



Proposed California Section 811 PRA Round II Program Design

DRAFT for Discussion

Design Feature

Target Population Definition

- All persons must be eligible for MediCal, and eligible for MediCal Home and Community Based Waiver services (1915 (i) or 1915 (c)), specialty mental health services, (Rehabilitation Option) or other State Plan services (for example, IHSS)
- All persons must be at least 18 years old, but not more than 61 year old at the time of initial occupancy of a Section 811 PRA unit.
- In addition, they must meet either of the following:

Homeless

Homeless definition as defined by HUD. Must be literally homeless.

(Other project funding sources targeted to homeless will typically use HUD's definition at 24 CFR [576.2](#) which excludes persons who have resided in institutions for more than 90 days.)

Non-Homeless

- Have resided in an institution for more than 90 days with MediCal paying for at least one of those bed nights

Examples Include: Nursing Facilities, Developmental Centers, Hospitals, Institutes for Mental Disease (IMDs), ICF-DD habilitation facilities, and other types of Intermediate Care Facilities

OR

- Are at risk of entering an institution due to current housing instability



Design Feature	Homeless	Non-Homeless
<p align="center">Tenant Referral Process</p> <p>For all populations MediCal eligibility, waiver eligibility/MediCal funded support services will be determined by DHCS or Regional Centers, except for Rehab Option services which will be assessed by LA DMH</p>	<p>Tenants meeting the Homeless eligibility criteria above will be referred to eligible Section 811 projects through the LA Homeless Coordinated Entry system (CES)</p> <p>Prioritization for housing will be based on the person's VI-SPDAT score, or other assessment instrument currently in use by CES</p> <p>Projects serving Homeless with Section 811 or PHA assistance will receive referrals of eligible tenants from CES within 15 days of notifying CES of the availability of a unit. These projects must enter all information related to their Section 811 and PHA units into HMIS</p> <p>If an eligible Section 811 tenant cannot be placed in a unit 15 days of notification of unit availability, the owner can elect to fill that unit with a non-Section 811 tenant. In these instances, the Section 811 assistance will be applied to another unit once an Section 811 tenant is available</p>	<p>Tenants meeting the Non-Homeless eligibility criteria above will be referred to eligible Section 811 projects through a Tenant Referral Organization:</p> <ul style="list-style-type: none"> • DHCS CCT Provider • Regional Center • LA County DMH for non-homeless persons with mental illness as a primary diagnosis <p>Methods of Tenant Referral:</p> <p>1) <u>TRO to project at the project level:</u></p> <p>Persons exiting institutions will receive priority. If there is no one from an institution ready to move in by a specified time period, the method of prioritization for housing among the other non-homeless subpopulations. and the time period for referral, will be pursuant to the terms of an MOU between the Project Owner/Developer, CCT Provider, Regional Center, and LA DMH</p> <p>(For example, first-come first-served, lottery, alternating referrals, etc.)</p> <p>2) <u>Possible future use of CES</u> using the SPDAT for Institutionalized Populations (not yet available), or other modified instrument</p>



<i>Design Feature</i>	<i>Homeless</i>	<i>Non-Homeless</i>
<p data-bbox="239 305 827 375"><i>Unit Split Between Homeless and Non-Homeless</i></p> <p data-bbox="195 415 871 558">Numbers are approximate depending on the availability of funds. A standard per-unit amount will be used to determine the approximate dollar-split between the two pools</p>	<p data-bbox="940 305 1262 407">62 units of Section 811 rental assistance &</p> <p data-bbox="917 415 1285 558">150 units of PHA Project-Based Assistance (100 from HACLA and 50 from HACOLA)</p>	<p data-bbox="1367 305 1871 337">186 units of Section 811 assistance</p> <ul data-bbox="1367 383 1913 743" style="list-style-type: none"> <li data-bbox="1367 383 1808 415">• 62 units for institutionalized <li data-bbox="1367 456 1913 558">• 62 units for Non-Homeless developmentally disabled at risk of institutionalization <li data-bbox="1367 602 1898 743">• 62 units for Non-Homeless at-risk of institutionalization whose primary diagnosis is a mental illness <p data-bbox="1356 789 1902 894"><i>The MI units in this pool may float over to Homeless Pool depending on individual tenant need/qualifications</i></p>

DRAFT



Design Feature	Homeless	Non-Homeless
<p>Eligible Section 811 Projects</p>	<ul style="list-style-type: none"> • Project must be a multifamily project located in LA County that has or is proposing use of development financing from TCAC, HCD, or CalHFA • A minimum of five PRA units must be requested (Projects also using PBVs need a minimum number of PBV units (e.g. 10-15)) • No more than 25% of a project’s total units may provide a regulatory preference or restriction to persons with disabilities, from any source. <u>Exception:</u> PBV Section 811 units with no other Section 811 PRA funds in the project • Project must be located in an area that offers access to appropriate services, accessible transportation and commercial facilities to ensure greater integration of persons with disabilities into the broader community • Project Owner or Developer must have experience with TRACS/project based Section 8 HAP contracts, and must have owned or developed at least one special needs project • No Section 8 PRAC or HUD 202 project operating subsidy in the six months prior to receiving Section 811 PRA Assistance • Individual units may not have received any form of long term operating subsidy in the last six months that functions like Section 8 assistance (no supplantation). <u>Expiring assistance ok. Locally-financed assistance ok, (i.e. Flexible Subsidy Pool).</u> • Projects must demonstrate ability to meet HUD’s rent-up deadline and federal overlay requirements. State will be responsible for ensuring compliance with HUD federal overlay requirements per the Section 811 NOFA applications received, (e.g. fair housing, environmental, Davis Bacon) 	<p>Same as with Homeless</p>



<i>Design Feature</i>	<i>Homeless</i>	<i>Non-Homeless</i>
<i>Rent up Deadline for Section 811-assisted units</i>	Five Years from State’s execution of Cooperative Agreement with HUD	Same as with Homeless
<i>Take-Back Provision</i>	50% of units under project RACs must be occupied by Year 3 of their RAC, or consider reallocation to other projects, or other target population pools, if necessary	Same as with Homeless
<i>Section 811 PRA Assistance Contract Rent</i>	50% AMI TCAC rent for the project units based on Placed-in-Service date	Same as with Homeless
<i>LA Flexible Subsidy Pool Funds</i> <i>Contract rent is FMR; assistance is administered by the Housing for Health Program</i>	Can be used: <ul style="list-style-type: none"> • in conjunction with Section 811 assistance on the <u>same unit</u> to bring the total contract rent up to FMR; however, the HUD Section 811 contribution cannot exceed the 50% AMI contract rent • on <u>non-Section 811</u> assisted units in a project to help offset lower rents on the Section 811 units 	Same as with Homeless
<i>PHA Vouchers Dedicated to Section 811 Program</i> <i>Contract rent is FMR; assistance is administered by the PHA</i>	Can be used : <ul style="list-style-type: none"> • in projects also receiving Section 811 assistance on other units (<u>Cannot</u> be used on the same units as Section 811) • in an affordable project <u>not</u> receiving Section 811 assistance. PRA 25% rule does <u>not</u> apply in this instance 	Cannot be used for Non-Homeless



Project Solicitation

(1) An over-the counter stand-alone NOFA issued by the State

- Pair Section 811 assistance with Flexible Subsidy Pool for higher contract rent on homeless units, and/or
- Structure projects with mix of homeless and non-homeless Section 811 units, with homeless units offering the higher FSP or PHA rent

(2) PHA NOFAs offering both PHA and Section 811 assistance

- Because PHAs and CCT providers prefer or require a minimum number of units per project, and because of the 25% cap on the number of units restricted to persons with disabilities, this may only work for large projects of 80 or more units.
- DD units are more feasible within PHA assisted projects because DD support services may be provided in fewer units per project

(3) Other LA agencies may provide incentives or priorities for use of Section 811 assistance

- LA County Department of Mental Health may provide priority for projects proposing use of Section 811 with MHSA capital funds.