



**Wisconsin Housing and Economic Development Authority (WHEDA)  
Section 811 Project Based Rental Assistance Program (811 PRA)**

December 16, 2015

The Wisconsin Housing and Economic Development Authority (WHEDA) has partnered with the State of Wisconsin Department of Health Services (DHS), and are seeking applications from owners of properties in Wisconsin who wish to participate in its 811 PRA program, by providing rental housing units for WHEDA's 811 PRA initiative.

The Section 811 Project Rental Assistance (PRA) program provides project-based rental assistance for extremely low-income persons with disabilities linked with long term services. The Section 811 PRA program creates the opportunity for persons with disabilities to live as independently as possible through the coordination of voluntary services and providing a choice of subsidized, integrated rental housing options. Their primary barrier to returning to the community or remaining in the community is lack of suitable and affordable housing.

The target population must:

- Meet functional and financial eligibility for Medicaid Home and Community-Based Waiver Services:  
AND
- Be relocating from a nursing home or institution.  
OR
- Provide documentation of the loss of housing or the substandard quality of such current housing.

Each participant in this targeted group must be eligible to receive services through one of the following Medicaid Home and Community-Based Waiver programs: Family Care, Family Care Partnership, IRIS (Include, Respect, I Self-Direct), Community Options Program (COP-W)/Community Integration Program (CIP-W) Waivers, Children's Long Term Support (CLTS) Waivers, Community Options Program.

Owners wishing to participate in the 811 PRA program, may propose existing housing units or units being renovated or constructed, or to be renovated, that can be brought on line within the next twelve months. Owner will enter into a twenty year Rental Assistance Contract with WHEDA and a thirty year Use Agreement. Owners may submit applications at any time prior to the maximum units available having been placed under contract. WHEDA will review and evaluate applications as they are received and will notify the Owner within a reasonable time of acceptance or rejection of application. Applications can be found at:

<http://www.wheda.com/BusinessPartners/PropertyManagers/Default.aspx?id=131>

## **OVERVIEW**

PRA funds will be used as project-based rental assistance for Wisconsin Housing and Economic Development Authority (WHEDA) financed rental units, including Low-Income Housing Tax Credits (LIHTC) units. WHEDA will select the units to receive the PRA funds, based on date and time of accepted and approved application. The PRA funding will cover the difference between the rent the household can afford, paying no more than 30% of income for rent, and up to the fair market rent for the unit. WHEDA will operate the rental housing subsidy for participating properties.

WHEDA has partnered with the state's Medicaid agency and the Department of Health Services DHS. DHS administers a wide range of services to clients in the community and at state institutions, regulates certain care providers, and supervises and consults with local public and voluntary agencies. DHS has six divisions and two offices: The Division of Long Term Care (DLTC), the Division of Mental Health and Substance Abuse Services (DMHSAS), the Division of Quality Assurance (DQA), the Division of Public Health (DPH), the Division of Health Care Access and Accountability (DHCAA), the Division of Enterprise Services (DES), the Office of Policy Initiatives and Budget (OPIB), and the Office of Legal Counsel (OLC). The Division of Long Term Care (DLTC) is taking the lead for all of DHS for the Section 811 PRA Program. DHS will oversee the operations and administration of Wisconsin's health and human services system and provide direct administration of some programs. Case managers will monitor and ensure the implementation and adequacy of the service plan and maintain contact with participants in Section 811 PRA units.

WHEDA committed an admission preference for 140 Housing Choice Vouchers for the Section 811 target population. These housing vouchers will only be for the target population as defined under the program. The Housing Authority of the City of Milwaukee also committed an admission preference for 10 voucher for the Section 811 target population. If interested in learning more about these vouchers please contact Stefanie Elder at [Stefanie.elder@wheda.com](mailto:Stefanie.elder@wheda.com).

### **Program Eligibility Requirements**

In order to occupy a Section 811 unit, a person must meet the following eligibility criteria:

- Total Household Income must be at or below 30% of AMI
- Medicaid recipient (determined by Medicaid number)
- Disabled as defined for HUD 811
- 18 or over and below 62 years of age at time of lease up
- Not a lifetime registered sex offender
- Not engaged in drug-related or criminal activity

Eligible applicants will be informed of the availability of Section 811 PRA units through communication with referral resource agencies, who are also stakeholders in the project. Agencies can be local Aging and Disability Resource Centers (ADRCs), Managed Care Organizations (MCOs), county human/social services or community programs agencies, Independent Living Centers, IRIS Consultant Agencies and support service provider agencies. Existing staff from these agencies will be trained by DHS Point of Contacts to assess potential tenants for Section 811 units.

The non-profit organization Socialserve.com has designed a system to support the HUD Section 811 PRA Program process, which would function as an add-on to Wisconsin's existing online housing locator, [WIHousingSearch.org](http://WIHousingSearch.org). The **Prescreening, Assessment, Intake and Referral (PAIR)** system allows for prescreening of individuals for eligibility through an initial questionnaire, collecting more details of those who potentially qualify for continued assessment and intake onto a waiting list, then facilitating the matching and referral of qualified applicants to property providers with available units. If the applicant is potentially eligible, the referral resource worker can then complete the intake and the applicant will be matched with available units or placed on the waiting list pending the availability of an appropriate unit.

### **Eligible Applicants**

Eligible applicants means an extremely low-income person with disabilities between the ages of 18 and 62, and extremely low income families, which includes at least one person with a disability, who is between the ages of 18 and 62 at the time of admission. The person with a disability must be eligible for community-based, long-term care services as provided through Medicaid waivers, Medicaid state plan options, comparable state funded

services or other appropriate services related to the type of disability (ies) targeted under the Inter-Agency Partnership Agreement.

### **Eligible Multifamily Properties**

Eligible Multifamily properties means any new or existing property owned by a nonprofit, public or a private entity with at least 5 housing units. Financing commitments have been made by the eligible applicants or any housing agency currently allocating LIHTC under Section 42 of the IRS Code of 1986 or any state housing or state community development agency allocating and overseeing assistance under the HOME Investment Partnerships ACT (HOME) and/or any federal agency or any state or local government program. Development costs, if any, are paid with other public or private resources. Section 811 and Section 202 Capital Advances may not be used. Properties with existing use restrictions for persons with disabilities are not eligible, unless such PRA funds are being used to support other units in the building without such restrictions. Existing units receiving any form of long-term operating subsidy within a six-month period prior to receiving Section 811 PRA funds, such as assistance under Section 8, are ineligible to receive this assistance. In addition, units with use agreements requiring housing for persons 62 or older would not be eligible to receive Rental Assistance Payments.

Properties **must meet all of the HUD requirements** that are outlined in the HUD's Fiscal Year 2013 Notice of Funding Availability (NOFA) for Section 811 Project Rental Assistance Program. This document can be found at: <https://www.hudexchange.info/resource/3985/section-811-pra-fy-2013-2014-nofa/>.

### **Limitation on Units Assisted**

Eligible Multifamily Properties may only receive Section 811 PRA funds if the housing assistance does not currently have an existing use restriction or a contractual obligation to serve persons with disabilities. No more than 25 percent of the total units in the property can: 1) be used for supportive housing for persons with disabilities (either under the Section 811 PRA program or any other federal or state program); or 2) have any occupancy preference for persons with disabilities. These units must be dispersed throughout the property and must not be segregated to one area of a building (such as on a particular floor or part of a floor in a building or in certain sections within a project). Owners may designate unit types (i.e. accessible, 1-bedroom, etc.) rather than designating specific units to be set-aside for Section 811 PRA supportive housing units. This would allow for flexibility in offering the next available unit to a person with a disability under this program as long as the unit type was designated as being set-aside for persons with disabilities and the number of units occupied by persons with disabilities under the set-aside had not been met.

### **Environmental Review**

Existing properties that are currently HUD-assisted or HUD-insured and that will not engage in activities with physical impacts or changes beyond routine maintenance activities or minimal repairs are not required to comply with the environmental tenets. HUD Assisted properties that are not engaging in activities with physical impacts includes:

- FHA-mortgage insurance
- Federal mortgage interest subsidy
- Project based rental assistance such as PRAC
- HOME, CDBG, NSP
- Other HUD funding including HUD funds allocated through state and local jurisdictions

All non-Section 8 properties will be subject to an Environmental Review, owners submitting an application for participation in the 811 PRA program will be required to pay a \$250 fee at the time of application. The Environmental Review will be scheduled by WHEDA upon receipt of the completed Section 811 Application. This fee will not guarantee that there will be eligible applicants in the county that the PRA is being requested.

Upon completion and approval of the Environmental Review, owners will enter into a the Rental Assistance Contracts (RAC 20 year term) and Use Agreement (30 year term) with WHEDA, at that time the owners can enter their available units on WIHousingSearch.com. The RAC contract may be renewed if all parties agree to such renewal; however, funding under the terms of the contract will be subject to the availability of federal appropriations.

### **Approved Rent and Rent Adjustments**

Owners must clearly outline how rents will initially be established. Under no circumstances may the initial RAC rent level exceed the applicable Fair Market Rent (FMR) level as determined by HUD, unless such rent level is substantiated by a market study that has been prepared and reviewed in accordance with the requirements of Chapter 9 of HUD's Section 8 Renewal Guide. Rents can only be adjusted annually based upon HUD's Operating Cost Adjustment Factor (OCAF) or other operating cost index proposed by the Owner and approved by HUD.

### **Prescreening**

Staff at the local ADRC screens the applicant for disability and long -term care program eligibility. These systems are already in place as DHS holds standing contracts to provide services such as outreach, assessments, and referrals; the new Section 811 PRA program only requires the additional step of assessing an applicant for the need for supportive housing and utilizing the SocialServe PAIR system for prescreening and further application processing. ADRC staff are helpful in coordinating community-based long term services and supports for consumers once they are located in the community, training will be provided to ensure staff can help with housing maintenance as well as communicating vacancy information and new units. These staff members are also responsible for educating tenants about independent living options and helping to transition Section 811 applicants into PRA units.

### **SocialServe PAIR**

PAIR allows for prescreening of individuals for eligibility through an initial questionnaire, collecting more details of those who potentially qualify for continued assessment and intake onto a waiting list, then facilitating the matching and referral of qualified applicants to Section 811 PRA property providers with available units. The PAIR prescreening is a password-protected internet based questionnaire used by referral resource workers to quickly determine if their applicant is a good candidate for the Section 811 PRA program. PAIR will determine if the applicant's income qualifies in all counties of interest based on HUD income limits using household income and size. If the applicant is found potentially eligible, the social worker can then complete the intake and the applicant will be matched with available units that have been entered on WIHousingSearch.com. If a unit is not available, the applicant will then be placed on the waiting list pending an appropriate unit.

### **TRACS**

HUD's Tenant Rental Assistance Certification System (TRACS) is the HUD system that will be used to process voucher payments to Property Owners. Property owners will be required to ensure that tenant data is entered into TRACS. TRACS is a HUD computer system developed to help improve financial controls over assisted housing programs by automating manual procedures and incorporating automated controls.

Owners are required to follow all applicable requirements found in HUD Handbook 4350.3 REV-4, Hosting Notices, regulations, and statues.

### **Waiting List and Unit Availability**

WHEDA and DHS are designated managers of the waitlist. Staff can see all applicants in prioritized order and filter clients for matches with available Section 811 PRA units.

**DHS** will be responsible for directing all tenant related information during the matching process. This includes:

- Notifying the case manager of unit availability,
- Confirming with the case manager of the potential tenant's interest,
- Confirming eligibility of tenant and confirming the transition plan.

**WHEDA** will be responsible for directing all unit related information during the matching process. This includes:

- Verifying the lease packet has been sent,
- Confirming lease packet is signed,
- Referring the property manager, and
- Recording the chosen tenant.

The process of notifying matching clients, confirming eligibility, and referring the client to the property provider through eventual placement is tracked in the system and recorded for outcome reporting.

When a unit becomes available, the owner/management agent posts the unit information on the WIHousingSearch.com website, which feeds to the SocialServe PAIR system and initiates the matching process.

### **Prioritization of Referrals for Available Units**

Using current and accurate information at the time of referral, applicants on the waiting list with an "approved" status are prioritized for referral to available units based on:

- Matching of the applicant's indicated preference for location and size of unit with the available unit's location and size; and
- Date/time stamp of the application.

### **Referral of Applicants for Available Units**

WHEDA and DHS will refer up to 5 applicants if available for each available unit within one month after being notified that a unit will become available due to turnover, or approximately 6 months prior to initial leasing of a new unit. Owners/management agents will process the applicants and assign the units based on date/time stamp of the applications. WHEDA and DHS will take the following steps as part of making referrals for available units:

- a. Contact the case managers working with prioritized applicants to verify applicant interest in the available unit and confirm the current accuracy of the information in the waitlist.
- b. Confirm the applicant's continued eligibility and priority for referral based on current and accurate information and ensure waitlist is updated as needed.
- c. With applicants identified for possible referral, their case managers review tenant selection criteria for the unit, provide technical assistance regarding acquisition of documentation required for the property application, assist with determining the need for reasonable accommodations/modifications and assist with resolving any barriers to housing such as credit, rental history and criminal background.
- d. Notify the applicants and case managers that their completed applications are to be submitted to the owner/management agent within 2 weeks of the applicant being notified of unit availability.
- e. Proactively manage the application process to ensure that completed applications are forwarded to the owner/management agent as they are received, and that delays by an applicant in completing their application in a timely manner do not impact the referrals of completed applications by other applicants for the available units.

## **Selection of Tenants**

Owners/management agents will screen applicants based on the property's Tenant Selection Plan for the property, which shall comply with PRA requirements, including the Violence Against Women and Department of Justice Reauthorization Act of 2005 (VAWA). This may include completing a criminal background, credit check and rental history check. Owners/management agents will provide the results of the screening to applicants, WHEDA and DHS, and advise the applicant of their appeal rights. Owners/management agents will offer the unit to the approved applicant with the highest priority and/or first date/time stamp.

## **Reasonable Accommodation and Modification Requests**

Owners of properties with PRA units must comply with Section 504 of the Rehabilitation Act of 1973. See HUD Occupancy Handbook 4350.3, section 2-8 for more detail. WHEDA and DHS will assist the applicant and case manager with possible reasonable accommodation and/or modification requests. WHEDA and DHS will comply with legal and regulatory provisions concerning such requests, including applicable provisions of HUD Occupancy Handbook 4350.3. If it is determined that an applicant wishes to request a reasonable accommodation or modification, WHEDA and DHS assistance may include providing a possible template for making a request in writing, a summary of the Reasonable Accommodation and Modification Policy for the property and information regarding possible strategies for meeting the needs of the applicant. At no time will WHEDA and DHS interfere with the applicant's decision to request an accommodation or modification. If the applicant concurs, a request for a reasonable modification will be communicated to the property as soon as possible, ideally prior to completion of construction. A determination of whether the request will be accommodated will be made by the property owner/designee.

## **Leasing Packet**

The property owner/management agent of the unit enters into a HUD Section 811 PRA lease with the tenant. The packet may also include the names and information of the tenants' supportive service providers, family members, guardian or other representative who helps make decisions about their care; their MCO, county human service agency or IRIS Consultant; and the local ADRC. The purpose of this information is to link the tenant with those who can provide assistance to help preserve residents in the community. The applicant maintains their understanding that participation in services is voluntary through a written form that is read and signed by the applicant prior to occupancy in a Section 811 PRA Unit. The tenant may sign Releases of Information (RoI) for the owner/management agent to communicate with service providers, including on the RoI the information in which the entities can release to the owner/management agent. In order to ensure tenants' privacy and clear separation of housing and services, owner/management agents will not have access to specific disability information unless released by the tenant.

## **Non-selected Applicants**

Applicants who were not selected to lease the offered unit will be returned to the waitlist with the same priority status and date/time stamp. These applicants will be the first to be offered newly available units in the county in which they desire to live provided their then current information indicates that they remain eligible. DHS/case managers will ensure that the applicants are informed that they were not selected. Applicants should direct their questions to the DHS/case managers.

## **Refusing a Unit**

Applicants may refuse an offered unit. These applicants will return to the registry with the same priority status and date/time stamp. Should an applicant refuse 3 units, WHEDA and DHS will review the circumstances of each refusal. If it is determined that insufficient reasons led to refusing units, the applicant will be removed from the list. DHS/case managers will notify the applicant of the review process and determination. Applicants may re-apply at any time.

## **Dispute Resolution**

Dispute resolution should be handled initially by the owner/management agent, who will have contact information for tenants' supportive service providers, family members, guardians and other people who help the individual with making important decisions regarding their care through their lease agreement. This information will be utilized to assist individuals who require services in maintaining their homes to ensure services and supports are adequate for the individual and not for alternative purposes. In the event of a crisis, the landlord will contact these entities unless otherwise indicated by the tenant. The landlord will also contact DHS or WHEDA to assist in managing, tracking and reporting incidents and to help in resolving any issues needed to maintain tenancy.

## **Unit Transfer Policy**

With limited exceptions, transfers among units are not permitted and vacant units will be filled from the waitlist. A request for an exception to this policy shall be reviewed and approved by WHEDA and DHS, and requires a consensus. Exceptions shall be limited to situations that address a request for reasonable accommodation or for other emergency or significant housing or health need.

For further information regarding the Section 811 PRA program, please go to WHEDA.com and click on the following link: <http://www.wheda.com/BusinessPartners/PropertyManagers/Default.aspx?id=131>

There you will find the following:

- **FAQ's**
- **Application For Section 811 PRA**
- **Affirmative Fair Housing Marketing Plan**
- **Tenant Selection Plan**
- **NOFA for Section 811 Project Rental Assistance Program**
- **Cooperative Grant Agreement**
- **Interagency Partnership Agreement between The State of Wisconsin Department of Health Services (DHS) and The Wisconsin Housing and Economic Development Authority (WHEDA) & DHS**
- **Link to WIHousingSearch**

Applications and questions should be directed to [Tonya.Buchner@WHEDA.com](mailto:Tonya.Buchner@WHEDA.com) or [Connie.Martin@WHEDA.com](mailto:Connie.Martin@WHEDA.com).

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