

# 811 PRA: Maintaining Compliance with Unit Vacancy and Waitlist

January 31, 2024

## Contact Information

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2

## Part 1



# How to Determine the Required Number of 811 PRA Units

3

## How to Determine the Required Number of 811 PRA Units

Need to look at the following documents:

- Owner Participation Agreement
- Rental Assistance Contract
- Pause Letters from 2020
- Unit Mix Update/Rent Schedules
- Release Emails



4

## How to Determine the Required Number of 811 PRA Units

### Owner Participation Agreement

- Commonly called "Participation Agreement" or "PA"
- Outlines the requirements of the 811 PRA program
- The most recent PA determines the total number of units
- Although the PA indicates a maximum number of units, the Department reserves the right to reduce the number based on need and funding
- As the grantee, TDHCA has the authority to decide the unit mix and requires units to be dispersed through the community
- The program caps the total number of 811 PRA units at the property to 25% of all total units
- The units needed for the program must not be in units designated for the Housing Tax Credit at the 30% AMI

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
www.tdhca.texas.gov

**SECTION 811 PROJECT RENTAL ASSISTANCE PROGRAM  
OWNER PARTICIPATION AGREEMENT**

This Section 811 Project Rental Assistance Program Owner Participation Agreement (the "Agreement") is entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ ("Owner") and the Texas Department of Housing and Community Affairs, a public and official agency of the State of Texas ("TDHCA") (collectively, the "Parties") for participation in the TDHCA Section 811 Project Rental Assistance ("PRA") Program with regards to housing units on that certain multifamily rental housing properties consisting of a total of \_\_\_\_\_ units known as \_\_\_\_\_ ("Eligible Multifamily Property") situated on real property located in the City of \_\_\_\_\_, County of \_\_\_\_\_, State of Texas.

The Parties enter into this Agreement in conjunction with the commitments made by the applicants of the following TDHCA Multifamily Housing Direct Loan Program Application(s) that were successfully awarded Direct Loan funds and/or a Competitive Housing Tax Credits ("HTC") to satisfy the requirements of 10 TAC §11.9(c)(6) or 10 TAC §13.6(6) utilizing the Eligible Multifamily Property as the approved development to provide Section 811 PRA Program units:

Application Number	Program: Direct Loan Funds or Competitive HTC	Proposed Development Name	Number of Section 811 PRA Program Units
<b>Total Section 811 PRA Program Units</b>			

Each applicant for each application referenced above must provide the minimum number of Section 811 PRA Program units for each of their respective developments. The minimum number of Section 811 PRA Program units is generally 10 (ten) and is further specified in the Qualified Allocation Plan. However, the minimum number can be affected by the Integrated Housing Rule at 10 TAC 1.15 and one of the following depending upon the cycle year: 10 TAC §10.2014(c) for the 2017 cycle or 10 TAC §11.9(c)(6) for the 2018 HTC and 10 TAC §13.6(6) for 2018 multifamily direct loans.

## How to Determine the Required Number of 811 PRA Units

### Rental Assistance Contract

- Commonly called the "RAC"
- Estimate of how many units the Department anticipates a need for at your community
- This may adjust based on need (less or more needed)
- This is the starting documentation, which can be amended by a future Unit Mix Update
- A good place to identify the current requirement would be to check the current Rent Schedule

OMB Approval No. 2502-0059  
(exp. 02/28/2017)

**Exhibit 8 of the Cooperative Agreement**  
**Part I of the Rental Assistance Contract**

Section 811 Project Rental Assistance (PRA Demo) Demonstration

PRA Demo Project Number: \_\_\_\_\_ 811 PRA Demo Contract Number: \_\_\_\_\_ PRA Project Number (if applicable): \_\_\_\_\_

This Rental Assistance Contract (RAC) is entered into by and between \_\_\_\_\_ (Grantee), and \_\_\_\_\_ (Owner Legal Name) for rental assisted units at \_\_\_\_\_ (Project Name).

**Statutory and Administrative Authority.** Section 811 of the Cranston-Gonzalez National Affordable Housing Act of 1990, 42 U.S.C. 8013, as amended by the Frank Melville Supportive Housing Investment Act of 2010, Pub. L. No. 111-374; the Department of Housing and Urban Development Act, 42 U.S.C. 3531, et seq. and pursuant to the applicable HUD administrative and regulatory requirements.

**Purpose.** The purpose of this Contract is to provide Rental Assistance Payments on behalf of Eligible Families leasing Decent, Safe and Sanitary Assisted Units from the Owner.

**1.1. Significant Dates and Other Items, Contents and Scope of Contract:**

(a) **Effective Date of Contract:** \_\_\_\_\_

(b) **Fiscal Year.** The ending date of each Fiscal Year shall be \_\_\_\_\_ (Insert March 31, June 30, September 30, or December 31, as approved by HUD.) The Fiscal Year for the project shall be the 12-month period ending on this date. However, the first Fiscal Year for the project is the period beginning with the effective date of the Contract and ending on the last day of the Fiscal Year which is not less than 12 months after the effective date. If the first Fiscal Year exceeds 12 months, the maximum total annual rental assistance payment in section 1.1(c) will be adjusted by the addition of the pro rata amount applicable to the period of operation in excess of 12 months.

(c) **Maximum Annual Contract Commitment.** The maximum annual amount of the commitment for Rental Assistance Payments under this Contract, as identified in Exhibit 1.

(d) **Project Address Description.** Include the project's street address, city, county, state and zip code, block and lot number (if known), and any other information necessary to clearly designate the covered project.

(e) **Statement of Services, Maintenance and Utilities Provided by the Owner:**

(1) Services and Maintenance: \_\_\_\_\_

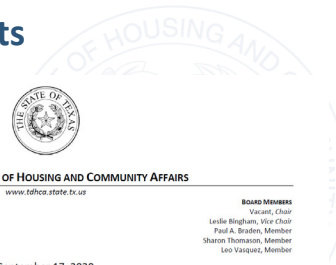
(2) Equipment: \_\_\_\_\_

Page 1 of 10  
Form HUD-92239-PRA (03/2014)

# How to Determine the Required Number of 811 PRA Units

## Pause Letters from 2020

- In 2020, the Department may have sent letters to some Owners through CMTS and email
- If the letter was sent, it paused the development at the number of occupied units with the 811 PRA tenants
- The pause number was based on the number of units at the time of the letter
  - i.e. RAC required 10 units, but paused at 0
  - i.e. RAC required 10 units, but paused at 3
- Although the letter paused the number of units, the development still is obligated under the program to provide units for the program
- Until the 811 Admin team reaches out to discuss unpausing, continue to maintain the number in the letter



**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
www.tdpha.state.tx.us

September 17, 2020

Writer's direct dial: 512-508-1487  
Email: gspencer\_dhca@tdpha.state.tx.us

**RE: Section 811 Project-Based Rental Assistance Leasing at ABC Apartments**

Dear Owner/Agent:

This letter is in regards to ABC Apartments 9991.

This property has executed a Property Agreement (Owner Participation Agreement) and Rental Assistance Contract (TX59RDD1228) with the Texas Department of Housing and Community Affairs (the Department) in which it has committed housing units to the Section 811 Project-Based Rental Assistance (PRA) Program.

The Texas Administrative Code<sup>90.00</sup> requires that the Owner hold vacant units eligible for the Section 811 PRA Program and notify the Department's Point of Contact (currently Monica McCarthy

# How to Determine the Required Number of 811 PRA Units

## Unit Mix Updates

- Look similar to Rent Schedule (changes in gross rents and utilities)
- Amendment to the RAC that affects:
  - The unit mix (number of units required per bedroom type)
  - And may affect the total number of units
- Replaces numbers is the original RAC
- The Department pays rental assistance based on the unit mix in the RAC or unit mix update
- If there is a need to adjust the unit mix, contact the 811 Administration team **in advance**
- Failure to update the unit mix prior to leasing a bedroom unit available may result in a delay of payment
  - i.e. The unit mix requires 8 one-bedroom units and 2 two-bedroom units. The community leases 1 three-bedroom unit. The unit mix needs to be updated prior to getting paid for the three-bedroom unit.

**Rent Schedule Low Rent Housing**

U.S. Department of Housing and Urban Development  
Office of Housing  
Federal Housing Commissioner

OMB Approval No. 2502-0012 (exp. 07/31/2017)

Project Name: **ABC Apartments** FHA Project Number: **TX59RDD1400** Date Rents Will Be Effective (mm/dd/yyyy): **08/01/2023 "Unit Mix Changes Only"**

**Part A - Apartment Rents**  
Show the actual rents you intend to charge, even if the total of these rents is less than the Maximum Allowable Monthly Rent Potential.

Col. 1 Unit Type (Include Non-revenue Producing Units)	Col. 2 Number of Units	Contract Rents			Col. 5 Utility Allowances	Market Rents (Section 236 Page 1a Only)	
		Col. 3 Contract Rent Per Unit (Col. 2 x Col. 3)	Col. 4 Monthly Contract Rent Potential (Col. 2 x Col. 4)	Col. 6 Effective Date (mm/dd/yyyy)		Col. 7 Gross Rent Per Unit (Col. 3 + Col. 5)	Col. 8 Monthly Market Rent Potential (Col. 2 x Col. 7)
1 BR	7	900	6,300	88	992		
2 BR	3	1,080	3,240	117	1,197		
<b>Total Units</b>		<b>10</b>	<b>Monthly Contract Rent Potential (Add Col. 4)</b>	<b>9,540</b>		<b>Monthly Market Rent Potential (Add Col. 8)</b>	
			<b>Yearly Contract Rent Potential (Col. 4 Sum x 12)</b>	<b>115,236</b>		<b>Yearly Market Rent Potential (Col. 8 Sum x 12)</b>	

**Part B - Items Included in Rent** (Check those included in rent.)

Equipment/Furnishing In Unit (Check those included in rent.)

Utilities: Check those included in rent. For each item, (even those not included in rent), enter E, F, or G on line beside that item: E= Electric; G=Gas; F=Fuel Oil or Coal.

Part C - Non-Revenue Producing Space

Part D - Commercial Space (retail, offices, garages, etc.)

## How to Determine the Required Number of 811 PRA Units



### Release Emails

- In response to Owner notifying the Department of the availability of a unit for the 811 PRA program
- Instead of the Department sending a referral
- The email is notifying the Owner that that specific unit is not needed at this time
- These emails are archived in the attachments system for CMTS
- However, continue to notify the Department of other units that come available
- Staff may release that specific unit due to several factors, including the needs of applicants and the Department
- Notify the Department when this or any other unit becomes available
- When notifying of available units, keep in mind the following:
  - Units for the 811 PRA program are floating and not fixed
  - The unit must be for a tenant occupying a unit that is not designated at the 30% AMI for the HTC program
  - How many units are still required
  - The unit mix requirements
  - Units must be dispersed through the property
  - The current needs conveyed by the 811 Administration staff

9

## Part 2

### How to Notify the Department of Availability and Application Outcomes



10

## How to Notify the Department of Availability and Application Outcomes

- If the Owner has executed an Participation Agreement, must notify the Department of the availability of units for the 811 PRA program
- When notifying the Department of available units, consider the following:
  - Units for the 811 PRA program are floating and not fixed
  - The unit must be for a tenant occupying a unit that is not designated at the 30% AMI for the HTC program
  - How many units are still required
  - The unit mix requirements
  - Units must be dispersed through the property
  - The current needs conveyed by the 811 Administration staff
    - Need a first floor instead of third floor
    - Need a one-bedroom instead of three-bedroom
    - Accessible Units (Handicapped Accessible or Vision/Hearing Impaired Accessible)
- If you received a pause letter or temporary release email, you must continue to notify the Department of needed units
- Please send notice of available units to [811info@tdhca.texas.gov](mailto:811info@tdhca.texas.gov).
- A member of the 811 Administration staff will respond
- The property must retain records on units referred and not referred for future review
- The Department recommends a reliable and consistent point of contact for notifying the Department of available units
- If that contact is no longer working for the property/management/Owner, please notify the Department who will be their replacement
- If the contact information is no longer up to date, 811 Administration staff will contact the management contact in CMTS

11

## How to Notify the Department of Availability and Application Outcomes

- After you notify the Department of an available unit, 811 Administration staff will refer to you one or more applicants
- Screen those applicants for suitability of occupancy and eligibility for the program
- Outcomes:
  - If you deny an applicant, notify the 811 Administration staff that family was denied, including a copy of the denial letter
  - If you have determined all applicants referred did not result in a lease (unable to reach or denied), notify the 811 Administration staff that you need more referrals
  - If you are unable to reach an 811 referral after a reasonable amount of time, contact the Department for additional referrals
  - Once you lease a unit, please notify the 811 Administration staff as well, including a copy of the execute lease contract
- If you need assistance, please contact the 811 Administration staff for guidance

12

## Part 3



## Special Claims on Vacant Units

13

### Special Claims on Vacant Units: During Lease-Up

Available for each assisted unit that is not leased as of the effective date of the Rental Assistance Contract (RAC)

Payment not to exceed 80% of the contract rent for up to 60 days of vacancy

Owner MUST

- Make attempts to fill the vacancy
- Not reject any eligible applicant except for good cause

14

## Special Claims on Vacant Units

- We can only pay 60 days of vacancy
- The 60-day clock starts when the unit is actually available for occupancy (not when vacant)
- Vacancy payments only are for units we are actively trying to fill with 811 tenants
- Vacancy claims are processed through Blueprint
  - Confirm with Waitlist Lead that unit is being returned/released
  - Contact Ann Hitner: [annah@shccnet.org](mailto:annah@shccnet.org)
    - Request a Vacancy Claim checklist

15

## Special Claims on Vacant Units: After Lease-Up

Payment not to exceed 80% of the contract rent for up to 60 days of vacancy

Certify that the vacancy was not caused by the owner violating the lease, the RAC or any applicable law

### Owner MUST

- [Notify TDHCA of the vacancy](#)
- Make attempts to fill the vacancy
- Not reject any eligible applicant except for good cause

16



## Part 4



# How Does the Waitlist Process Work

17

## How Does the Waitlist Process Work



- The Department manages the waitlist for the 811 PRA program
  - Some MSAs have waitlists and some are working towards a real-time referral system
  - Referrals come from different HHSC agencies
    - People existing nursing facilities
    - People with IDD existing Intermediate Care Facilities (ICF)
    - People with serious mental illness
    - Youth and young adults existing foster care
  - If an 811 tenant wishes to transfer to another property (not the same property), they must reapply to the program with the referral agency
    - If there is a waitlist, they will be placed on the waitlist in the order in which it was received
- If an applicant wants to participate in the 811 PRA, they must be sent by a referral agency to the Department
- The Department will then refer those applicants to you
- If someone comes into your office and you believe they may be eligible to participate but are not already a referral, please send them to [811info@tdhca.texas.gov](mailto:811info@tdhca.texas.gov).
- If you move someone into the 811 PRA program who was not referred by the Department, that unit is not eligible for subsidy payment

18

## Part 5



# How Does Compliance Determine the Requirements Are Satisfied?

19

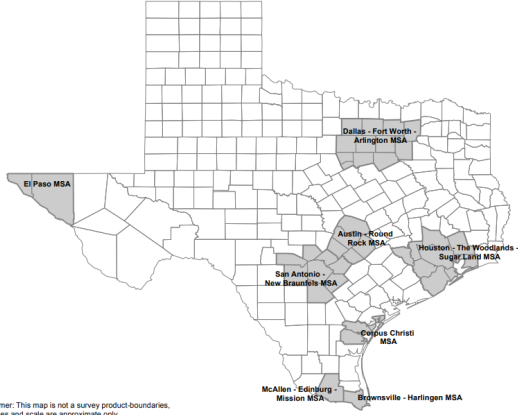
## How Does Compliance Determine the Requirements Are Satisfied

- Reviews the requirements specific to the property:
  - Participation Agreements
  - Rental Assistance Contracts
  - Paused Letters
  - Unit Mix/Rent Schedule
  - Release Emails
  - Texas Administrative Code and other program requirements
- Reaching out to the 811 Administration staff for feedback on Owner participation and compliance with required and timely notifications for filling units and outcomes of applications
- Takes into consideration information during Period of Review:
  - Unit Status Reports submitted prior to the review
  - Vacancy Reports submitted for the review
  - Move-out Reports submitted for the review
  - Records kept for the property detailing referrals and outcomes
  - Plan of Action on resolving failure to meet occupancy requirements



20

State of Texas Section 811 Service Area: 2016



Disclaimer: This map is not a survey product boundaries, distances and scale are approximate only.

# Thank you!

The 811 Team and Compliance appreciate you all.

RESOURCES:

[HTTPS://WWW.TDHCA.STATE.TX.US/SECTION-811-PRA/INDEX.HTM](https://www.tdhca.state.tx.us/section-811-pra/index.htm)

[HTTPS://WWW.TDHCA.STATE.TX.US/PMCOMP/](https://www.tdhca.state.tx.us/pmcomp/)

[HTTPS://WWW.TDHCA.STATE.TX.US/SECTION-811-PRA/CONTACT.HTM](https://www.tdhca.state.tx.us/section-811-pra/contact.htm)

