

Questions and Answers for

FY 2023 Section 811 Supportive Housing for Persons with Disabilities (Capital Advance) Notice of Funding Opportunity (NOFO)

Q1: Is this grant forecasted to be awarded again next year? If not, do you know when it will be released again? Because Capital Advance and PRAC funds are subject to the annual appropriations acts,, HUD does not have that information of when the next funding opportunity will be available. Any new funding opportunities available will be published on [Grants.gov](https://www.grants.gov).

Q2: To be eligible does a project application have to include both a request for Capital Advance and PRAC Rental Assistance?

Yes, applications must include the request for both Capital Advance and Project Rental Assistance Contract (PRAC). Applicants also must clearly indicate the number of units for which they are requesting PRAC assistance in the Project Development Plan.

Q3: Can a Continuum of Care’s collaborative applicant, which is also a Unified Funding Agency apply for funds and then administer to multiple projects within the geographic area, or does each project need to apply directly?

Eligible applicants are Sponsors or Co-Sponsors that are private non-profit organizations, as those term is defined in Section III.A.1 page 19 and who meet the requirements contained in Section III of the NOFO.

Q4: The applicant is the nonprofit applying not the developer, correct?

Applicants MUST meet the definition of an eligible applicant as defined in Section III.A.1 page 19 and the requirements contained in Section III of the NOFO.

Q5: Can an agency use an older underutilized property that they seek to renovate as the project for the HUD application?

Yes, capital advance funds can be used to finance construction, reconstruction, moderate or substantial rehabilitation, or acquisition of a structure with or without rehabilitation. Please see Section III, F.3A pages 28-29 of the NOFO for further information of how an applicant can use a Deed or long-term lease as evidence of site control requirement.

Q6: prior to applying for the Capital Advance, or just applied for, or can they be applied for leveraged funds after the Capital advance application to receive points?

Yes, to receive the points under Rating Factor 3: Commitment of Sources, Applicants must identify committed sources at the time of application. A commitment must describe the allowed uses of the funds and must provide the term for which the commitment is valid. Such term cannot expire earlier than 12 months from the Section 811 application deadline date. The applicant must commit to closing of the transaction prior to the expiration of the term, and HUD may decide whether the applicant's proposed timeline to meet such commitment is reasonable.

Q7: Must 811 units use PRAC subsidy funding, or can one use PBV funding to subsidize those units, especially if one is using PBV on majority units anyway?

Yes, 811 units must use the Project Rental Assistance Contract subsidy. Project Based Voucher funding cannot be used to replace PRAC under this program. The project may have a mixture of PRAC and PBV units as long as the PBV units do not have designation or occupancy preference for person with disabilities that will exceed the 25% of units set aside for persons with disabilities. Furthermore, the Capital Advance can only be used to develop 811 PRAC units. The development of the PBV units would need to come from other sources.

Q8: Is there a list of grant writers available?

No, HUD does not offer a list of grant writers to assist applicants in completing the application process.

Q9: May applicants have access to a previous application that was awarded to use as a guide?

No. However under the Freedom of Information Act (FOIA) any person can file a FOIA request to have access to Federal records. Submit a FOIA request to the appropriate [FOIA Requester Service Center](#) or send email to FOIA@hud.gov

Q10: Are the 811 Capital Advance funds available for projects that have a PRAC that are in need of rehab, but did not receive 811 capital funding?

No, the Capital Advance cannot be used to rehab existing PRAC units. This funding is available to create new units that will be assisted with the 811 PRAC funds.

Q11: Could units with project-based vouchers (rather than PRAC units) be considered for Advance Capital funds?

No. Project-based vouchers (PBV) cannot be considered for Capital Advance funds. PRAC units may be developed or placed within a property that also includes non-PRAC units, such as PBV, as long as the PBV units do not have designation or occupancy preference for person with disabilities that will exceed the 25% of units set aside for persons with disabilities. Furthermore, the Capital Advance can only be used to develop 811 PRAC units. The development of the PBV units would need to come from other sources.

Q12: Can one apply for the grant if the funds will be used strictly for routine repairs, cosmetic upgrades, and minor maintenance?

No. capital advance funds must be used to finance construction, reconstruction, moderate or substantial rehabilitation, or acquisition of a structure with or without rehabilitation. Any rehabilitation of properties must meet the definition of rehabilitation stated in 24 CFR 891.105.

Q13: If a multifamily housing project exceeds the 25% threshold, would one still be eligible to apply?

Funding will only be provided for a multifamily residential property where no more than 25 percent of the units are used for persons with disabilities, including supportive housing for persons with disabilities or units to which any occupancy preference for persons with disabilities applies. Only group homes allow for one hundred percent of the units to be made available for persons with disabilities. Integrated Housing and condominium units set aside for persons with disabilities must not exceed the 25% limit.

Q14: Where can I find the Total Development Cost (TDC) & PRAC LIMITS?

Section I: A-1 on page 5 of the NOFO under Capital Advance Funds lists the 2022 Total Development Cost Limits. The amount of the Capital Advance funds requested may not exceed the Total Development Cost as published by HUD. The 2023 Total Development Cost Limits can be found at:

https://www.hud.gov/sites/dfiles/PIH/documents/2023_Units_TDC_Limits.pdf

Q15: Is the commitment a 40-year term that requires at least a 40-year affordability period?

Yes, the commitment is 40 years that requires at least a 40-year affordability period. Capital Advance funds bear no interest and repayment is not required if housing remains available for occupancy by Very-Low-Income persons with disabilities for at least 40 years.

Q16: Is the PRAC a five-year term? If we need a minimum ten-year term, is there a possibility of a ten-year term PRAC? If so, how do we do that?

Yes, pursuant to the 811 authorizing statute, the PRAC has an initial five-year term. HUD will reserve funding for the 5-year term of the PRAC, equivalent to 75 percent of the Operating Cost Standard for units covered by the PRAC. Subsequent PRAC renewals are subject to the availability of annual appropriations for such purposes. There is not a possibility of an initial 10-year term for the PRAC.

Q17: We are a start-up 501(c)(3) nonprofit organization under the umbrella of a church. Do we need to be a Housing Authority to qualify?

Applicants do not have to be a Housing Authority to apply for funding under the NOFO but must be a private non-profit organization as described in Section III.A of the NOFO..

Q18: Are start-ups eligible for this grant opportunity?

The NOFO does not specify the length of time that the nonprofit must be established before applying for funding. However, the NOFO does evaluate the Applicant's capacity and relevant experience. See Section III.V.1 Rating Factor 1 Capacity of the Applicant and Relevant Organization Experience of the NOFO. If your organization lacks sufficient experience and capacity, you may wish to seek a co-applicant that has the necessary, relevant experience.

Q19: Do you need a monetary investment to be eligible for funding?

In accordance with 24 CFR 891.145, the owner must deposit in a special escrow account one half of one percent (0.5%) of the HUD-approved Capital Advance Award, not to exceed \$10,000, to ensure the Owner's commitment to the housing project.

Q20: Is an official address required when submitting an application?

The Application must include a description of the proposed property, including the address. If the property does not yet have an official postal address, the lot and block number for the property will be accepted.

Q21: How many bathrooms are required by group homes?

Group homes require at least one bathroom per every four persons. See 24 CFR 891.310.

Q22: Can the entire building be comprised of units for adults with developmental disabilities or will only 25% be approved for adults with I/DD?

Only group homes allow for one hundred percent of the units to be made available for persons with disabilities. Integrated Housing and condominium units set aside for persons with disabilities may not exceed the 25%.

Q23: Would either an Independent Living Facility and/or a Group Home be eligible?

Funding will be provided for integrated housing, group homes and condominium project types. The NOFO does not list Independent Living facilities as eligible.

Q24: Can we invite residents with similar disabilities to live in the home – those with intellectual and developmental disabilities rather than acquired physical disabilities?

Applicants may restrict occupancy within housing developed to persons with disabilities who can benefit from the supported services offered. For more information, please review Section III.F.9.e Occupancy Restriction.

Q25: Are projects located in Puerto Rico eligible for funding? Yes, all United

States territories are eligible to apply for funding under this NOFO.

Q26: Will the grant fund the construction of an entire development or just particular units that would be set aside for people with disabilities?

This depends on the project type proposed by the applicant. The amount of the Capital Advance funds requested may not exceed the Total Development Cost as published by HUD (see 2022 UNIT TOTAL DEVELOPMENT COST (TDC) LIMITS). The Total Development Cost limit is determined by identifying the appropriate building type (e.g., elevator) and unit size(s) in the development proposal. The total development cost limits may not exceed 25 percent of the units in Integrated Housing or condominium units. However, the NOFO will evaluate the applicant's ability to secure non-Capital Advance funding sources for the other units in the proposed development. Note that HUD reserves the right to fund less than the amount requested.

Q27: How do the PRAC rents work as it relates to monthly payments made to the owner?

PRACs are used to cover the difference between the tenants' contributions toward rent (generally 30% of the tenant's adjusted monthly income) and the HUD approved cost to operate the project. The PRAC rents are established based on the Operating Cost Standards. For more information click the following link :

https://www.hud.gov/sites/dfiles/PIH/documents/2023_Units_TDC_Limits.pdf

Q28: How would we go about getting an exception to the persons with a disability being no more than 25%?

There are no exceptions to the 25% requirement, as this requirement is statutory and cannot be waived by HUD.

Q29: Should the non-profit be the primary applicant and sub grantee the development LLC to manage the development?

Eligible applicants are Sponsors or Co-Sponsors that are private non-profit organizations as defined in [cite applicable NOFO provision] , and who meet the requirements contained in Section III of the NOFO .

Q30: Is a letter of intent required from funding sources? If so, who is it addressed and submitted to?

Applicants will be rated on the extent to which the applicant is providing non-Capital Advance funding sources for the proposed development. An applicant may provide an executed letter of intent from an investor purchasing 4 percent tax credits. See Section.V.1 Rating Factor 3 Commitment of Sources for more information.

Q31: Would donor pledges count as secured funding for our proposed capital project?

HUD is unable to determine if donor pledges count as secured funding, an applicant would have to submit evidence of the commitment of funding for HUD to determine if the commitment is acceptable. See Section V.A.1. Rating Factor 3 Commitment of Sources for more information.

Q32: What is the maximum funding we could request for this group home

project? The maximum award amount for funding is \$5 million per project period.

Q33: Is there any flexibility in the NOFO's group home definition of 8 persons?

No, group homes are limited to occupancy by no more than 8 persons with disabilities by the Section 811 statute.

Q34: Can grant funds be used in conjunction with a possible VA housing grant?

HUD is unable to determine if the Capital Advance funds can be used in conjunction with possible VA housing grant. If Applicant is seeking other grant opportunities and would like to provide this as evidence to support their Commitment of Sources, see Section V.1 Rating Factor 3 Commitment of Sources for more information on the type of evidence to be submitted in response to the NOFO. Note that HUD may fund no portion of an application that duplicates activities funded by other federal awards.

Q35: Is there a limit to how many properties we can apply for?

Each application can only be for one property. However, you may submit more than one application. Please review Section III.D.6 Project Type for the eligible housing types that will be funded under the NOFO.

Q36: Can we sponsor the project as a non-profit & Long-Term Services & Supports provider with a partnered builder?

Q37: The Sponsor will need to a private non-profit organization as defined in Section 811(f)(c), the Sponsor must submit a supportive services plan demonstrating its experience in providing such services or structured partnerships with entities that provide such services. **Must we acquire the land or have it under contract before submitting the grant?**

Applicants must demonstrate control of the site where they are applying Capital Advance funds. Please review Section III.F.3. Site Control and Zoning to see the acceptable evidence of site control required for the NOFO.

Q38: Where can one find the “811 NOFO Toolkit” referenced in the NOFO on pages 40 and 73-74?

The 811 NOFO Toolkit is not a required document to submit with the NOFO application. For more information and technical assistance on the Section 811 Supportive Housing for Persons with Disabilities program, you can visit [Section 811 Supportive Housing for Persons with Disabilities HUD Exchange](#).

Q39: Where is IV.B section? Where do attachment upload?

Application Instruction and Application Package can be found on [Grants.gov](#). Please see page 46 through page 56, it describes the requirements for attachments.

Q40: If we accept the grant funds, must we follow all of HUD rules and regulations? Do we control who can live in the unit?

Applicants selected & funded must comply with the program requirements of the Section 811 program. Housing for this program is for very-low income persons with disabilities between the ages of 18-61. Applicants with approval may restrict occupancy to persons with disabilities who can benefit from supported services being offered by the property. For more information on Occupancy Restriction, see Section III.F.9.e Supportive Services Plan. All Fair Housing requirements MUST be adhered to.

Q41: Does HUD provide a list of properties by state where one may consider taking over the mortgage/purchasing?

No. HUD does not provide a list of properties by state. Applicants should review the acceptable evidence of “Site Control and Zoning” documents required. For more information, see Section III.F.3. Site Control and Zoning.