



SECTION 811 SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES

Summary:

The Section 811 program provides grants to nonprofit organizations to develop and construct or rehabilitate rental housing with supportive services for very low-income persons with disabilities. The companion Mainstream Program awards funding for Section 8 rental vouchers and certificates to very low-income families whose head, spouse, or sole member is a person with a disability.

Purpose:

The Section 811 program allows persons with disabilities to live independently by increasing the supply of rental housing with supportive services and related facilities. The program also allows the sponsor to get project rental assistance, which can cover any part of the HUD-approved operating costs of the facility that is not met from project income. The program is similar to *Supportive Housing for the Elderly (Section 202)*.

Type of Assistance:

The Section 811 program grants interest-free capital advances for nonprofit sponsors to help them finance the development of rental housing with supportive services for persons with disabilities. The capital advance can finance the construction or rehabilitation of supportive housing. The advance is interest free and does not have to be repaid as long as the housing remains available for very low-income persons with

disabilities for at least 40 years.

The program also provides project rental assistance; this covers the difference between the HUD-approved operating cost per unit and the amount the resident pays-- usually 30 percent of adjusted income. A rental assistance contract can last up to 20 years and can be renewed if funds are available.

Each project must have a supportive services plan. The appropriate State or local agency reviews a potential sponsor's application to determine if the plan is well designed to meet the needs of persons with disabilities. Services may vary with the target population but could include items such as 24-hour staffing, in-unit call buttons, and planned activities.

The Mainstream program is supported by a setaside of up to 25 percent of annual appropriations. It provides which is used to support Section 8 rental assistance to help very low-income persons with disabilities live independently in the community.

Eligible Grantees:

Nonprofit organizations can apply to develop a Section 811 project if they can submit financial statements to HUD that demonstrate their ability to provide a minimum capital investment equal to 0.5 percent of the capital advance amount, up to a maximum of \$10,000. Owners must

maintain complete records and submit an annual financial statement to HUD, which also has the right to audit the records for compliance with HUD regulations. Any change of ownership during the 40-year period must be approved by HUD. The available program funds for a fiscal year are allocated according to factors that include the number of persons age 16 years or older with a work disability and those without a work disability.

Any public housing authority (PHA) established under State law can apply for up to 100 Section 8 rental vouchers or certificates under the Mainstream Program.

Eligible Customers:

The Section 811 program (including the Mainstream setaside) houses very low-income persons between the ages of 18 and 62 who have disabilities, including persons with physical or developmental disabilities or chronic mental illness and disabled families. The term "disabled family" may include two or more persons with disabilities living together, and one or more persons with disabilities living with one or more live-in aides. A disabled family may also include an elderly person with a disability.

Eligible Activities:

The Section 811 capital advances help nonprofit sponsors finance the development of rental housing with supportive services for persons with disabilities. The capital

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advance can finance the construction or rehabilitation of supportive housing. PHAs awarded Mainstream assistance have responsibilities under the Section 8 program, HUD regulations concerning nondiscrimination based on disability (24 CFR 8.28), and requirements to affirmatively further fair housing, and must:

- Upon request, help program participants access supportive services. However, the PHA may not require eligible applicants to accept supportive services as a condition of using the program.
- Identify public and private funding sources to assist participants in paying for modifications needed as a reasonable accommodation for their disabilities.
- Not deny rental assistance or restrict other housing opportunities to persons who qualify under this program, but who choose not to participate.
- Provide Section 8 search assistance to qualified applicants.

Application:

A Notice of Fund Availability (NOFA) is published in the Federal Register each fiscal year announcing the allocation of Section 811 funds to HUD Field Offices. For a schedule of NOFAs, see the <http://www.hud.gov>. An applicant must respond to this notice (or to a notice from the local Field Office) by submitting a Request for Fund Reservation (HUD Form 92016-CA). A State agency also reviews the supportive services plan (see above). Those

selected for funding must meet basic program requirements, including nonprofit status, financial commitment, and experience in housing or related service activities.

For the Mainstream Program Housing Agencies must complete and submit form HUD-52515, Funding Application, for the Section 8 rental voucher and certificate program (dated January 1996). Copies of this form may be obtained from the HUD Field Office or may be downloaded from the HUD home page on the Internet at <http://www.hud.gov>. The HUD NOFA explains other information needed to apply for the Mainstream Program.

Funding Status:

In fiscal year (FY) 1995, \$234 million was reserved for Section 811 capital grants and rental assistance for 2,321 units. The Mainstream Program provided an additional 1,750 Section 8 rental vouchers and certificates to PHAs during FY 1997 and is expected to add approximately 1,700 in FY 1998. The estimate for both grants and assistance for FY 1997 is \$435.8 million; and for FY 1998, \$174 million.

Technical Guidance:

This development program is authorized by Section 811, National Affordable Housing Act. Program regulations are in 24 CFR Part 890. The program is administered by the New Products Division of HUD's Office of

Multifamily Housing Development. Legislative authority for Mainstream funding is found in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (P. L. 105-65, approved October 27, 1997), which states that the Secretary may designate up to 25 percent of the amounts earmarked for Section 811 of the National Affordable Housing Act of 1990 (42 U.S.C. 8013) for tenant-based assistance, as authorized under that section. The program is administered by the Office of Public and Assisted Housing Delivery, telephone (202) 708-0477. For hearing- and speech-impaired persons, this number may be accessed by TTY by calling the Federal Information Relay Service at 1-800-877-8339 (toll-free).

For More Information:

To learn more about the Section 811 program, see *Section 811 Supportive Housing for Persons with Disabilities* (HUD Handbook 4571.2), which is available on the Internet at <http://www.hudclips.org>. Potential sponsors should contact the local HUD Field Office.

For details about the Mainstream Program, see the *Federal Register* FR-4224-N-01, entitled *NOFA Mainstream Housing Opportunities for Persons with Disabilities (Mainstream Program), Fiscal Year 1997*.

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