



Missouri Housing
Development Commission

A Guide to Missouri 811 for Property Applicants

Monica Propst-Medeiros, HUD Program Administrator | September 2022

MHDC.com

Missouri 811 Program Overview

U.S. Department of Housing and Urban Development (HUD) funding Project-Based Rental Assistance (PRA) of Section 811— Supportive Housing for Persons with Disabilities.

- **Program Purpose:**

- Identify, stimulate, and support innovative state-level strategies that will transform and increase permanent housing for Extremely Low-Income persons with disabilities.
- Support collaboration between State Housing Agencies and State Health and Human Service and/or Medicaid Agencies to ensure adequate services for potential Missouri 811 tenants.

Missouri Housing Development Commission (MHDC) has entered into a Cooperative Agreement with HUD to administer \$1,389,252 in Missouri 811 funds.

- **Funds can only be used for:**

- Project-based rental assistance.
- *Cannot be used to fund any development costs.*

Application Instructions

- Grant Interface can be accessed at the following link: <https://www.grantinterface.com/Home/Logon?urlkey=mhdc>
- Applicants will need to log in or create a Foundant account. Once logged in, applicants will need to select “Apply” in the header, and then select “Missouri 811 Property Application” from the list of MHDC program applications.
- All required questions on the application will need to be completed, and answered accurately.
- Grant components include:
 - Program Overview
 - Property Information
 - Resident Information
 - Missouri 811 Specific Requirements
 - Service Coordination (If Applicable)

Application Instructions (cont.)

- The following attachments will be required:
 - Rental Unit Worksheet*
 - Tenant Selection Plan/ Tenant Screening Policy
 - Property Photos & Community Map
 - Most Recent 3-Years of Audited Financial Information

*Found at: <https://mhdc.com/programs/hud-programs/section-811-pra/>

Eligibility – Multifamily Properties

Eligible:

- Eligible properties must have financing commitments from LIHTC and may include HOME, or any other federal, state, or local program.
- Development costs can have been paid with any public or private resources *except* for Section 202 or Section 811 Capital Advances.

Not Eligible:

- Projects/units already receiving long-term operating subsidies (such as project-based Section 8).
- Senior-restricted units.
- Units whose use is already restricted to persons with disabilities.

Eligibility – Existing Units

Eligibility Requirements:

1. The property must have been awarded federal LIHTC by MHDC.
2. The property must have applied and qualified for at least one of the below priorities in the QAP under which the applicant was awarded LIHTC funding:
 - Special Needs Housing - implemented in 2011 and included all vulnerable populations under “special needs” category.
 - Service Enriched Housing –implemented in 2009.
 - Set-Aside Preferences – Special Needs Priority – implemented in 2017.
 - Set-Aside Preferences – Vulnerable Persons Priority – implemented in 2017
 - Independence-Enabling Housing Units (IEH) Priority – implemented in 2017.
 - Veteran’s Housing Priority – implemented in 2017.
4. All buildings in the associated properties must have already placed-in-service and development must have been issued 8609s from MHDC.
5. The property must be multifamily and not be restricted to elderly residents (age 62 and over).

Eligibility – Existing Units (cont.)

Eligibility Requirements (cont.):

6. The property must not have occupancy preference for persons with disabilities or more than 25% of the total units used for supportive housing for persons with disabilities.
7. Units must meet the program criteria for unit integration and accessibility.
8. The property must be willing to meet all requirements set forth by HUD to insure eligibility for Section 811 PRA funds.
9. Owner, property management company, and affiliates must be in good standing with MHDC.
10. The property must be actively fulfilling all requirements mandated by qualifying for one or more of the aforementioned QAP priorities.

Eligibility – Tenants

PRA funds can only be provided to support units for **Extremely Low-Income (ELI)**, disabled households.

- **Disability:** Within the household there must be at least one individual between ages 18 and 61 with a disability who is eligible for community-based, long-term services such as those provided through Medicaid waivers.
- **Income:** Total annual household income cannot exceed 30% of the Area Median Income (AMI).
- **Target Population:** Missouri 811's Target Population are those individuals who are currently institutionalized or at risk of becoming institutionalized *OR* individuals who are currently homeless or at risk of becoming homeless.

Program Requirements

- **Rental Assistance Contract (RAC):** Contract between the Grantee and the owner of the Multifamily Property with the assisted units. Initial term is 20 years plus renewals.
- **Initial Funding and Renewals:** HUD has provided funding for the first five years. Subsequent funding will be based upon annual appropriations.
- **Use Agreement:** The eligible property must have a minimum 30-year use restriction for extremely low-income persons with disabilities.
- **Model Lease:** The eligible property owner must enter into a lease with the eligible Missouri 811 tenant using HUD's form "HUD-92236-PRA".
- **Other Program Requirements.**
 - Affirmatively Further Fair Housing
 - Davis-Bacon (only applicable for 12 or more units)
 - Environmental Requirements
 - Compatibility with Supportive Services
 - Community Integration

Implementation Plan

- MHDC will fund approximately 35 units during five-year program
- Tenant Characteristics
 - Targeting persons recently released from an institution or at-risk of institutionalization
 - Likely tenant characteristics:
 - a. Be an individual;
 - b. Likely occupy a one-bedroom unit;
 - c. Have Medicaid as the only source of income.
- Geographic Distribution
 - 20% - Kansas City Metropolitan Area
 - 30% - St. Louis Metropolitan Area
 - 50% - Out-state (balance of counties in Missouri)

Implementation Plan – Timeline

Timeline

- Initial review of applications will begin approximately four (4) weeks from the release of the Missouri 811 Notice of Funding Availability (NOFA).
- Initial awards of funding made approximately twelve (12) weeks from release of NOFA.
- NOFA will remain active and will accept applications on a rolling basis until all funds targeted for this initiative are committed or one (1) year (whichever happens first).
- If funds that are initially targeted towards Existing Developments are not targeted after one (1) year, then remaining funds will be targeted toward New Construction / Rehabilitation.

Implementation Plan – Application Review

MHDC will individually review each application and make determinations regarding whether the property meets the minimum criteria.

- MHDC will assess:
 - Suitability for the program due to its geographical location,
 - Ability to provide appropriate services and current stability.
 - Property compliance and recent inspections at the property to determine if there are any issues at the property that would limit its ability to properly implement 811 requirements, including but not limited to: uncorrected physical deficiencies or inadequate management practices, and historical occupancy rates.
 - Whether the property has any reporting-related noncompliance, financial concerns, or other issues that would deem the property, owner, or management agent unqualified for the 811 PRA funds.

Implementation Plan – Rent

- Initial contract rents will be *proposed* at the time of application by the developer.
- Initial contract rents will be *set* when entering into a final contract with the ownership or development entity.
- During application underwriting, rents will be underwritten to ensure the rents to do not exceed
 - Missouri 811 limits: Total Tenant Payment (TTP) cannot exceed 30% of tenant's income, and should include rent and utility allowances.
 - Fair Market Rents (FMR).
 - Any other applicable program rent restrictions (the rent should be substantiated by the included market study.)
- Annual rent adjustments will be made following HUD's Operating Cost Adjustment Factor (OCAF) unless another method determined and approved by HUD.
- The process for rent increase for Missouri 811 units will depend on income variation at the time of recertification (which must occur at least annually).

Roles & Responsibilities

- **MHDC:**
 - Property Selection
 - Training and Technical Assistance for Owners/Property Managers
 - Program Management
 - Rental Payments

- **DSS/DMH:**
 - Tenant Referral Process
 - Service Providers

- **Owners/Property Managers:**
 - Tenant Selection
 - Dispute Resolution
 - Program Compliance

Resources & Program Materials

- MHDC Missouri 811 Program Page
 - <https://mhdc.com/programs/hud-programs/section-811-pra/>
- HUD Section 811 PRA Program Page
 - <https://www.hudexchange.info/programs/811-pra/>
- HUD 2019 Section 811 PRA NOFA
 - https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingopps/fy19_section811_rentalasssitance
- Missouri Money Follows the Person Program
 - <https://dss.mo.gov/mhd/general/pages/mfp.htm>



Missouri Housing
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For all questions and/or comments regarding the Missouri 811 program, please contact:

Monica Propst-Medeiros
HUD Programs Administrator
Missouri Housing Development Commission
920 Main Street, Suite 1400
Kansas City, MO 64105
Phone: 816-782-8069
Email: m.propst-medeiros@mhdc.com

MHDC.com