

## Section 811 PRA NOFA

### Webinar Questions and Answers

#### **1. Clarify the restriction on NOFA page 9 regarding long-term operating subsidies.**

HUD's limitation that no PRA units shall receive any form of long-term operating subsidy within a six-month period prior to receiving PRA funds is intended to limit PRA funds to units that do not have existing project-based rental assistance similar to Section 8 where a tenant is paying 30% of their income for rent. If a unit has project-based rental assistance that already makes a unit affordable to tenants, grantees cannot replace that assistance with PRA assistance. This restriction does not apply to other forms of operating assistance which apply to projects as a whole and are not sized based on a tenant's income, such as reserve established to cover operating shortfalls due to vacancies.

#### **2. Can PRA funds be used in HCD RHCP-O projects?**

PRA funds may be used on units not currently receiving RHCP-O assistance, and on units where the RHCP-O operating subsidy has expired at least six months prior to receiving PRA funds. The project must meet all PRA requirements, including but not limited to the following. (a) Existing or new tenants receiving PRA rental assistance must meet the PRA target population requirements. (b) No more than 25% of the project's units can receive PRA funds or have an occupancy preference or restriction to persons with disabilities (c) Rents on PRA-assisted units will be capped at the TCAC 50% AMI level using the TCAC current-year published 50% AMI Rent and Income Limits for projects Placed-In-Service prior to 12/31/08. See <http://www.treasurer.ca.gov/ctcac/compliance.asp> for more information.

#### **3. Clarify whether PRA can be used in MHSA projects.**

PRA funds can be used on non-MHSA units in MHSA projects as long as the project does not restrict all units to persons with disabilities and the total of the MHSA and PRA-assisted units does not exceed 25% of the project's units. All other PRA requirements must also be met, as noted above.

**4. If project units are currently receiving any form of operating subsidy or rental assistance, should the type and source of this subsidy be provided on the application form?**

Yes. Information on the type of subsidy (e.g. project-based or tenant-based rental assistance, capitalized operating reserve) and the source of funds for the subsidy (e.g. Section 8, State MHSA, State RHCP-O, local subsidy, etc.) should be provided either on the “Project Information” or “Financing Sources” Tabs of the Excel Workbook so that the impact of this subsidy on the provision of PRA assistance can be evaluated.

**5. Clarify the application of the 25% restriction.**

By statute, no more than 25% of a project’s total units may (a) receive PRA funds, or (b) be restricted to persons with disabilities, regardless of the source of that restrictions, or (c) have an occupancy preference for persons with disabilities. Below are some examples of how this restriction might be applied.

**Scenario 1:** Project has 100 units. Project has no other occupancy preference for persons with disabilities and has no use restrictions limiting the project to persons with disabilities. As a result, project owner may devote 25 units (25% of 100) to purely 811 PRA units.

**Scenario 2:** Project has 100 units with no use restriction limiting the project to persons with disabilities. Owner happens to have an occupancy preference for persons with disabilities (with no cap). Project has no use restrictions limiting the project to persons with disabilities. As a result, the project owner can still, under certain circumstances\*\*, maintain its occupancy preference and still operate 811 PRA units in its building simultaneously, but it will be subject to a 25% to be compliant with the terms of the 811 PRA program.

\*\* The term “under certain circumstances” is used because if the owner received from the grantee 25 units of PRA, it functionally can no longer maintain its preference for persons with disabilities for its non-811 PRA units since the 25% cap is reached. However, if the owner received 10 units of

811 PRA, and the 25% cap is 25, then the owner would still be allowed to maintain its preference to fill at a maximum 15 non-811 PRA units.

**Scenario 3:** Project has 100 units with no use restriction limiting the project to persons with disabilities. Owner has an occupancy preference for persons with disabilities, for up to 50% of the units in its building. Owner wants to participate in the 811 PRA program. The owner must modify its preference policy to 25% because those admitted under the owner's occupancy preference for persons with disabilities plus those admitted under the 811 PRA program may not exceed 25% of the total units in the building.

**Scenario 4:** Project has 100 units with no use restriction limiting the project to persons with disabilities. Owner has an occupancy preference for persons with disabilities for up to 10% of the units in its building. Owner wants to participate in the 811 PRA program. The owner's threshold is within 811 PRA limits. However, with a 10% preference for persons with disabilities in place, the owner would only be allowed a maximum of 15 additional 811 PRA units in the building (10 occupancy preference units plus 15 811 PRA units would equal 25 units, which is 25% of a 100 unit project).

**6. What documentation is required from the TRO to determine if a person is at risk of returning to an inpatient facility in order to qualify for PRA assistance?**

A) Documentation that the at-risk individual is currently enrolled in a MediCal Home and Community-Based Waiver Program or State Plan Service, such as IHSS; and

B) An explanation from the individual's social worker or waiver program nurse which explains: (i) why the individual is at-risk of losing their housing and (ii) that if that individual were to lose their housing, due to their medical needs, they would have no other housing alternatives available to them except to be admitted to a skilled nursing facility, intermediate care facility, or other long-term care facility.

This documentation must be verified by DHCS as part of the CCT Program eligibility process, prior to the individual's receipt of PRA assistance.

## **7. What resources are available for program marketing materials?**

TROs are required to do special outreach (Affirmative Marketing) to underrepresented groups, as determined through completion of the Affirmative Marketing Form, as well as outreach to their general PRA target population. All CCT/PRA Program advertising and outreach must be in formats that are accessible for persons with disabilities and that ensure meaningful access for persons with Limited English Proficiency (LEP). For persons with LEP, this may include conducting advertising and outreach in languages other than English.

If the CCT Provider or Regional Center does not already have CCT Program materials in formats accessible to persons with visual impairments and persons whose primary language is not English, DHCS may be able to make such materials available to CCT and Regional Center transition coordinators in the coming months. Program materials can also be translated as necessary through the assistance of a translation service.

Note that HUD and State of California Fair Housing posters which must be displayed at the project leasing offices are available in different languages and formats at: [DFEH Publications](#) and [HUD Fair Housing Poster](#).

See [PRA Marketing Requirements](#) for more information on program marketing requirements.

**8. Clarify PRA environmental review requirements.**

<b>Project Type</b>	<b>Submit with PRA Application</b>
Existing projects with HUD funds or HUD insurance	Authority to Use Grant Funds and Notice of Completion
Existing projects with no HUD involvement and All projects for which construction or rehabilitation is not yet complete at time of application for PRA funds.	<p>1. Letter from Project Owner or Phase I preparer certifying to the absence of the conditions set forth under 1.a. on NOFA p.17</p> <p>OR</p> <p>Phase I Report, ASTM 1527-05 or later edition, and Phase II if necessary</p> <p><u>AND</u></p> <p>2. Applicable environmental review documentation on pp. 18-23 of the Application (beginning with Historical Consultation)</p>

**Note:**

**1) Projects with no federal development financing for which construction or rehabilitation is underway must wait until completion of this activity to apply for PRA funds.**

**2) Existing projects constructed prior to 1978 may be subject to federal Lead-Based Paint requirements discussed on pp. 21-22 of the NOFA.**

**9. Are PRA funds subject to additional Part 50 federal environmental requirements?**

If the analysis done pursuant to the requirements above indicates a potential environmental problem with the site, additional documentation may be requested to assess the viability of the site. No additional environmental assessment or public noticing under Part 50 is necessary unless required as part of a remediation plan. In order to receive PRA funds, any required remediation must be capable of being completed so that an environmental clearance can be issued by the State in sufficient time to enable all PRA units to be occupied by June 2016.

**10. What is the suggested term of the Memorandum of Understanding (MOU) between the Project Sponsor and the TROs?**

The suggested initial term of the MOU is seven (7) years. This will obligate all parties through the initial rent-up period and the first five year term of the rental assistance, should there be PRA tenants that move out during this initial five-year term. The parties should renew the MOU as necessary following this initial term to ensure that additional PRA tenants can be found as other PRA tenants leave over the course of the 20-year term of the PRA Rental Assistance Contract (RAC). Note that HUD's expectation is that the PRA RAC will be renewed at the end of the first 20 years.

**11. What is the Davis-Bacon trigger for projects with two or more sources of federal funds?**

In projects for which construction or rehabilitation is underway at the time of application for PRA funds, Davis-Bacon will be triggered if any one federal funding source is supporting more than 11 units. However, if no federal funding source has more than 11 units, (e.g. HOME 7 units and PRA 5 units), Davis-Bacon requirements are not triggered. (The numbers from each source do not get added together.)