

## Ohio 811 PRA Program Fact Sheet for Developers

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### Background

The Ohio 811 Project Rental Assistance (PRA) Program—hereafter referred to as the 811 program—is a project-based subsidy demonstration funded by the U.S. Department of Housing and Urban Development (HUD) designed to expand the supply of housing for extremely low-income, non-elderly individuals with disabilities while also making available appropriate supports and services under the Ohio Medicaid Plan. Subsidies are used to assist new and existing multifamily housing units that receive funding from the Ohio Housing Finance Agency (OHFA), most notably the federal Low-Income Housing Credit and HOME Investment Partnership programs.

### 9% Low-Income Housing Credit Proposals

#### New Affordability Pool

Developers competing in the New Affordability pool may earn five points by integrating 811 units within a 9% Low-Income Housing Credit proposal or enrolling 811 units in an existing project that was previously allocated Low-Income Housing Credits. Developers must submit a pre-approval letter confirming either the proposal project is electing to have 811 units or the developer is enrolling 811 units in an existing project that was previously allocated Low-Income Housing Credits. Pre-approval letters are due on January 12, 2018. OHFA will release pre-approval results on February 9, 2018. Proposals that incorporate 811 units must clearly and accurately identify those units on the Affordable Housing Finance Application (AHFA).

#### Preserved Affordability Pool

Developers competing in the Preserved Affordability pool may earn points towards preserving subsidies by participating in the 811 program. See the Eligible Properties section for more details on property requirements. Developers competing in this pool must also submit a pre-approval letter confirming the project is electing to have 811 units. Pre-approval letters are due on January 12, 2018. OHFA will release pre-approval results on February 9, 2018. Proposals that incorporate 811 units must clearly and accurately identify those units on the Affordable Housing Finance Application (AHFA).

For more information about competitive points, consult the Qualified Allocation Plan.

### Eligible Properties

Properties applying for funding through any OHFA program or existing properties with at least five housing units may be eligible to apply. Existing properties cannot have a use restriction for persons with disabilities or individuals over the age of 62. Existing properties with any form of long-term operating subsidy, such as a Section 8 contract, for the entire project cannot participate in the program. Partially-subsidized properties, however, are eligible as long as 811 funding is used to support other units in the property without subsidies. Additionally, no more than 25 percent of the total units in the project can be allotted for individuals with disabilities, regardless of whether or not the units receive rental assistance. Units in this program are floating and can consist of a mix of accessible units for those persons with physical disabilities and non-accessible units for those

without physical disabilities. Preference will be given for one-bedroom program units; two-bedroom units may be considered if justified by demand.

### HUD Property Requirements

As a HUD-funded demonstration, the 811 program shares many similar features with other HUD programs. A highlight of key program requirements for projects in the development stage follows:

- All developments are subject to Section 504 of the Rehabilitation Act of 1973 as implemented in [24 CFR §§ 8.22-8.33](#). For new construction projects, at least five percent of all units or one unit—whichever is larger—are required to be accessible for individuals with mobility impairments and an additional two percent of all units or one unit—whichever is larger—are required to be accessible for persons with a hearing or vision impairment. Developments in the 811 program can consist of a mix of accessible and non-accessible units; 811 units, specifically, are not required to be 504-compliant.
- If 12 or more 811 units are included in the project, Davis-Bacon prevailing wage rates in accordance with the Davis-Bacon Act as implemented through [40 USC § 3141](#) apply. Properties in which construction has fully concluded prior to submitting an [Invitation to Apply \(ITA\)](#) are not subject to Davis-Bacon.
- An environmental review similar to a Phase I Environmental Assessment (ESA) is required of all new and some rehabilitation developments. If at the time a project applies for 811 assistance the project is under construction or being rehabilitated, the project shall be subject to 811 environmental review requirements in [§ PRA.215](#) applicable to new construction or rehabilitation if the work has not progressed beyond a stage of construction where modifications can be undertaken to avoid the adverse environmental impacts addressed by the requirement. Existing properties that are currently HUD-assisted or HUD-insured and will not engage in activities with physical impacts or changes beyond routine maintenance activities or minimal repairs are not required to comply with the 811 environmental review. If a previously-conducted Phase I ESA complies with the most recent ASTM E-1527 standards and was prepared within the Phase I continuing viability timeframe for the acquisition of the property or real estate transaction for the property, the Phase I ESA is acceptable.
- No new construction project can be located in the mapped 500-year (.02 percent annual chance flood hazard) or 100-year floodplain (1 percent annual chance flood hazard) according to [FEMA's Flood Insurance Rate Maps \(FIRM\)](#). Existing structures may be located in such an area, as long as sites are not located in coastal high hazard areas (V Zones) or regulatory floodways and the requirements of [§ PRA.215 \(6\)](#) are met.
- The Lead Safe Housing Rule as implemented through [24 CFR 35 Subparts B, H, and R](#) applied to projects built before 1978 when a child age six or less resides or is expected to reside in such housing.

### Owner Requirements

#### Pre-Approval

Owners must first submit an Invitation to Apply, which is jointly reviewed by the Office of Planning, Preservation, and Development and the Office of Program Compliance. Approved projects that have completed the aforementioned environmental review process will sign the Agreement to Enter into a

Rental Assistance Contract (ARAC), which details the owner's commitment to participate in the program and enter into a full Rental Assistance Contract upon completion of the project.

### Pre-Lease Up

Once the project places in service, owners will enter into a 20-year [Rental Assistance Contract \(RAC\)](#) with OHFA, describing the monthly rental assistance payments and vacancy payments amounts, if applicable. The first five years of the RAC are guaranteed under the contract, with annual renewals after the five-year period subject to Congressional appropriations. Owners must also sign a [30-year use agreement](#) restricting the determined number of 811 assisted units to be available for eligible households. If Congress fails to appropriate funds for the 811 program beyond the five-year guarantee, HUD will not require OHFA to enforce the use agreement covered under a RAC.

### After Lease-Up

The owner is responsible for all management functions, including the acceptance of eligible applicants referred by the Ohio Department of Medicaid (ODM) to determine eligibility with the owner's OHFA-approved tenant selection plan. To learn more about the referral process, review the [811 Tenant Selection Plan](#). The owner is responsible for obtaining and verifying information of eligible families in accordance with the [HUD Handbook 4350.3](#), obtaining and verifying income through [Enterprise Income Verification \(EIV\)](#) and ensuring income eligibility. The owner must also reexamine and verify household income and composition, determine and collect tenant rent, perform all management repair and maintenance functions, and replace capital items as needed. Rental assistance payments will be made on a monthly basis following the owner's electronic submission through HUD's [Tenant Rental Assistance Certification System \(TRACS\)](#). The owner is not responsible for providing supports and services specifically for 811 tenants; these are provided through the Ohio Medicaid Plan.

### More Information

For additional information, please visit OHFA's [Ohio 811 PRA Program Web site](#), e-mail your questions to [811Program@ohiohome.org](mailto:811Program@ohiohome.org). You may also contact the 811 Coordinator or Program Manager below for assistance:

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