

LOUISIANA HOUSING CORPORATION

BOARD OF DIRECTORS

Agenda Item #11

Bradley Sweazy, Chief Operating Officer

FULL BOARD MEETING MATERIALS

June 13, 2012

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LOUISIANA HOUSING CORPORATION

The following resolution was offered by _____ and seconded by _____:

RESOLUTION

A resolution authorizing the Corporation to participate and receive funding, if awarded, from the New Section 811 Project Rental Assistance Demonstration and providing for other matters in connection therewith.

WHEREAS, part of the mission of the Louisiana Housing Corporation, hereinafter “the Corporation,” is to increase the supply of supportive housing in Louisiana; and

WHEREAS, the Corporation is already managing a Permanent Supportive Housing Program, hereinafter “PSH”, in partnership with the Department of Health and Hospitals for people with disabilities in the areas of the state affected by Hurricanes, Katrina and Rita; and

WHEREAS, the PSH Program is committed to reducing and preventing homelessness and unnecessary institutionalization of people with disabilities and;

WHEREAS, the U.S. Department of Housing and Urban Development has announced a notice of funding availability for the New Section 811 Project Rental Assistance Demonstration to identify, stimulate, and support innovative state-level partnerships and strategies that will transform and increase affordable and permanent supportive housing for extremely low income people with disabilities.

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Louisiana Housing Corporation (“Board”), acting as the governing authority of said Corporation, that:

SECTION 1. It approves staff’s submission of the New Section 811 Project Rental Assistance Demonstration application and the subsequent acceptance of the grant award, if awarded.

SECTION 2. The Corporation’s staff is hereby authorized, empowered, and directed to create, change, amend, and revise any documents and/or agreements in keeping with the terms of this resolution.

SECTION 3. The Chairman, Vice Chairman, Executive Director, and /or Secretary of the Corporation are hereby authorized, empowered, and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the Corporation, the terms of which are to be consistent with the provisions of this resolution as approved by the Corporation's counsel.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 13th day of June 2012.

Chairman

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation, do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board of Directors on June 13, 2012 providing approval of a resolution entitled: "A resolution authorizing the Louisiana Housing Corporation (the "Corporation") to participate and receive funding from the New Section 811 Project Rental Assistance Program and providing for other matters in connection therewith."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 13th day of June 2012.

Secretary

Section 811 Project Rental Assistance Demonstration Program

Summary Application Scoring Criteria

Rating Factor 1: Applicant's and State Health and Human Service/Medicaid Agencies' Relevant Experience and Capacity (up to 30 total points).

- Management Team and Key Staff (up to 10 points)
- Capacity and Readiness (up to 20 points)
 - General Experience (up to 6 points)
 - Experience Managing Rental Assistance Programs (up to 7 points)
 - Experience with Program Compliance and Monitoring (up to 7 points)
 - Past Noncompliance (up to -10 points)

Rating Factor 2: Need/Extent of the Program (up to 5 points)

Rating Factor 3: Soundness of Approach/Implementation Plan (up to 45 total points)

- Implementation Plan – Program Description (up to 20 points of the total 45 points).
- Management and Oversight (up to 10 points of 45 points)
- Integration of Services (up to 10 points of 45 points)
- Program Implementation Schedule (up to 5 points of 45 points)

Rating Factor 4: Leveraging (up to 10 points)

- Cost-Effective Use of PRA Demo Funds (up to 6 points)
- Commitments of Set-Asides (up to 4 points)

Rating Factor 5: Achieving Results, Program Innovation and Evaluation (up to 10 points)

- Innovation and Replicability (up to 5 points)
- Capacity Building and Knowledge Sharing (Policy Priority - up to 2 Points)
- Expand Cross-Cutting Policy Knowledge (Policy Priority - up to 3 points)

Rating Factor	Status	
<p>1. Rating Factor 1: Applicant's and State Health and Human Service/Medicaid Agencies' Relevant Experience and Capacity (up to 30 total points). The applicant and the State Health and Human Services/Medicaid Agency must each demonstrate its ability, capacity, and readiness to undertake the proposed activities, use its award successfully, and maintain compliance with its grant terms. The Eligible Applicant must submit a detailed Capability Statement that describes the Eligible Applicants, Co-applicants, and/or contractors experience.</p>		
<p>a. Management Team and Key Staff (up to 10 points).</p> <ul style="list-style-type: none"> Identify and describe management team and key staff who are integral to implementation of the program along with the roles and responsibilities of key staff responsible for this program. For both Housing and State Health and Human Services/Medicaid agencies. Applications should demonstrate recent (within five years) and relevant experience directly related to the funding of affordable rental housing developments and asset management of a portfolio of affordable multifamily housing units, particularly permanent supportive housing. HUD is particularly interested in the quality of the work experience and expertise of the management staff and the key staff responsible for each activity identified in the application. If the Lead Applicant is partnering with another housing agency, a joint letter, agreement or MOU should be included. The applicant may also describe the experience of one or more contractors with whom the applicant has contracted, or proposes to contract with to provide services. Experience information for that partnering entity relative to the role it will play in the effort should also be included. Eligible Applicants that demonstrate more recent and relevant experience in funding supportive housing development will receive higher rating points. An outline of current programs relevant to this application including number of persons served, with particular focus on community-based programs for persons with disabilities and individuals, including those experiencing homelessness or who were formerly homeless, should be included. 		
<p>b. Capacity and Readiness (up to 20 points)</p> <p>General Experience (up to 6 points).</p> <ul style="list-style-type: none"> Describe the Eligible Applicants and Co-Applicants capacity and the State Health and Human Service/Medicaid agencies capacity to successfully implement proposed activities including necessary financial resources, technical expertise, reporting systems and other experience associated with proposed activities. The principal tasks that the Applicant and Co-Applicant, if applicable, must address include, but are 		

<p>not limited to:</p> <ul style="list-style-type: none"> • reviewing applications for funding • underwriting and awarding PRA Demo funds • developing and executing RACs • managing the rental assistance program and assuring compliance with all of the PRA Demo program requirements including monitoring project owners for compliance in providing decent, safe and sanitary housing to assisted PRA Demo residents • ensuring payment to property owners are calculated accurately and paid in a timely matter. <ul style="list-style-type: none"> • Describe experience awarding and administering multifamily housing programs. • Provide a description of each of the affordable multifamily rental housing program(s) that your organization is responsible for managing including the number of projects awarded funding, type of subsidy, amount of subsidy, number of units in the project, number of units assisted. Specify the number of projects awarded funding and closed over the last five years. 		
<p>Experience Managing Rental Assistance Programs (up to 7 points).</p> <ul style="list-style-type: none"> • Because this program includes the administration of the rental assistance subsidy, the Eligible Applicant and Co-Applicant must include a detailed description of their experience administering federal rental assistance programs. • Experience could include examples of managing a portfolio of affordable multifamily housing units, managing a Section 8 program, managing a project-based voucher program, managing public housing projects or a similar tenant or project-based subsidy program, or serving as a Traditional Contract Administrator (TCA) or as a Performance-Based Contract Administrator (PBCA) or a third party contractor with extensive experience. If TCA or PBCA experience is included, specify dates of experience and whether the experience is current. • The Eligible Applicant must describe actual experience performing tasks relating to the administration of a project-based Section 8 or similar program. • Eligible Applicants who lack such experience should contract with a Public Housing Agency or a Performance-based Contract Administrator, Traditional Contract Administrator or a private entity that has such experience. • States may substitute PBCAs at a later date after award with HUD approval. 		
<p>(3) Experience with Program Compliance and Monitoring (up to 7 points).</p> <ul style="list-style-type: none"> • States must demonstrate the capacity to maintain PRA Demo assisted units in high quality multifamily residential rental properties. There are significant program requirements, such as Davis Bacon Labor Standards, Lead-Based Paint, Environmental Requirements as well as other HUD program regulations as well as others outlined in Section III.C.3. • Describe experience in managing programs with a portfolio of projects with similar program 		

<p>requirements.</p> <ul style="list-style-type: none"> Outline how the Eligible Applicant will monitor for program compliance including during construction, if applicable, and operation. Eligible Applicants must outline the specific tasks that it will undertake and be responsible for managing. To receive maximum points, Eligible Applicants must demonstrate substantial experience overseeing a permanent housing program that targets vulnerable persons with disabilities who will best benefit from affordable housing with community-based long term services and supports. In the case of applicants and partnering agencies that have received awards from other federal programs, HUD reserves the right to contact officials from the appropriate federal agency or other agencies to determine whether the applicant is in compliance with current or prior award agreements, and to take such information into consideration in rating this factor. 		
<p>c. Past Noncompliance (up to -10 points).</p> <ul style="list-style-type: none"> If Eligible Applicants have previously received funding through any HUD program, HUD will consider and may deduct points for an applicant (or its affiliates) that has a documented history of non-compliance with: 1) maintaining sufficient financial resources (up to -5 points); and/or 2) inadequate reporting systems or ongoing failure to report timely (up to -5 points) as measured by the terms of that program funding. HUD will also take into account additional criteria in evaluating an applicant's past performance as outlined in the General Section V.e and III.A above. 		
<p>2. Rating Factor 2: Need/Extent of the Program (up to 5 points).</p>		
<p>Need/Extent of the Program (up to 5 points).</p> <ul style="list-style-type: none"> Describe and document how this funding will address a specific need for housing for extremely low-income persons with disabilities who are eligible for services from Medicaid or another similar program in the Eligible Applicant's state. In addition to statistical data to quantify the need related to the target population(s), HUD is particularly interested in how this funding will address a specific issue or issues or fill a gap in a state's existing continuum of services for persons with disabilities, such as a particular program issue that the state has been attempting to solve beyond its basic need for affordable housing for persons with disabilities. For example, this funding may assist a state seeking to transition persons from institutional care into integrated housing or working to ensure that persons at risk of institutionalization remain in community-based settings in accordance with the Supreme Court's <i>Olmstead v. L.C.</i> decision. Programs designed in response to <i>Olmstead</i>-related litigation 		

<p>or enforcement, <i>e.g.</i>, settlement agreement, court order, or consent decree, or designed to complement a State's voluntary affirmative <i>Olmstead</i> planning and implementation efforts, may earn maximum points.</p> <ul style="list-style-type: none"> Points will be provided based on background information or other evidence provided to describe how the state has been directing resources or partnership efforts to address a particular goal relative to the need for this type of subsidy or how this specific gap financing will enable the state to accomplish a specific program initiative or <i>Olmstead</i>-related objective. Additional documentation can be provided in the attachments. 		
<p>3. Rating Factor 3. Soundness of Approach/Implementation Plan (up to 45 total points).</p> <p>This factor focuses on the Eligible Applicant's PRA Demo program design and operation, management and oversight, the integration of services provided by the State Health and Human Service/Medicaid Agency or agencies and the timely implementation of the state's program.</p> <ul style="list-style-type: none"> HUD is seeking high quality and effective programs. The applicant must demonstrate how its PRA Demo program will work to stimulate, support, and advance the availability of integrated housing for persons with disabilities in a timely manner. Eligible Applicants should briefly discuss these in the context of existing state analysis of Impediments as a component of the States Consolidated Plan, Transportation plans, and any other existing state or regional development plans and how determinations will be made in relation to those plans. Working in partnership with the State Health and Human Services/Medicaid agency, the applicant should include the specific financing and development programs that will be included in the program, the number of units that will be provided, and the amount of the HUD Section 811 PRA Demo funds requested. 		
<p>a. The Implementation Plan – Program Description (up to 20 points of the total 45 points).</p> <ul style="list-style-type: none"> The Implementation Plan shall be based upon and specifically reference the formal agreement between the Eligible Applicant and the State Health and Human Service Agency/Medicaid agency described in Section III.C.3.b.2(ii). It should incorporate and expand upon the specific elements of the agreement including a detailed description of the target populations and method of outreach and referral and the agreement must incorporate the commitment to the specific roles and responsibilities. HUD seeks well-defined, high quality and sound programs and will consider the extent to which the Eligible Applicant thoroughly describes their program plan. The Eligible Applicant will earn fewer points for failure to address all of the criteria below. The specific details of the PRA Demo Implementation Plan for your state program must include the following: 		

(1) HUD is seeking long term commitments from states to make available services for the targeted population as outlined in the Eligible Applicant's Partnership Agreement with the State Health and Human Services/Medicaid Agency as well as other public documents detailing state health care priorities. HUD understands these services are typically funded annually through state and federal entitlement programs; however, HUD is looking to see that the types of services proposed are currently provided and will remain a high priority for the State's health care delivery system for the foreseeable future. A robust description of this commitment **will earn higher points**.

(2) Specify what development and/or financing program(s) will be dedicated to create and/or develop PRA Demo units (State Housing Trust funds, 4% and 9% LIHTC, tax-exempt financing, etc.).

- Include a detailed description of the dedicated program(s) identified including program requirements and procedures used for awarding funding.
- Include a list of multifamily rental housing properties approved and closed in the last two (2) years in these programs with the number of total units, affordable housing units, and permanent supportive housing units.
- HUD seeks programs that will assure a pipeline of units based upon past performance. Evidence can include number of applications submitted for funding over the last 2-3 years and the number of projects funded.
- **More points will be** provided to Eligible Applicants that provide evidence that the programs identified for PRA Demo funding will have a pipeline of eligible projects or properties.
- Identify where incentives will be provided or requirements imposed in order to integrate PRA Demo funding into the mainstream housing delivery program(s) identified.
- Additional program information can be included in the attachments.

(3) Grantee's State PRA Demo programs can include a range of properties including new construction, substantially rehabilitated, and existing properties.

- Specify what range/type of properties will be included and how the applicant will ensure that each will be high quality and well-managed properties.

(4) Provide the project selection criteria that will be used for this program and how it will be implemented.

- Eligible Applicants are not required to identify specific projects for which PRA Demo funds will be allocated, but must provide sufficient justification for how projects will be selected including any special qualifications or program requirements.
- Programs that solely fund projects where the Eligible Applicant has existing oversight or funding **will receive higher points**.
- Describe how owners and developers will be informed of this availability of funding and how

<p>the Eligible Applicant's state program will be structured to ensure participation.</p> <p>(5) Specify how PRA Demo funds requested were calculated including assumptions used in the calculation.</p> <ul style="list-style-type: none"> • The projected number and type of PRA Demo units must be provided on a per year basis. • Eligible Applicants must identify what will be used for establishing initial rents as well as annual rent adjustments and any other assumptions used in projecting the amount of PRA Demo funds required. In no circumstance may the initial RAC rent level exceed the applicable Section 8 Small Area Fair Market Rent or Fair Market Rent (FMR) level as determined by HUD, unless such rent level is substantiated by a market study that has been prepared in accordance with the requirements of a state housing agency or of Chapter 9 of HUD's Section 8 Renewal Guide. • Rents can only be adjusted annually based upon 1)HUD's Operating Cost Adjustment Factor (OCAF), 2) such other operating cost index as has been adopted by the applicant for purposes of subsidizing affordable housing, or 3) as may be approved by HUD. • A 20-year budget must be provided detailing the number of units, expected average subsidy amount, and how the rent level and/or operating subsidy is expected to vary over time. Since this award includes funding for the first five years, applicants should carefully prepare this budget. • Eligible Applicants should use one of the following data sets to determine the expected average tenant payment: a) the average tenant payment in the Section 811 PRAC program, available as Appendix B, or b) the average state median income also available on HUD's website. • Eligible Applicants must identify what funds will be available if costs exceed federal PRA Demo funding. 		
<p>b. Management and Oversight (up to 10 points of 45 points).</p> <p>To implement high quality programs, strong management and oversight are essential. The purpose of this rating factor is to provide detail about management and operations. In order to earn the maximum points, the program must include the following:</p> <p>(1) Staffing and Organizational Plan.</p> <ul style="list-style-type: none"> • Identify roles and responsibilities of all relevant agencies and other organizations participating in the program. • Describe the agencies roles and responsibilities in the program. • This plan should also include appropriate staffing requirements, including a specific description of how many Full Time Equivalents (FTEs) staff from which agencies will be tasked with operationalizing this plan. Include the appropriate letter agreements, MOUs, or other 		

<p>documents that outline the service or activity to be provided and the commitment to provide the service or activity in attachments.</p>		
<p>(2) Program Management.</p> <ul style="list-style-type: none"> • Description of how ongoing program management and management of services will be handled between agencies and the strategy for feedback and continuous improvement of the Program during its operation; provide specifics regarding operational details relative to the commitment of services. • Describe how the housing staff will interact with the service providers. • Include specifics on infrastructure and tracking systems for all supportive housing units – including the availability of new units coming on-line as well as “turnover” units to ensure that all owners will continue to meet their supportive housing commitments. 		
<p>(3) Financial Management.</p> <ul style="list-style-type: none"> • A detailed description of the financial management system for the PRA Demo rental subsidy program, and if other agencies that will be involved, a description of their roles and responsibilities as it relates to the financial management system to be used. • More points will be provided to states that already have in place a financial management system for which they can document experience in using and/or can demonstrate that a partnering agency has experience. Include operational information on this existing operating subsidy program(s). 		
<p>(4) Program Infrastructure and Processing Costs.</p> <ul style="list-style-type: none"> • Describe program infrastructure and processing costs. • Provide a budget with appropriate justification for the use of grant funded administrative costs to cover these costs. • Also include the authority and/or sources for paying for these costs over and above the percentage requested from the PRA Demo funds. 		
<p>(5) Performance Measurement. Describe how performance measures for each program component will be tracked, including those specified for the Applicant’s response to Rating Factor 5, Achieving Results, Program Innovation, and Evaluation.</p>		
<p>c. Integration of Services (up to 10 points of 45 points). This must include</p> <ul style="list-style-type: none"> • a description of the supportive services, 		

<ul style="list-style-type: none"> the entity or agency responsible for the overall integration effort, how the services will be provided and how tenants will access those services, whether new or existing programs, and demonstrate Eligible Applicant's understanding that participation in these services are voluntary. <p>Also include:</p> <p>(1) Systems in Place.</p> <ul style="list-style-type: none"> Describe what staff and agency that will be managing the outreach, referrals, and waiting lists to successfully identify and refer prospective tenants to owners/management agents of these supportive housing units in a timely and efficient manner, particularly if the state program includes several targeted populations. Identify how staff will be assigned to efficiently work with owners/management agents of PRA Demo units. <p>Describe how waiting lists will work for these units – managed centrally, locally, or at the property level.</p> <p>(2) Management and Coordination of Services.</p> <ul style="list-style-type: none"> Describe the day to day management and coordination of services to residents in properties throughout the state. However, participation in services is voluntary and cannot be required as a condition of tenancy. HUD is interested in understanding how services will be coordinated throughout the state including how dispute resolution between residents and owners/management agents will be managed, tracked, and reported, particularly how a range of program/service needs will be addressed within one multifamily property. 	
<p>d. Program Implementation Schedule (up to 5 points of 45 points). HUD seeks to fund projects that will be able to commence immediately after grant award and proceed in a timely manner.</p> <ul style="list-style-type: none"> HUD will evaluate applications on this rating factor based on a clear identification of all of the milestones that need to be accomplished to develop this program based upon the Implementation Plan submitted, along with the projected time to award PRA Demo funding to projects, execute PRA Demo contracts and occupy units. Describe the methodology used to determine unit occupancy goals in the schedule. 	

<ul style="list-style-type: none"> • This schedule will be incorporated into the Agreement with HUD. • The ultimate goal is to increase the number of rental housing units occupied by persons with disabilities. • Timely and thoughtful projections that will produce occupied units within 24 months of approval will earn maximum points. • Programs funds not utilized as outlined in the Implementation Plan and Schedule may be subject to recapture or deobligation as described in 24 CFR part 85.43. 		
<p>4. Rating Factor 4: Leveraging (up to 10 total points) HUD is seeking cost-effective uses of PRA Demo funds.</p>		
<p>a. Cost-Effective Use of PRA Demo Funds (up to 6 points).</p> <p>HUD is seeking approaches to reduce the per unit PRA Demo amount in order to increase the number of PRA Demo assisted units.</p> <ul style="list-style-type: none"> • Leveraged funding sources may include private capital, philanthropic and foundation funds, as well as local, state, and/or other federal funding, and may also include other operating assistance program funding, but not sources used to finance capital development costs. • Any leveraged funding identified to be used for operating assistance should be evidenced with letters of intent. • Maximum points will be provided to states that are able to structure programs based upon an approach that results in a lower request of funding with the largest number of units for people with disabilities that ultimately reduces the actual per unit amount of the PRA Demo funds. • Eligible Applicants must identify and describe its strategy for using other state administered or other housing programs as rental assistance to leverage the PRA Demo subsidy. • As described in III.C.3, Program Requirements, Eligible Tenant's contribution to rent shall be no more than 30% of annual income, and rents cannot exceed HUD's Fair Market Rents (FMR) or Small Area Fair Market Rents. • Eligible Applicants will earn points based on representations that initial rents on PRA Demo assisted units will be established for the program based upon a rent structure that reduces the actual per unit amount of subsidy. • Specify if rents are restricted due to other program requirements such as LIHTC, HOME or other funding programs. • Points will be earned based upon a representation that rents in the PRA Demo program will be restricted to the percentage of Area Median Income (AMI) as follows: 		

<p>Rents affordable to households at or below 50% of AMI – 3 points</p> <p>Rents affordable to households at or below 40% of AMI – 4 points</p> <p>Rents affordable to households at or below 30% of AMI – 5 points</p> <p>Rents affordable to households at or below 20% of AMI – 6 points</p>		
<p>b. Commitments of Set-Asides (up to 4 points).</p> <ul style="list-style-type: none"> Eligible Applicants that provide a commitment from one or more public housing agencies (PHAs) or other entities to set aside a minimum number of housing vouchers or other rental units specifically for extremely low-income non-elderly people with disabilities will be assigned additional points based on the following scale: <ul style="list-style-type: none"> (1) Eligible Applicants that provide a commitment of vouchers or rental units equal to 50% of the PRA Demo units requested will be assigned an additional 4 points; and (2) Eligible Applicants that provide vouchers or rental units that equal 30% of the PRA Demo units requested will be assigned an additional 2 points. The commitment cannot include Housing Choice Vouchers already reserved for non-elderly people with disabilities as part of a PHA's Non-elderly Disabled (NED) voucher baseline. 		
<p>5. Rating Factor 5: Achieving Results, Program Innovation and Evaluation (up to 10 points)</p>		
<p>a. Innovation and Replicability (up to 5 points).</p> <ul style="list-style-type: none"> Describe and document the extent to which the proposed approach, system change, or activities are innovative and may ultimately be replicable. For example, Eligible Applicants may describe creative approaches to using operating subsidy other than the traditional HUD Section 811 or Section 8 program structure or innovative elements discovered to increase the production of supportive housing. Unique approaches that have resulted in system change solutions should also be included, such as innovative tracking, targeting and referrals systems or approaches. Describe how the innovation was integrated into the program management and operation, as well as the performance measures used to determine effectiveness. For states that have programs underway, unanticipated outcomes, savings, successful approaches, or partnerships with developers to increase production should be included. A description of the evaluation mechanism used to provide the data should be included. 		

<ul style="list-style-type: none"> Since one of the goals of this program is the production of new integrated supportive housing units, additional points will be provided for innovative programs focused on significantly increasing the number of supportive housing units using PRA Demo funds. Additional points will also be provided for programs that can be easily be replicated by others. 		
<p>b. Capacity Building and Knowledge Sharing (Policy Priority - up to 2 Points).</p> <ul style="list-style-type: none"> HUD seeks to fund grantees that undertake activities that build enduring capacity of partners and mechanism for knowledge sharing. Eligible Applicants should indicate if, and describe how, they will address the HUD policy priorities - Capacity Building and Knowledge Sharing. HUD seeks to fund applicants that undertake activities that build enduring capacity of partners and mechanisms for knowledge sharing. HUD's Strategic Plan emphasizes the importance of strengthening the capacity of state and local partners to implement HUD programs, participate in decision-making and planning processes, and coordinate on cross-programmatic, place-based approaches. To receive policy priority points, Eligible applicants must agree to fully participate in a rigorous evaluation of the program, which may include random assignment of eligible households into two groups, households that receive assistance through the program and households that receive usual care. Eligible Applicants must also agree to share with the government's evaluators, Medicaid, or other state related health care program records specifically pertaining to the health care costs for the households enrolled in the study and the services and outcomes associated with the care they receive. Eligible Applicants will also describe how they will share knowledge among partners so that key personnel responsible for grant implementation coordinate cross-programmatic, placed-based approaches. The Eligible Applicant must describe the outreach methods that will be used to achieve this outcome. Examples include establishing conducting occasional cross-regional briefings, and structured peer exchange. According to the proposed methods, the applicant should establish and specify the anticipated outputs (e.g., number of meetings, web postings, number of participating partners, total staff exposed to new learning and promising practice, number of briefings, issuance of monthly fact sheets) during the initial 5-year period of performance. 		
<p>c. Expand Cross-Cutting Policy Knowledge (Policy Priority - up to 3 points).</p> <ul style="list-style-type: none"> HUD recognizes that healthy, vibrant communities succeed through a combination of housing, 		

jobs, schools, safety, transportation, and other amenities.

- Successful programs often have impacts that extend beyond the immediate goals, and vary according to specific local conditions.
- Taking successful models to other communities requires quantitative evidence of which policies work and how they work, and public dissemination of this information.
- HUD's experience is that many local organizations and governments collect administrative data as part of their regular operations.
- Policymakers at all levels could benefit from this rich data that HUD's grantees collect, and in order to **receive the points** in this category HUD expects applicants to demonstrate their willingness to collaborate with policy researchers and program evaluators to quantify the accomplishments of this program and to increase the overall body of policy knowledge.
- HUD seeks to fund Grantees that go beyond the specific outcomes of this program to provide information that informs future policymaking and support knowledge sharing and innovation by disseminating best practices, encouraging peer learning, publishing data analysis and research, and helping to incubate and test new ideas.
- All Grantees must demonstrate the direct impact of their programs as described in the specific NOFA to which they are applying.
- **To receive points** for this policy priority, grantees must go beyond these requirements and detail other outcomes to be improved. Examples might include: reduction in housing and service cost per beneficiary; changes in the amount and quality of services received by the target population; integration of the target population in supportive housing, such as the social interaction of the target population with existing multifamily residents; health outcomes, such as changes in well-being; the level of coordination of housing and health services, such as the coverage of case management or service coordinators or structural, process, and outcome measures that can capture the level of integration of services.
- **To achieve full points**, the Eligible Applicant must indicate what administrative data they and/or partner organizations will collect on primary and secondary outcomes for the target population, as described in their Implementation Plan.
- The Eligible Applicants must describe the extent of data on primary and secondary outcomes made available to policy researchers through documentation, such as a letter of cooperation, demonstrating a data-sharing agreement. An example of cross –cutting policy knowledge would be the savings realized when a person with disabilities moves from an institutional facility to a PRA Demo assisted multifamily property.
- Documenting this savings and sharing this knowledge would benefit HUD and policymakers at all levels.



Summary

U.S. Department of Housing and Urban Development

Notice of Funding Availability for the New Section 811 Project Rental Assistance Demonstration

Prepared by the Technical Assistance Collaborative

May 21, 2012

On May 15, 2012, the U.S. Department of Housing and Urban Development published the highly anticipated Notice of Funding Availability (NOFA) for HUD's Fiscal Year (FY) 2012 Section 811 Supportive Housing for Persons with Disabilities Project Rental Assistance Demonstration (PRA Demo) Program. The [PRA Demo NOFA](#) announces the availability – for the first time – of \$85 million in Section 811 PRA Demo funding to identify, stimulate, and support innovative state-level partnerships and strategies that will transform and increase affordable and permanent supportive housing for extremely low income people with disabilities. The PRA option within Section 811 was authorized by Congress through the Frank Melville Supportive Housing Investment Act of 2010, which modernized and reinvigorated this important HUD supportive housing program.

Through this supportive housing demonstration, HUD is seeking to support State Housing and Health and Human Service/Medicaid agency collaborations that have or will result in increased access to affordable permanent supportive housing units combined with access to appropriate and voluntary supports and services. As stated in the NOFA, many states have already developed partnerships to address this need, and HUD is seeking to support these efforts and incentivize additional states to develop similar collaborative efforts. HUD also intends the Section 811 PRA Demonstration to inform future supportive housing policy making and is encouraging states to use Section 811 PRA funding to “incubate and test” replicable, systems-level supportive housing innovations that go beyond the basic requirements of the NOFA.

HUD's PRA Demo NOFA is extremely comprehensive and gives States the opportunity and the flexibility to design and implement innovative systems-level improvements in the delivery of community-based integrated permanent supportive housing. TAC has prepared this NOFA Summary to assist states, other permanent supportive housing stakeholders and the disability community to acquire a basic understanding of the FY 2012 Section 811 PRA Demonstration. However, State Housing, Health and Human Services and Medicaid agencies are strongly advised to thoroughly review all of the technical and policy-related provisions of the NOFA; this summary is not a substitute for HUD's comprehensive NOFA.

APPLICATION DEADLINE

The application deadline date is 11:59:59 p.m. on July 31, 2012. Applications must be submitted through Grants.gov.

OUTCOMES EXPECTED BY HUD

HUD expects that outcomes of the Section 811 PRA Demo will include:

- a. Creating effective, successful, and sustaining partnerships between state housing or other appropriate housing agencies and State Health and Human Service/Medicaid agencies to provide permanent housing with the availability of supportive services for extremely low-income persons with disabilities.
- b. Discovering innovative systemic approaches to providing housing for persons with disabilities with access to appropriate services that can be replicated.

- c. Identifying innovative and replicable ways of using and leveraging PRA Demo funds. State housing agencies will have the flexibility to structure the operating assistance creatively.
- d. Substantially increasing rental housing units for persons with disabilities by integrating Section 811 PRA Demo assisted units within existing, new or rehabilitated multi-family properties with a mix of incomes and disability status.
- e. Creating more efficient and effective uses of housing and health care resources.

AWARD INFORMATION

Through the \$85 million in PRA Demo funding available, HUD expects to provide between 9-16 awards. A minimum of \$2 million and a maximum of \$12 million will be awarded to any Eligible Applicant.

ELIGIBLE APPLICANTS

According to the NOFA, “Only one Eligible Applicant per state is eligible to receive [PRA Demo] funding, and each state should determine which Eligible Applicant, in the event there may be more than one, is the most appropriate.” Eligible Applicants include any housing agency currently allocating Low Income Housing Tax Credits (LIHTC) under Section 42 of the IRS Code of 1986, or any state housing or community development agency allocating and overseeing assistance under the HOME Investment Partnership (HOME) or a similar federal or state program. An Eligible Applicant may also be a state, regional, or local housing agency or agencies; or a partnership or collaboration of state housing agencies and/or state and local/regional housing agencies. The NOFA permits two Eligible Applicants (e.g. a State Housing Finance Agency and a State Department of Communities and Development, etc.) to work together to submit a unified application as Co-Applicants.

The Eligible Applicant or Co-Applicants must have a formal partnership with the State Health and Human Services agency and the state agency designated to administer or supervise the administration of the State plan for medical assistance under Title XIX of the Social Security Act (Medicaid). In many states, this is the same agency, so the NOFA refers to the “State Health and Human Services/Medicaid Agency”. Further, the NOFA stipulates that “The State Health and Human Services/Medicaid agency can only be included in one application for Section 811 PRA Demo funds. If the State Health and Human Services/Medicaid agency is included in multiple applications, none will be considered.”

THRESHOLD REQUIREMENT – THE INTER-AGENCY PARTNERSHIP AGREEMENT

The NOFA includes as a threshold, the requirement that the Eligible Applicant “must provide an Inter-Agency Partnership Agreement that provides evidence [of] a formal structure for collaboration to participate in the state’s Project Rental Assistance Demonstration Program to develop permanent supportive housing for extremely low-income persons with disabilities. The Partnership Agreement must include the Eligible Applicant and the state agency that is charged with administering State Health and Human Services programs and policies and the State’s Medicaid programs. In states where the State Health and Human Services Agency is not also the State Medicaid Agency, both agencies’ participation must be evidenced.”

The Agreement must include:

1. A detailed description of the target population(s) to be served;
2. Methods of outreach and referral to PRA Demo units; and
3. A commitment to make appropriate services available for PRA Demo residents.

In the Agreement, States must not only describe the voluntary services and supports that will be offered but also how these services and supports will be made available to individuals with disabilities participating in the program.

KEY PRA DEMO PROGRAM FEATURES

- Section 811 PRA Demo funds are only available to be used as project-based assistance for housing units integrated in multi-family properties that are set-aside for extremely low-income (i.e. 30% of Area Median Income and below) non-elderly persons with disabilities who are eligible for community-based long-term care services and supports provided under a State Medicaid Program or other comparable services program.
- No Section 811 Capital Advance funding is permitted under the statute authorizing the Section 811 PRA approach. Instead, the NOFA allows states to creatively combine or bundle PRA Demo funds with existing state administered affordable rental housing finance and development programs.
- Housing agencies may either directly administer the rental assistance contracts to eligible multi-family properties or contract with other qualified parties to administer the long-term rental assistance contracts.
- To ensure community integration, no more than 25% of the units in a PRA Demo property can have any occupancy preference for people with disabilities. (See Limitation on Units Assisted below.)
- Eligible tenants can be selected in accordance with state approved tenant selection policies, criteria and federal non-discrimination laws.
- Tenant's rent contribution cannot exceed 30% of adjusted income and the initial lease between the tenant and the owner must be not less than one year.
- Although State Health and Human Services/Medicaid agencies are required to make commitments of supportive services for the PRA Demo, tenant participation in supportive services is voluntary and cannot be required as a condition of tenancy.

ELIGIBLE TENANTS

In addition to the extremely low-income requirement noted above, the disabled household to be assisted with PRA Demo funds must include at least one individual with a disability who is 18 years of age or older and less than 62 years of age at the time of admission into the property. This person must also be eligible for community-based, long-term care services as provided through Medicaid waivers, Medicaid state plan options, state funded services or other appropriate services related to their disability. States are advised to carefully review the detailed definition of Person with Disability included in the NOFA. Unlike some other HUD programs, a person whose sole impairment is a diagnosis of HIV positive or alcoholism or drug addiction is not eligible for occupancy in a PRA Demo unit.

ELIGIBLE MULTIFAMILY PROPERTIES AND USE RESTRICTIONS

An eligible multifamily property can be any new or existing property owned by a nonprofit or private entity with at least 5 housing units. Applicants are not required to identify eligible properties in their NOFA response but are required to specify what housing development and/or financing programs will be used to secure PRA Demo units. Housing assisted with Section 811 PRA Demo funds must have a minimum 30 year use restriction for extremely low-income persons with disabilities.

SPECIFICS REGARDING THE 25 PERCENT LIMITATION ON UNITS ASSISTED

As noted above, to ensure community integration, the PRA Demo has adopted a 25% limit on the number of units which can be assisted. According to the NOFA, “no more than 25 percent of the total units in Eligible Multifamily Properties can: (1) be provided Section 811 PRA Demo funds; (2) be used for supportive housing for persons with disabilities; or (3) have any occupancy preference for persons with disabilities.” These units must be dispersed throughout the property and cannot be segregated on one floor or in one area of a building. For maximum flexibility, owners may designate certain unit types (e.g. accessible unit, 1 bedroom units, etc.) rather than designating specific units (e.g. units 101, 102, etc.) to be set aside for Section 811 PRA Demo units. Units may be both accessible and/or non-accessible. The NOFA further clarifies that Eligible Applicants may not prohibit disabled persons from applying for residency in non-PRA Demo units.

ADMINISTRATIVE COSTS

Administrative costs are allowable at a rate of no more than 5% of the annual award amount. These funds may be used for planning and other costs associated with developing and operating the Section 811 PRA Demo program, including infrastructure and technology needed to operate the program.

COOPERATIVE AGREEMENT AND FUNDING INCREMENTS

The grant award will be in the form of a Cooperative Agreement. The Cooperative Agreement award structure allows HUD to have substantial and ongoing involvement in the review, development, and operation of state PRA Demo programs. The Cooperative Agreement shall have a minimum of 20 years with initial funding for the first five years. Subsequent renewals of funding are subject to available appropriations. The Cooperative Agreement may be renewed if all parties agree to such renewal, which is also subject to appropriations.

PROGRAM EVALUATION

Grantees will be required to cooperate with HUD, the U.S. Department of Health and Human Services and the Centers for Medicare and Medicaid Services in the evaluation of the PRA Demo program.

HUD RATING FACTORS FOR AWARD

The PRA Demo NOFA includes five Rating Factors worth a total of 100 points. Within each Factor, HUD provides additional guidance to applicants on issues or approaches that can affect the number of points awarded. For example, in Factor 2 which addresses Need, the NOFA states that “HUD is particularly interested in how this funding will address a specific issue or issues or fill a gap in a state’s existing continuum of services for persons with disabilities....Programs designed in response to *Olmstead*-related litigation or enforcement, e.g. settlement agreement, court order, or consent decree, or designed to complement a State’s voluntary affirmative *Olmstead* planning and implementation efforts, may earn maximum points.” Prospective applicants are urged to thoroughly review Section V of the NOFA, which explains HUD’s five Rating Factors.

- **Rating Factor 1: Applicant’s and State Health and Human Service/Medicaid Agencies’ Relevant Experience and Capacity (up to 30 points).** Rating Factor 1 includes Management Team and Key Staff (up to 10 points), Capacity and Readiness (up to 20 points), and Past Noncompliance (up to -10 points).
- **Rating Factor 2: Need/Extent of the Program (up to 5 points).**
- **Rating Factor 3: Soundness of Approach (up to 45 points).** Rating Factor 2 includes Implementation Plan – Program Description (up to 20 points), Management and Oversight (up to 10 points), Integration of Services (up to 10 points), and Program Implementation Schedule (up to 5 points).
- **Rating Factor 4: Leveraging (up to 10 points).** Rating Factor 4 includes Cost-Effective Use of PRA Demo Funds (up to 6 points) and Commitments of Set-Asides (up to 4 points).
- **Rating Factor 5: Achieving Results, Program Innovation and Evaluation (up to 10 points).** Rating Factor 5 includes Innovation and Replicability (up to 5 points), Capacity Building and Knowledge Sharing (Policy Priority - up to 2 Points) and Expand Cross-Cutting Policy Knowledge (Policy Priority - up to 3 points).

HUD CONTACT FOR FURTHER INFORMATION

Questions regarding specific program requirements should be directed to Lessie Powell Evans, Office of Housing Assistance and Grant Administration, Department of Housing and Urban Development, 451 Seventh Street SW, Room 6234, Washington DC, 20410 or to PRAplications@hud.gov.