Owner and Property Manager Guide

Background

The Ohio 811 Project Rental Assistance (PRA) Program (hereinafter 811 Program) is a project-based rental subsidy demonstration funded by the U.S. Department of Housing and Urban Development (HUD) designed to expand the supply of housing for extremely low-income, non-elderly individuals with disabilities while also making available appropriate supports and services under the Ohio Medicaid Plan. Subsidies are used to assist new and existing multifamily housing units that receive any funding from the Ohio Housing Finance Agency (OHFA), most notably the federal Low-Income Housing Credit and HOME Investment Partnership program.

The 811 Program provides integrated affordable housing opportunities for priority populations identified by the 811 Program state partners (hereinafter 811 Partners), including the Ohio Housing Finance Agency (OHFA), the Ohio Department of Medicaid (ODM), the Ohio Department of Developmental Disabilities (DODD), and the Ohio Department of Mental Health and Addiction Services (OhioMHAS). OHFA administers rental subsidies and ODM manages the program waitlist. DODD and OhioMHAS provide outreach and marketing of the program to Ohio's prioritized populations.

Purpose of this Guide

This guide was authored for owners and property managers interested or already participating in the 811 program to offer guidance regarding regulations that govern the program and may affect their business. This guide follows the process of the program from application to compliance, and links with other policy documents that provide more detail on specific areas.

Application Process

Applicants for 811 program funding must submit signed 811 Application Guidelines in addition to the 811 Proposal Development and/or the 811 Existing Development application(s) to the 811 Mailbox, 811Program@ohiohome.org. Applications are reviewed by staff from both the Office of Planning, Preservation, and Development and the Office of Program Compliance. The subsequent process varies depending on other multifamily development programs, if any, developers seek. New construction or substantial rehabilitation projects applying for other forms of OHFA financing—such as 9% or 4% Housing Tax Credits—in conjunction with 811 program subsidies must also follow the respective procedures for such financing.
9% Housing Tax Credits

Developers may be awarded competitive points for participating in the 811 program. In the New Affordability pool, five points may be awarded in the Supporting Integrated Communities section for proposals that include 811 units or enroll existing units in a project owned by the developer. In the Preserved Affordability pool, developers can earn points based on the percent of units in the property that are covered by a project-based subsidy administered by HUD or USDA. 811 units can contribute to that percentage. OHFA will not accept applications for projects requesting 811 units in permanent supportive housing or single-family projects. For developers competing in the New or Preserved Affordability pools, they must submit signed 811 Application Guidelines in addition to 811 Proposal Development and/or 811 Existing Development application(s). Application materials are due on January 12, 2018. OHFA will release ITA results by February 9, 2018. ITAs that are selected to move forward in the 9% credit round will follow the competitive application process outlined in the draft Qualified Allocation Plan. Funding will be contingent on an 811 Environmental Assessment compliant with § PRA.215.

Bond Gap Financing

Developers competing for gap financing used in conjunction with 4% Housing Tax Credits must submit an 811 Proposal Development Application 30 calendar days prior to the date in which proposal applications are due. OHFA will release ITA results one week prior to the date in which proposal applications are due. Funding will be contingent on an environmental review compliant with § PRA.215.

4% Housing Tax Credits Only

Developers strictly seeking an allocation of 4% Housing Tax Credits must submit an 811 Proposal Development Application 30 calendar days prior to the opening of the application window. OHFA will release pre-approval results one week prior to the opening of the application window. Funding will be contingent on an environmental review compliant with § PRA.215.

Existing Properties Not Seeking OHFA Funding

Existing properties that were previously awarded OHFA funding are eligible to apply for the 811 program without undergoing rehabilitation or new construction activity. Such properties can apply by submitting an 811 Existing Development Application at any time. There are no application windows or deadlines. Additionally, a Phase I Environmental Site Assessment (ESA) in accordance with ASTM E 1527-05 or the most recent edition will be required. Applications must meet program qualifications: existing properties cannot have a property-wide use restriction for persons with disabilities or individuals over the age of 62. Additionally, existing properties with any form of long-term operating subsidy, such as a Section 8 contract, for the entire project cannot participate in the program. Partially-subsidized properties, however, are eligible as long as 811 funding is used to support other units in the property without subsidies. OHFA staff will recommend 811 funding for properties that best meet the requirements of the application. Funding will be contingent on an 811 Environmental Assessment compliant with § PRA.215.
Post-Award Process

ARAC

Upon a satisfactory 811 environmental review, OHFA and the owner will sign an Agreement to Enter into a Section 811 Rental Assistance Contract (ARAC) in which the owner agrees to enter into a Section 811 Rental Assistance Contract (RAC) upon the placed-in-service date for new construction and substantial rehabilitation projects. For existing properties, the RAC will be signed after execution of the ARAC when an eligible 811 unit becomes rent ready.

Tenant Selection Plan

Per § PRA.303(a)(2), the owner or property manager must submit a property tenant selection plan to OHFA for review and approval. This can be done via the 811 mailbox, 811program@ohiohome.org. The tenant selection plan must not conflict with the Ohio 811 PRA Tenant Selection Plan (Ohio TSP) and HUD 811 Guidelines. The Ohio TSP outlines procedures to follow when applicants are referred via SocialServe, a Web-based waitlist managed by the ODM Waitlist Manager, through occupancy. The Ohio TSP must be adopted and followed for processing 811 applicants specifically.

Notification of Unit Availability

For all newly-constructed and rehabilitated properties, the owner/property manager must send a notification via e-mail to the 811 Mailbox, 811program@ohiohome.org, indicating the project’s placed-in-service date 90 days prior to placing in service. This notification will initiate the tenant referral process. For existing properties, the owner/property manager must notify the 811 Coordinator via the 811 Mailbox immediately upon an anticipated or current vacancy of an 811-eligible unit. See the Vacancy Payment Policy for more details on the notification procedure. This notification will initiate the tenant referral process.

RAC

For all newly-constructed and rehabilitated properties, the owner signs the Rental Assistance Contract (RAC) when the property places into service. For existing properties, the owner signs a RAC upon rent readiness of the first 811 unit. The RAC is a 20-year contract outlining requirements between OHFA and the owner, including the rent schedule, commitment period, use agreement, model lease, and HUD program guidelines. Upon signing, the owner begins participating in the 811 program.

Use Agreement

As part of the RAC, the owner must sign and record an 811 Use Agreement with the appropriate county recording administrator and provide a copy to the 811 Coordinator through the 811program@ohiohome.org mailbox. The agreement ensures that 811-assisted units will continue to serve extremely low-income individuals for 30 years after the RAC is signed.
SocialServe Property Information

The 811 Coordinator will contact the owner/property manager for basic information about the property to upload in the 811 tenant database, SocialServe. SocialServe acts as the 811 program’s centralized waitlist database through which eligible individuals are referred. Information will include the property name and point of contact (POC) for the property with his/her e-mail and phone number. SocialServe will directly contact the property POC for specific property information. The following information will be inputted into the database: photos of the property and unit configurations, a link to the property Web site and the property application, unit characteristics, and property amenities.

Post-Award Process

SocialServe Polling

SocialServe call center administrators will poll properties with a recorded RAC for vacancies and provide notice to the ODM Waitlist Manager about unit availability. If the number of 811 units committed under the RAC are not fully leased and a unit becomes available, the ODM Waitlist Manager will begin searching for an eligible 811 tenant through SocialServe.

Tenant Matching

The ODM Waitlist Manager will send a matching, 811-eligible individual or household to the property management staff for screening. The referral process is detailed in the Ohio 811 PRA Tenant Selection Plan (Ohio TSP). The Ohio TSP governs referral processes and procedures for applied and denied applicants. Upon receiving a referral, the owner/property manager will screen 811 applicants in the same manner as typical residents. The owner/property manager will address any Reasonable Accommodation and/or Modification requests in accordance with Title VIII of the Civil Rights Act of 1968 as amended by the Fair Housing Amendments Act of 1988 and implemented through 24 CFR §§ 100.203-100.204. If the ODM Waitlist Manager cannot match a tenant to the vacant, rent-ready 811 unit, the owner may qualify for vacancy payments. See the Vacancy Payment Policy for more details.

Fair Housing Poster

The HUD Fair Housing Poster is required to be prominently displayed in all offices in which sales or rental activity takes place; displayed from the start of construction; and properly maintained throughout the construction and sales/rental period. If the rental office is in a location other than the property, the owner/property manager must have the poster prominently displayed in at the property, such as a community or computer room.
Approved Applicant Process

Acceptance and Model Lease
The owner/property manager will notify the 811 applicant if he/she meets the screening criteria and is eligible for an 811 unit. Denied applicants will be notified in writing according to the process outlined in 4-9 of the HUD Handbook 4350.3. Accepted tenants must sign the 811 Model Lease. This is the only acceptable lease for 811 program participants.

Pre-Occupancy Inspection
The owner/property manager must conduct a pre-occupancy inspection with the selected tenant. The tenant may have their Referral Agent accompany them or, if a Reasonable Accommodation Request is made, participate on their behalf. The tenant may also waive the pre-occupancy inspection. The Move-in/Move-out Inspection Form will be used for the pre-occupancy inspection and is included in the tenant’s rental application and compliance file.

Compliance

Guideline Compliance
The OHFA Office of Program Compliance (PC) will monitor 811 projects in accordance with IRS, HUD, and other applicable agency guidelines. The Housing Tax Credit monitoring process is outlined in 26 USC § 42, 26 CFR §1.42-5, and OHFA’s Qualified Allocation Plan. In addition, owners must follow the requirements and expectations as outlined in the Program Compliance Requirements and Expectations. Owner requirements for the HUD Section 811 PRA Program are in the HUD Program Guidelines. §§ PRA.401-411 of the HUD Program Guidelines detail the compliance duties of owners.

Unit and File Reviews
OHFA staff will review all 811 resident files and units at least once every three years. OHFA reserves the right to conduct additional reviews if warranted. The owner is responsible for using OHFA-mandated forms such as the Student Certification and Tenant Sworn Income and Asset Statement to show that tenants are properly and requirements are met, including income verification methods consistent with those outlined in the HUD Handbook 4350.3, IRC Section 42, federal, and state regulations. The owner is responsible for registering in OHFA’s online database system, DevCo, to certify resident eligibility, rents, and utility allowances.
More Information

Additional resources can be found on the Ohio 811 PRA Web site. Questions and comments can be sent to 811Program@ohiohome.org. You may also contact the 811 Coordinator or Senior Asset Manager below for assistance:

Pamela Zinn, 811 Coordinator
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pzinn@ohiohome.org

Taylor Koch, Senior Asset Manager
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tkoch@ohiohome.org