

Quick Reference Guide

HUD 811 Program

The outline below provides a quick guide to the key operating policies and procedures for the HUD 811 program. The guide also provides specific policies that are unique to the operations of the 811 program in Georgia.

Revised Nov. 30, 2015

- 1. Eligible Multifamily Properties**

Rental properties must have 5 or more units to be considered for the 811 program. Properties with existing use restrictions for persons with disabilities that restricts 20% or more of the units in the development are not eligible. Also properties that are restricted to persons age 62 and older are not eligible.
- 2. Use Agreement and RAC Term**

The 811 Use Agreement is for 30 years and the RAC is for 20 years.
- 3. 20% Rule**

DCA will not exceed 20% of the total units in the housing development to be set aside for persons with disabilities. HUD allows up to 25% but DCA set limit at 20% to comply with DBHDD's policy.
- 4. Billing**

Each 811 property will bill DCA monthly for the rental assistance payments. This invoice is called a "Child" invoice. DCA combines all the "Child" invoices into one "Parent" invoice and submits to HUD monthly using eLOCCS. DCA pays owners with 811 funds received from HUD. DCA direct deposits monthly HAP payments into the owner's designated bank account.
- 5. Payment Standard**

HUD's Fair Market Rent (FMR) is the payment standard used by the Georgia 811 program. Rents cannot exceed FMR.
- 6. HUD Secure Systems**

Bryan Leclair is DCA's 811 "Coordinator" for HUD Secure Systems. Bryan issues all "User" privileges to owners, business partners, and DCA staff working on the 811 program.
- 7. Davis Bacon**

Davis Bacon only applies if DCA plans to place more than twelve 811 units at a property.
- 8. Security Deposit**

Security deposits are funded by tenant, provider, or DCA from 811 funds. The deposit is equal to the Total Tenant Payment (TTP) or \$50 whichever is greater. DCA submitted a request to HUD to raise the deposit to one month's contract rent. DCA is still waiting on response from HUD.
- 9. Damages**

The 811 program does not allow owners to bill DCA or HUD for damages that exceed the amount of the security deposit.
- 10. Vacancy Loss**

DCA will pay owners 80% of the contract rent for up to 60 days for holding a unit vacant to allow an 811 applicant to be referred and screened. The payment of the vacancy loss only applies if DCA agrees to accept the unit and send a referral. If DCA passes on the unit the owners is free to lease the unit from the properties wait list and the vacancy loss provision does not apply. Owners will give DCA as much notice as possible as to when a unit is available. Owners will provide a 10 business day grace-period from the time the owner notifies DCA of the vacancy and when the owner starts billing for the vacancy loss.
- 11. Wait List Management**

DCA manages the wait list for all 811 properties. DCA maintains one central wait list for all properties.
- 12. Utility Allowances**

The utility allowance charts may vary between properties within a state's 811 program. Owners may use the utility allowance charts applicable to the financing or other rental

assistance on non-PRA assisted units in an eligible multifamily property such as (1) HUD multifamily housing policy, (2) applicable public housing authority (PHA), (3) Rural Housing Services (RHS), (4) as established by DCA for financing programs on eligible multifamily properties such as HOME, LIHTC, state bonds, etc. The RAC will designate which utility chart will be used for the property.

13. Utility Reimbursement Payments

Owners will invoice DCA monthly for all utility reimbursement payments that are due to tenants based on their household rent calculation. Owners are to disburse the utility reimbursement payments to the tenant or utility provider within 5 business day of receipt of the payment from DCA or the funds must be returned to DCA.

14. Household Income

All households must be extremely low-income with incomes that do not exceed 30% of the median income for the area as determined by HUD. HUD's income exclusions, as defined under 24 CFR 5.609 apply in determining income eligibility and eligible tenant's rent.

15. TRACS Vendor

DCA has contracted with Navigate Affordable Housing Partners to train and assist owners with entering tenant data in TRACS and with monthly billings. DCA is covering this expense and there is no cost to owners for using this service.

16. Tenant Application Fees

811 applicants are responsible for paying all application fees charged by the property owner at the time the applicant completes their rental application.

17. 50% AMI

DCA targeted 50% AMI units in their 811 application in an effort to reduce the amount of rental assistance needed to house each 811 household. HUD is open to requests from grantee to lease units targeting higher AMI up to market rate in order to get more 811 units

available to eligible households.

18. Outreach, Marketing, Referrals

DCA, DBHDD and DCH are responsible for all outreach, marketing and referrals to fill vacant 811 units. Owners are not responsible for marketing activities.

19. Tenant Screening and Selection

Owners and property managers are responsible for tenant screening and selection after DCA has referred an applicant from the 811 Wait List. Each owner will screen applicants based on the Tenant Selection Plan for the property.

20. Affirmative Fair Housing Marketing Plan

DCA has prepared AFHMPs for both 811 grant awards. Both plans are identical because both grants target the same population groups and target areas. DCA and the owner will decide which method will apply at the time the RAC is being negotiated. This information will be recorded in the RAC.

21. UPCS Inspections

DCA conducts UPCS inspections on all units prior to the tenant moving in and annually at recertification. HUD encouraged grantees to strengthen their inspection procedures beyond what was required in the NOFA to ensure that 811 tenants would be moving into units free of code and maintenance issues.

22. Compliance Monitoring

DCA conduct compliance reviews on the 811 program through the Office of Homeless and Special Needs Housing in addition to the required tax credit compliance monitoring.

23. Environmental Review

All properties must meet HUD's environmental review standards prior to DCA entering into a RAC with the owner.

24. Eligible Household

Eligible households are extremely low income at or below 30% AMI, have at least one adult

that is disabled with a Serious and Persistent Mental Illness (SPMI) or physical disability, and are connected with the Department of Behavioral Health and Development Disabilities (DBHDD) or the Department of Community Health (DCH) Money Follows the Person (MFP) program, and actively engaged in services to be referred for housing.

25. Support Services Not a Requirement

Applicants must be engaged in support services in order to be referred to the 811 program. Once the applicant becomes a tenant they are not required to be connected to support services as a requirement for maintaining their 811 rental assistance.

26. 811 Criminal Background Restrictions

The head of household or any member of the household must not have been convicted of manufacturing or selling methamphetamine on the premises of federally assisted housing and must not be subject to the lifetime registration requirement under the state sex offender registration program.

27. Pre-Screening Applicants by DCA

DCA conducts additional background screening once DCA receives a referral for the wait list and the applicant moves to the top of the list. DCA orders criminal background history in order to gather additional information to assist the applicant and their support service provider in preparing to accept or reject a referral to an 811 property. The additional screening is not designed to weed clients out but is designed to prepare an applicant for what they may encounter during the landlord's screening process. The information will be used to assist the client to address deficiencies ahead of time and be prepared to explain their current strengths and mitigating circumstances when they accept the referral and move forward with the application process.

28. Enterprise Income Verification (EIV)

Once a RAC is in place DCA will grant the owner access to the EIV system. The owner will run all tenants through the EIV system to

check income and employment information.

29. Rental Assistance Contract (RAC)

The contract between DCA and the owner which sets forth the rights and duties of the parties with respect to the assisted units in the eligible multifamily property. Contract period is for 20 years. When filed with HUD funds are committed from the 811 budget and the property is set up for tenant data reporting in TRACS and billing through eLOCCS.

30. Tenant Rental Assistance Certification

Owners will be required to enter monthly tenant data into the TRACS system. DCA will provide training to owners on the operations of TRACS and maintaining quality data to support monthly invoicing.

31. Pets

Pets are allowed at owners' discretion. If owners choose to allow pets at the property, the lease must include provisions for pets. Owners must create Pet Rules for the property.

32. Pet Deposits

The rules may require the tenants to pay a refundable pet deposit. The deposit must not exceed \$300 and the initial deposit cannot exceed \$50 at the time the pet is brought onto the premises. The pet rules must allow for gradual accumulation of the remaining required deposit, not to exceed \$10 per month.

33. Late Payments

Owners cannot charge fees for late payment of rent for the assisted units.

34. Tenant Lease Term

Initial lease term must not be less than one year.

35. Approved Rent and Rent Adjustments

Rent levels on the initial RAC may not exceed the area Fair Market Rent (FMR). Rents can only be adjusted annually based upon 1.) HUD's Operating Cost Adjustment Factor

(OCAF), 2.) Other operating cost index as has been adopted by DCA for purposes of subsidizing affordable housing, or 3.) As may be approved by HUD. The RAC also contains additional information on how an owner may apply for an annual rent adjustment for the property.