced person when no appropriately sized unit is available.
- A remaining family member of a tenant family when no appropriately sized unit is available.
- An appropriately sized unit must be available and offered to the 811PRA household before the household can move. If the next household on the waiting list is not appropriate for the unit size available, the unit will be offered to the next available household that fits the unit size.
- A household may elect to live in a smaller unit than the unit size allocated, but the utility payment will be based on the occupied unit.
- A household may not elect to live in a larger unit than the allocated unit size.

OVERCROWDED/UNDER-OCCUPIED UNITS & TRANSFERS

If the O/A determines that, because of a change in household size, an assisted unit is smaller than appropriate for the eligible household to which it is leased or that the unit is larger than appropriate, the O/A shall refer to HUD Handbook 4350.3 and Exhibit 5 of the Cooperative Agreement, Part D § PRA.404. Rental Assistance Payments with respect to the assisted unit will not be reduced or terminated until the eligible household has been transferred to an appropriate size assisted unit. MSHDA should be notified of any changes in family size once the O/A is made aware of changes.

VACANCIES

After the initial lease-up, when an 811PRA unit becomes available, the O/A is entitled to Rental Assistance Payments of up to 80 percent of the Contract Rent for up to 60 days of vacancy once the unit is ready to be occupied. In these instances, the O/A must:

- Certify that it did not cause the vacancy by violating the lease, the Contract, or any applicable law; and
- Notify MSHDA of the vacancy or prospective vacancy and the reasons for it immediately (but not later than 7 days) upon learning of the vacancy or prospective vacancy.

The O/A must lease 811PRA units under a RAC only to Eligible Tenants. When vacancies occur, the O/A must inform MSHDA of the vacancy and hold the unit vacant for a period of 60 days. If no Eligible Tenants are identified within this time, the O/A may lease the unit to households who are not Eligible Tenants and who will not receive rental assistance. If the number of occupied 811PRA units at the property falls below the total number of units

listed in Exhibit 1 of Part I of the RAC, the O/A will designate the next available appropriate unit as an 811PRA unit until the total number of occupied 811PRA units meets the total number listed in Exhibit 1 of Part I of the RAC.

Except for vacancy payments as outlined above and absences from the 811PRA unit as outlined below, if an Eligible Tenant moves out of an 811PRA unit, MSHDA will not make any rental assistance payments to the O/A for any month after the month when the tenant moves out.

ABSENCES FROM UNIT

MSHDA can continue to make Rental Assistance Payments to O/As while an eligible household member is absent from the unit under reasonable circumstances. For example, if the head of household is hospitalized, Rental Assistance Payments can continue as long as the household continues to pay their portion of the rent, and the eligible household member is expected to return to live in the unit. This includes but is not limited to hospitalization in a medical facility, a psychiatric facility, a nursing facility, or other institution.

Note that it is possible that a household's income and corresponding tenant rent may change when an individual is in the hospital or an institution. If the tenant's absence from the unit may be for an extended period of time, the tenant may request a Reasonable Accommodation to retain the unit. The approval of the Reasonable Accommodation will be up to the O/A, in consultation with MSHDA 811PRA staff.

HOUSEHOLD'S REMAINING MEMBER ELIGIBILITY

As part of the referral process, MSHDA will usually have screened for Target Population eligibility of the applicant household. The O/A must contact MSHDA 811PRA staff as soon as possible, but within three business days, if there are any changes to household composition involving the eligible household member so that MSHDA can help determine if the household can maintain their 811PRA assistance. See HUD Handbook 4350.3 Chapter 3-16 for further guidance. O/As must provide a 30-day notice before adjusting the tenant portion of rent.

AMENDING THE RAC

Amendments to the RAC may take place if initiated by MSHDA for the following reasons:

- Reduction or increase of the number of units currently occupied by tenants of the 811PRA Program, with a maximum number of units outlined in the RAC
- Change in bedroom size based on transfers within a property by a household or change in tenancy

If an O/A wants to initiate a change to the RAC, including requesting that units in excess of the RAC, the O/A must submit the request in writing to MSHDA 811PRA staff.

EARLY TERMINATION OF RAC

MSHDA may allow for early termination of a RAC or a reduction in the number of units placed on a RAC in specific situations. If units in a RAC are not occupied in a reasonable period of time, due to lack of demand for 811PRA units, or other reason determined by MSHDA, then MSHDA may choose to terminate the RAC. Exhibit 1, Part I, of the RAC must be amended to reflect the actual number of 811PRA units MSHDA intends to lease at a property.

Additionally, MSHDA may terminate the RAC for persistent lack of O/A compliance with inspection or occupancy-related issues or other breach of contract or program requirements.

TENANT DISPUTES & TERMINATIONS

DISPUTE RESOLUTION

If an O/A has a dispute with a tenant that cannot be easily resolved, O/As must contact the individual's Case Manager. The 811PRA Case Managers must follow-up with tenants in the event an O/A contacts them with a concern and make sure that tenancy-related issues are quickly resolved so the tenant can stay housed and avoid eviction, transfer, or termination from the program.

Disputes between a tenant and an O/A may occasionally need to be handled with assistance other than that of the Case Manager. MSHDA 811PRA staff will be available as a resource to facilitate the Dispute Resolution process.

MSHDA 811PRA staff are responsible for managing the Dispute Resolution process. Typically, if a conflict arises, the O/A will schedule a meeting for all parties which will include the tenant, his or her Case Manager, a representative for the O/A, and MSHDA 811PRA staff. In some cases, individual meetings may need to be held with each party. MSHDA 811PRA staff will hear each side and make suggestions to assist in the resolution process.

It is important to note that MSHDA 811PRA staff track information about the Dispute Resolution process and will report this information back to all of the participating state agencies.

The O/A of an 811PRA unit may not terminate the tenancy or refuse to renew the lease of an 811PRA tenant except for serious or repeated violations of the terms and conditions of the lease or other good cause (see Owner Termination of Lease below).

TENANT TERMINATION OF LEASE

A tenant may terminate their lease at the end of the initial term or any successive term by giving 30 days written notice in advance to the O/A.

OWNER TERMINATION OF LEASE

The O/A of an 811PRA unit may not terminate the tenancy or refuse to renew the lease of an 811PRA tenant except for serious or repeated violations of the terms and conditions of the lease or other good cause. In these instances, the O/A must provide the tenant with no less than 30 days written notice of termination or refusal to renew specifying the grounds for such action. In applying these standards, O/As must also ensure compliance with fair housing requirements, including consideration of reasonable accommodations as outlined below.

Reasonable Accommodation Considerations Prior to Termination: In accordance with the Fair Housing Act and applicable HUD guidance, O/As must consider reasonable accommodation where a lease violation may be related to a tenant's disability. Reasonable accommodations may include changes, exceptions, or adjustments to policies, practices, or procedures that support a tenant's ability to comply with lease requirements.

Prior to pursuing termination of tenancy, O/As should ensure that:

- Any reasonable accommodations that are requested or otherwise identified are considered,
- Appropriate adjustments to expectations, timelines, or processes are explored to support lease compliance, and
- The tenant's assigned Service Coordinator/Case Manager is contacted and engaged, as appropriate, to assist in identifying or implementing additional supports or wrap-around services. Documentation of this is required.

O/As are responsible for maintaining documentation of lease violations, efforts to cure, and any reasonable accommodation considerations in the tenant file. MSHDA does not make determinations regarding lease enforcement actions; however, compliance with fair housing requirements and 811 PRA program expectations must be demonstrated.

HUD Regulations provide that the O/A may terminate the Lease only based upon either material noncompliance or other good cause.

Material noncompliance includes the following:

- One or more substantial violations of the Lease.
- Repeated minor violations of the Lease, which disrupt the livability of the project, adversely affect the health or safety of any person or the right of any tenant to the quiet enjoyment of the leased premises and related project facilities, interfere with the management of the project, or have an adverse financial effect on the project.
- Failure of the tenant to timely supply all required information on the income and composition or eligibility factors of the tenant household (including failure to meet the disclosure and verification requirements for Social Security Numbers, as provided by 24 CFR Part 5, Subpart B or knowingly providing incomplete or inaccurate information).
- Nonpayment of rent or any other financial obligation due under the Lease (including any portion thereof) beyond any grace period permitted under Michigan law. The payment of rent or any other financial obligation due under the Lease after the due date but within any grace period permitted under Michigan law shall constitute a minor violation.

The conduct of the tenant cannot be deemed "other good cause" unless the Owner/Property Manager has given the tenant prior written notice that the conduct constitutes a basis for termination.

When the termination of the tenancy is based on "other good cause", the termination notice must be effective at the end of the lease term, but in no case earlier than 30 days after receipt of the notice by the tenant. When terminating tenancy for material failure to carry out an obligation under a State and Local Landlord and Tenant Act, the time of service of the termination notice must be in accordance with the lease and state law.

The O/A's written termination notice must be sent via first class mail to the tenant, and MSHDA 811PRA staff must be notified. In addition, a copy of the notice must be served on any adult person answering the door at the leased dwelling unit or by placing the notice under or through the door, if possible, or by affixing the notice to the door. The notice must adhere to the following standards:

- State that the lease is terminated and include a specific termination date,
- State the reasons for the O/A's action with enough specificity to allow the tenant to prepare a defense,
- Advise the tenant that if he or she remains in the leased unit on the date specified for termination, the O/A may seek to enforce the termination only by bringing a judicial action at which time the tenant may present a defense, and
- Advise that persons with disabilities they have the right to request Reasonable Accommodations to participate in the hearing process.

If the tenant does not vacate the premises on the effective date of the termination, the O/A may pursue all judicial remedies under State or local law for the eviction of the tenant. Additional information can be found in the Model Lease: HUD 811PRA Model Lease.

REASONABLE ACCOMMODATIONS

A "Reasonable Accommodation" is a change, exception, or adjustment to a rule, policy, 811PRActice, or service that may be necessary for a person with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces. Since rules, policies, 811PRA practices, and services may have a different effect on a person with a disability than on other persons, treating a person with a disability exactly the same as others will sometimes deny them an equal opportunity to use and enjoy a dwelling.

Parts of this Section have been adapted from the US Department of Justice – Department of Housing and Urban Development Joint Statement on Reasonable Accommodations under the Fair Housing Act.

With certain limited exceptions, all privately and publicly owned housing, including housing subsidized by the federal government or rented through the use of the 811PRA, is required to provide Reasonable Accommodations.

Several federal laws including the Fair Housing Act (FHA), Section 504 of the Rehabilitation Act of 1973 (504) and the Americans with Disabilities Act (ADA) Title II and III require O/As to provide Reasonable Accommodations. The 811PRA Guidelines also require O/As to comply with these laws and regulations.

O/As are not required to always provide the requested accommodation. To show that a requested accommodation may be necessary, there must be an identifiable relationship or nexus between the requested accommodation and the individual's disability. O/As may deny an accommodation if there is no disability-related need for the accommodation.

In addition, a request may be denied if providing the accommodation is not reasonable - i.e., if it would impose an undue financial and administrative burden on the O/A or it would fundamentally alter the nature of the O/A's operations. The determination of undue financial and administrative burden must be made by the O/A on a case-by-case basis involving various factors, such as the cost of the requested accommodation, the financial resources of the O/A, the benefits that the accommodation would provide to the requester, and the availability of alternative accommodations that would effectively meet the requester's disability-related needs.

When an O/A refuses a requested accommodation because they believe it is not reasonable, they are required to notify MSHDA and the requester and discuss whether there is an alternative accommodation that would effectively address the requester's disability-related needs without a fundamental alteration to the O/A's operations and without imposing an undue financial and administrative burden. If an alternative accommodation would effectively meet the requester's disability-related needs and is reasonable, the provider must grant it. An interactive process in which the housing provider and the requester discuss the requester's disability-related need for the requested accommodation and possible alternative accommodations is helpful to all concerned because it often results in an effective accommodation for the requester that does not pose an undue financial and administrative burden for the provider.

OWNER INQUIRIES

It is usually unlawful for a housing provider to (1) ask if an applicant for a dwelling has a disability or if a person intending to reside in a dwelling or anyone associated with an applicant or resident has a disability, or (2) ask about the nature or severity of such persons' disabilities.

O/As may, however, make the following inquiries, provided these inquiries are made of all applicants, including those with and without disabilities:

- An inquiry into an applicant's ability to meet the requirements of tenancy; and
- An inquiry to determine if an applicant is a current illegal abuser or addict of a controlled substance.

When an applicant or tenant requests an accommodation, the O/A is entitled to obtain information that is necessary to evaluate if a requested Reasonable Accommodation may be necessary because of a disability. If a person's disability is obvious or otherwise known to the provider, and if the need for the requested accommodation is also readily apparent or known, then the O/A may not request any additional information about the requester's disability or the disability-related need for the accommodation.

REASONABLE ACCOMODATION AND THE SCREENING PROCESS

Some 811PRA applicants will have criminal records, poor tenancy histories, and/or poor credit histories. Some O/As will screen out applicants with certain criminal background or tenancy histories. A reasonable accommodation of the policy may be requested if the applicant demonstrates that:

- Their history is disability related; and
- The situation/behavior is not likely to recur.

If these conditions have been satisfied, then a reasonable accommodation may be requested. It will be up to the O/A to determine whether they think the request is reasonable or not, and whether the applicant has provided a strong case that the behavior will not recur. An applicant may use the dispute resolution process if they think a reasonable accommodation should have been granted.

Part 4: Compliance & Monitoring

COMPLIANCE REVIEWS

MSHDA 811PRA staff will oversee the continued compliance with existing and new requirements added by the 811PRA.

Compliance reviews will occur at least every three years and may be conducted on-site or remotely through a desk review. If a property is under an existing monitoring schedule for another MSHDA program, these reviews may be done in conjunction with those compliance reviews.

Advanced written notice of on-site monitoring reviews will be provided prior to a visit. For more information on compliance reviews, see the 811PRA Compliance Monitoring Manual located here: MSHDA 811PRA Owner Documents.

All 81PRA-related items found online, including this Operating Manual, are considered compliance items. Timely communication and meeting deadlines also fall under compliance.

RECORD KEEPING & DOCUMENTATION

O/As must retain records in accordance with HUD requirements. Additional records and documentation related to the 811PRA must be made available to MSHDA and HUD upon request and maintained for a period determined by HUD Handbook 4350.3, as well as the RAC.

Please note: the retention requirements differ for the 811PRA and Low-income Housing Tax Credit. Exceptions to the record retention periods include:

- If any litigation claim, negotiation, inspection, or other action has started before the expiration of the required retention period, records must be retained until completion of the action and resolution of all issues which arise under it; and
- A date consistent with any other period required by federal or state law or regulation.

The full list of MSHDA and HUD documents that are required for the program can be found on the MSHDA 811PRA webpage.