

HOUSING
HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)
2013 Summary Statement and Initiatives
(Dollars in Thousands)

HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2011 Appropriation	\$150,000	\$259,851	-\$300	\$409,551 ^{a/}	\$148,684	\$308,899
2012 Appropriation/Request	165,000	257,233 ^{b/}	...	422,233	279,712	247,576
2013 Request	<u>150,000</u>	<u>142,521</u>	...	<u>292,521^{c/}</u>	<u>245,000</u>	<u>250,500</u>
Program Improvements/Offsets	-15,000	-114,712	...	-129,712	-34,712	+2,924

a/ The fiscal year 2011 Appropriation includes a \$1.5 million transfer to the Transformation Initiative (TI). These amounts are excluded from carryover, obligations and outlays but reflected in the Transformation Initiative account.

b/ HUD plans to substantially obligate the carryover amounts in fiscal year 2012. For new capital advances, \$150 million has been awarded, \$76 million will be obligated for PRAC Renewals/Amendments and the remainder will be obligated for other activities relating to supportive housing for persons with disabilities.

c/ Includes an estimated Transformation Initiative (TI) transfer of \$750 thousand in fiscal year 2013; the TI transfer may be up to 0.5 percent of Budget Authority.

1. What is this request?

The Department requests \$150 million for the Housing for Persons with Disabilities (Section 811) program in fiscal year 2013. This request is a \$15 million decrease from the fiscal year 2012 enacted appropriation. The \$150 million request will provide \$96 million in Project Rental Assistance Contract (PRAC) Renewals/Amendments and \$54 million for new project rental assistance awards to support integrated supportive housing units for persons with disabilities. HUD has also separately requested funding in the Transformation Initiative to evaluate outcomes from the Section 811 Project Rental Assistance Demonstration (PRAD) program initiated in fiscal year 2012.

Section 811 provides critically important affordable housing linked with community-based supportive services for the most vulnerable persons with disabilities. Such supportive housing is an alternative to much more expensive and restrictive institutional care.

Description of Each Set-Aside

The Department requests \$54 million in fiscal year 2013 for providing project rental assistance through States that demonstrate an integrated health care and housing approach to serving persons with disabilities. These funds support the Project Rental Assistance

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program authorized by the Frank Melville Supportive Housing Investment Act of 2010, first implemented through a demonstration program in fiscal year 2012, and will support approximately 1,850 additional units.

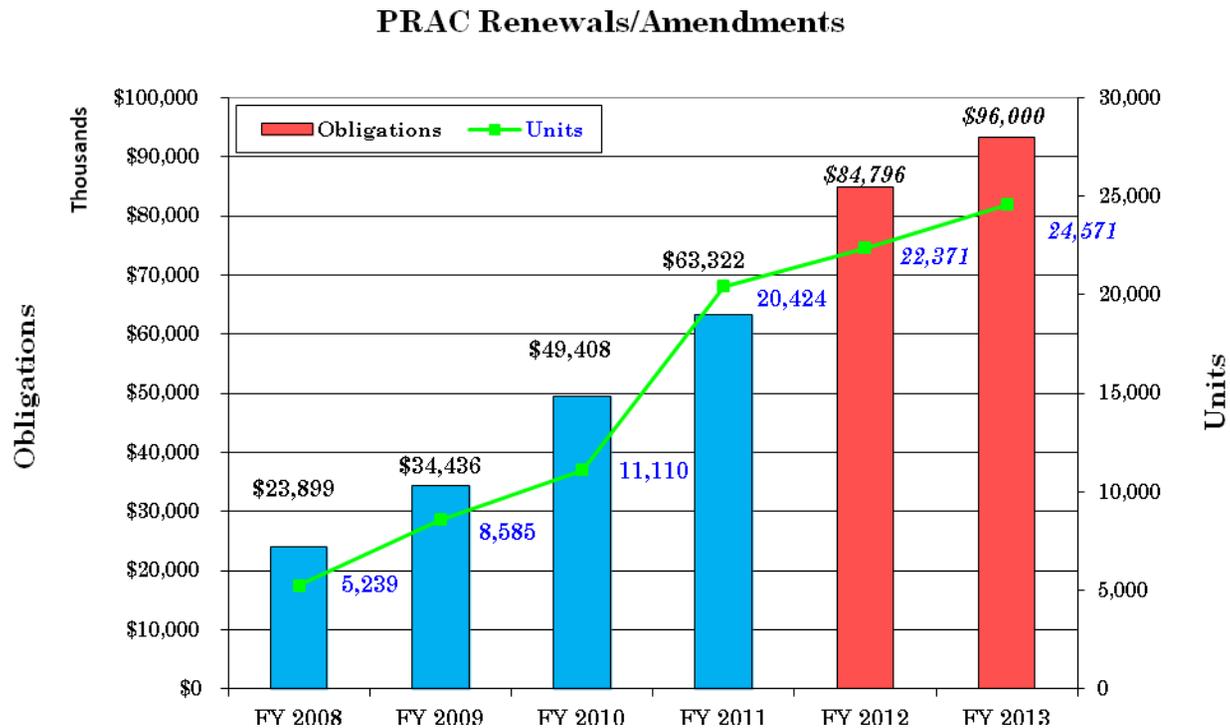
Under this program, state housing agencies that have entered into partnerships with state health and human services and Medicaid agencies can apply for Section 811 Project Rental Assistance for new or existing affordable housing developments funded by LIHTC, HOME, or any other sources of funds. Under the state health care/housing agency partnership, the health care agency must develop a policy for referrals, tenant selection, and service delivery to ensure that this housing is targeted to a population most in need of deeply affordable supportive housing. This Section 811 assistance comes in the form of project rental assistance alone. No funds are available for construction or rehabilitation.

The Department requests \$96 million for Project Rental Assistance Contract (PRAC) Renewals/Amendments which will be applied to preserving 24,571 existing units of supportive housing for persons with disabilities. This set-aside provides continued assistance to tenants of Section 811 projects in which the initial PRAC has expired or all reserved funding has been disbursed. In the early stages of the Section 811 program, the initial PRAC terms were for 20 years; those terms were reduced to 5 years in fiscal year 1995 and further reduced to 3 years in fiscal year 2006. As the initial PRACs begin to expire, the rental assistance is continued through the PRAC Renewal/Amendment program. The renewal/amendment contracts are funded for a 1-year term. HUD estimates that \$4.8 million of the increased need in fiscal year 2013 is due to contracts being renewed or amended for the first time.

There is no funding requested for traditional Section 811 capital advances for new construction.

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The following chart shows the actual growth of the PRAC Renewal/Amendment needs since fiscal year 2008 and the estimated needs through fiscal year 2013. This chart illustrates the growth in the amount of budget authority that must be obligated annually to maintain operating assistance for Section 811 projects previously funded with Capital Advance and PRAC. As new projects and units come out of the construction pipeline and initial PRAC funds are depleted, this budget authority requirement will continue to grow. The fiscal year 2013 estimate reflects an analysis of subsidy balances on currently active PRAC contracts that are expected to require renewal or amendment. The chart also shows the number of units that are supported with these funds.



NOTE: The fiscal year 2012-2013 obligations are estimates.

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In fiscal year 2013, the Department renews its request for the Transformation Initiative, which provides the Secretary the flexibility to undertake an integrated and balanced effort to improve program performance and test innovative ideas. Up to 0.5 percent of the funds appropriated for this account may be transferred to the Transformation Initiative Fund account for the following purposes: research, evaluations, and program metrics; program demonstrations; technical assistance; capacity building and Information Technology. Departmentwide, no more than \$120 million is estimated to be transferred to the Transformation Initiative Fund account in fiscal year 2013 although transfers could potentially total up to \$214.8 million. More details on the overall Transformation Initiative and these projects are provided in the justification for the Transformation Initiative Fund account.

2. What is this program?

Program Description

Section 811 Supportive Housing for Persons with Disabilities program allows low-income persons with disabilities to live independently by providing deeply affordable rental housing opportunities integrated into the broader community. The program targets vulnerable persons with disabilities who need affordable housing in order to effectively access community-based supports and services in order to live independently, thereby avoiding more expensive institutional settings or other at-risk settings such as homelessness.

The Supportive Housing for Persons with Disabilities program is authorized by Section 811 of the Cranston-Gonzales National Affordable Housing Act of 1990 (P.L. 101-625) as amended by the Housing and Community Development Act of 1992 (P.L. 102-550), the American Homeownership and Opportunity Act of 2000 (P.L. 106-569), and most recently by the Frank Melville Supportive Housing Investment Act of 2010 (P.L. 111-374). The Melville Act, which modernizes the Section 811 program, passed the Senate and House with unanimous bipartisan support and was signed into law on January 4, 2011.

The changes authorized by the Melville Act have significantly reformed and modernized the Section 811 program. In addition to streamlining the capital advance program, the Act authorizes Section 811 project rental assistance which will be administered by state housing agencies in line with State health care priorities. These operating assistance grants will be applied to new or existing multifamily housing complexes that are also funded by Federal Low-Income Housing Tax Credits, Federal HOME funds, or other Federal, state, local, or private sources of funding. Units must be integrated into larger multifamily projects.

Who Does Section 811 Housing Serve?

Section 811 provides supportive housing for adults with serious and long-term disabilities, including physical or developmental disabilities as well as mental illness. Participants must have very low-incomes to be eligible for traditional Section 811 housing: at or below 50 percent of area median income. Most residents fall far below that threshold. In fiscal year 2011, Section 811 supported

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approximately 30,000 households with an average annual income of \$6,900.¹ The new Project Rental Assistance program is further targeted, only available to residents with extremely low-incomes, at or below 30 percent of area median income.

Tenants living in Section 811 supportive housing access a variety of community-based services and support (such as case management, housekeeping assistance, assistance with skills of daily living and more) which allows them to keep living independently in the community. Without Section 811 housing, many residents would be faced with living in an institution, with aging parents, living in a homeless shelter or on the streets.

How Does it Work?

The newly reformed Section 811 program is authorized to operate in two ways: (1) the traditional way, by providing interest-free capital advances and operating subsidies to nonprofit developers of affordable housing for persons with disabilities; and (2) providing project rental assistance to state housing agencies. The assistance to the state housing agencies can be applied to new or existing multifamily housing complexes funded through different sources, such as Federal Low-Income Housing Tax Credits, Federal HOME funds, and other state, Federal, and local programs. In fiscal year 2013, no funding is requested for traditional 811 capital advances.

Capital Advances and Operating Assistance

Prior to fiscal year 2012, HUD provided operating subsidies and interest-free capital advances to nonprofit sponsors to help them finance the development of affordable rental housing for persons with disabilities. This financial assistance is used to support the construction, rehabilitation, or acquisition (with or without rehabilitation) of housing for persons with disabilities. The capital advance does not have to be repaid as long as the housing remains available for very low-income persons with disabilities for at least 40 years.

A project rental assistance contract (PRAC) is provided with each capital advance to cover the difference between the HUD-approved operating cost for the project and the tenants' contribution towards rent, which is limited to 30 percent of a tenant's income. The project rental assistance makes the housing more affordable to low-income persons with disabilities.

The initial term of the PRAC is 3 years, and the contract is subsequently renewed annually based on the availability of appropriations and the project's compliance with Section 811 requirements. Awarded funds are contingent on the availability of community based services to support persons with disabilities to live independently in integrated settings. While there is no request for new capital advance funds for fiscal year 2013, \$96 million is requested to support existing PRAC renewals and amendments.

¹ HUD Policy Development and Research data extracts from the TRACS and PIC systems, 2011.

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Project Rental Assistance

In addition to the previously authorized PRAC funds, the Melville Act authorizes provision of additional project rental assistance to be administered by state housing agencies and similar entities. To be eligible for Section 811 project rental assistance funds, state housing agencies must have a formal partnership with the state health and human services and Medicaid agency who will be providing appropriate services and support directly to residents.

One goal of this program is to encourage collaboration between health and human service and state housing agencies. This will result in long-term strategies for the production and supply of new and existing affordable permanent housing units with structured access to appropriate services. Finally, the Department hopes to substantially increase production of rental housing units for persons with disabilities by integrating these units within existing, new or renovated multifamily properties where the capital costs for construction are being provided at the state and local level.

Who Receives Section 811 funds?

Non-profit organizations, including faith-based organizations, with a Section 501(c)(3) tax exemption from the IRS can apply for Section 811 capital advance and operating assistance. Partner organizations have developed a unique capacity to serve low-income persons with disabilities, not only in terms of building housing, but in maintaining that housing and providing or coordinating necessary supportive services. These organizations rely on HUD funding through the Section 811 program to fulfill their vital mission.

State housing agencies, in partnership with state health and human services or Medicaid agencies, may also apply for project rental assistance which they may in turn sub-grant to eligible recipients.

Developments and rental assistance funded by Section 811 are located throughout the country, in large and small cities, small towns, and rural locales.

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Staffing

<u>FTE</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Headquarters	14	14	14
Field	<u>121</u>	<u>119</u>	<u>119</u>
Total	135	133	133

No staffing changes are proposed for fiscal year 2013.

Although funding for the Section 811 program has decreased, 138 projects are currently in the pipeline and staff will continue to work on getting them to initial closing. In addition, staff will continue to focus on implementing the Melville Act and other legislative and programmatic reforms as well as streamlining the processing requirements. Staff responsibilities are split between Headquarters and Field Offices.

Headquarters staff develop policy related to all aspects of implementing the program, including handbooks, notices, guides, regulations, etc.; provide oversight and monitoring of field staff implementation of policy and procedures related to sponsor and owner obligations and responsibilities; monitor field achievement of goals and targets regarding development of new units and the number of service coordinators hired and maintained, including compliance with HUD business agreements with respect to financial and physical requirements; review and process requests for amending and or extending previously funded projects/grants; draft Notices of Funding Availability (NOFA) announcing the availability of funds; ensure availability of funding for all funding commitments; review applications submitted for funding under the PRAD NOFA; respond to correspondence, audits, and other requests for information; review and approve field office's recommendations for selection of new projects/grants; conduct training for field and Headquarters staff as well as our industry partners; draft budget requests and supporting documents.

Field Staff review NOFA applications (as applicable); prepare grant agreements and agreement letters for NOFA awardees; monitor existing Section 811 grants; respond to tenant and community inquiries; process firm commitment applications, cost certification, initial closing and final closing packages; monitor development progress of projects; process waiver requests for time extensions and for amendments; provide technical assistance to sponsors/owners during the development process; responds to correspondence and other external and internal requests for information; provide technical assistance to staff and industry partners; participate in initial and final closing of projects.

3. Why is this program necessary and what will we get for the funds?

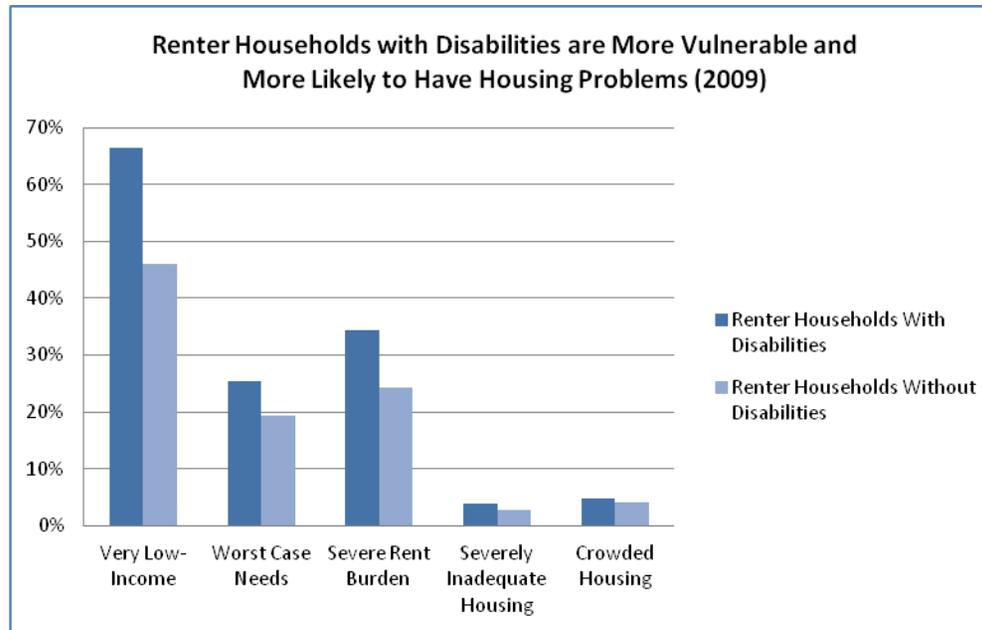
There is a great need and high demand for affordable and adequate housing for very low-income persons with disabilities but an extremely low supply. To the extent that such households are able to find housing at all, they are often dedicating a significant

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share of their overall income to rent, often at the expense of other critical necessities – such as transportation necessary for employment, healthy food, educational classes, or health – which would be necessary for long-term stability and independence.

Renter households including persons with disabilities are more likely to have low incomes and are less likely to find affordable housing. In 2009, HUD found that 2 out of 3 renter households with disabilities had very low incomes.² As a result, in 2009, there were approximately 1 million unassisted very low-income renter households with disabilities who had worst case housing needs (paying more than one-half of their income for rent and/or living in severely inadequate housing) (HUD 2011).

It is this extremely vulnerable population that Section 811 is helping by increasing the supply of affordable housing and through the provision of rental assistance to them. Over the past 20 years, over 30,000 units have been constructed under the Section 811 program.



Source: HUD 2011

² U.S. Department of Housing and Urban Development. *Worst Case Housing Needs of People With Disabilities*. Washington, DC: U.S. Department of Housing and Urban Development. 2011.

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Persons with disabilities often require special accommodation and support services to live independently; finding housing that accommodates these special needs is a big challenge for this population. Approximately half of households with disabilities that have worst case housing needs have ambulatory and cognitive disabilities and one third has independent living limitations (HUD 2011). Two-thirds of people with disabilities assisted by Section 811 had developmental disabilities or chronic mental illness and required extensive supportive services (Locke et al 2005, AREA 1996).³ Without these services that allow persons with disabilities to live independently, the alternatives are often higher-cost institutional arrangements, such as mental health hospitals, nursing homes and other institutions. Section 811 is the only Federal program that provides access for persons with disabilities to affordable housing that accommodates the provision of the supportive services they need to live independently, integrated in the community while receiving tailored services.

Section 811 Project Rental Assistance applications are carefully reviewed to ensure that necessary services will be provided or coordinated once the project is funded. An appropriate state health care agency certifies that the population being served will be able to benefit from supportive services. Services vary depending on the needs of each person with a disability, but most Section 811 residents are Medicaid-eligible and are accessing community-based services that might otherwise require an institutional setting. Services may include case management, training in independent living skills and assistance in obtaining employment.

Quality of Life Examples

An example of the difference Section 811 housing can make to an individual's quality of life can be found in Maryland. "Mike," an Iraq War veteran with multiple mental health diagnoses, was falling through the cracks until the state mental health agency, the Veterans Administration and HUD collaborated to find a place for Mike at the Way Station, Inc, a Section 811 housing community in Frederick, MD. Now Mike has an affordable place to live where he can receive the mental health treatment he needs. Section 811 housing has provided Mike with a much higher quality of life integrated in the community, where he has been able to enroll in community college and look toward a brighter future.

Another example can be found in San Francisco, where HUD has recently awarded Section 811 funds to Mercy Arc Housing, an integrated 56-unit mixed-finance nine-story midrise new development. A mixed finance project, Mercy Arc Housing is supported by funds and services from federal, state, and local government as well as nonprofit organizations. The housing is designed to serve very low-income adults with developmental disabilities who would benefit from a barrier-free, supportive environment that enables them to live independently with support. The development will provide accessible, subsidized housing with on-site support services for income-eligible residents who are diagnosed with a primary disability that is developmental and are eligible for supportive

³ Locke, G., C. Nagler, K. Lam. *Implications of Project Size in Section 811 and Section 202 Assisted Projects for Persons with Disabilities*. Washington, DC: U.S. Department of Housing and Urban Development. 2005. Also Applied Real Estate Analysis (AREA). *Evaluation of Supportive Housing Programs for Persons with Disabilities, volume I and II*. Washington, DC: U.S. Department of Housing and Urban Development. 1996.

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services. An on-site manager, assistant manager, maintenance person and janitorial staff will be available at the project to address resident needs. A range of supportive services will be available both on-site and from community-based service providers. The project will provide case managers who will assist residents during rent-up with paperwork and explain the process and resident rights and responsibilities.

Cost Savings and Legal Requirements

The consequence of the lack of affordable housing is that vulnerable persons with disabilities often unnecessarily reside in institutional settings such as nursing homes, mental health hospitals, or other institutions. Such institutionalization carries great costs: to persons with disabilities and their families in terms of quality of life, and to the taxpayers in terms of avoidable elevated health care costs.

While there is currently no directly relevant research on the Section 811 program, a study of the Section 202 program, which provides similar supportive housing for low-income elderly persons, illustrates the high relative cost of institutional care. The HUD study found that the annual cost of Section 202 housing plus costs of food, transportation and housekeeping services was \$13,035. Adding assisted living personal services would elevate the annual cost to \$25,311. Meanwhile, the cost of housing that same person in a nursing home for 1 year would be \$48,793.⁴ Investments in Section 811 housing can offset greater state and Federal expenditures on Medicaid and provide an opportunity for persons with disabilities to live in their own communities.

In addition, under the Americans with Disabilities Act and the Supreme Court's *Olmstead* decision, states are legally obligated to favor community-based and integrated settings over institutional settings for persons with disabilities.⁵ State Medicaid agencies are making efforts to comply with this mandate through Medicaid home and community-based "waiver" programs administered by HHS' Centers for Medicare and Medicaid Services. However, states often find themselves limited in achieving this mandate even when they have effective Medicaid waiver programs in place because the target population cannot afford or find suitable housing to live in the community. Investments in Section 811 supportive housing align with and complement these state efforts to provide home and

⁴ HUD, "Section 202 Supportive Housing for the Elderly: Program Status and Performance Measurement", June 2008.

⁵ In *Olmstead v. L.C.*, 527 U.S. 581 (1999), the Supreme Court held that Title II of the Americans with Disabilities Act prohibits the unjustified segregation of people with disabilities in nursing homes or other institutional settings. Federal regulations require that states or other public entities must reasonably modify their policies, procedures or practices to avoid such discrimination. 28 C.F.R. § 35.130(b)(7). For more information see "Statement of the Department of Justice on Enforcement of the Integration Mandate of Title II of the Americans with Disabilities Act and *Olmstead v. L.C.*" at http://www.ada.gov/olmstead/q&a_olmstead.htm.

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community-based services for people with disabilities. The Department is working with HHS on several collaborative projects to increase access to community settings for people with disabilities seeking to leave institutional settings, such as providing housing across the country. For more information on this initiative, go to http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/ned.

4. How do we know that this program works?

Past studies have shown that Section 811 projects are in high demand, with rare vacancies and very low turnover (Locke et al 2005, AREA 1996). Section 811 offers access to a wide array of services, including assistance with activities of daily living, meals and transportation, but most sponsors prefer to limit on-site services to residents who need to live as independently as possible (Locke et al 2005).

More than two-thirds of residents of Section 811 have developmental disabilities and chronic mental illness and the majority of those residents came from nursing homes, hospitals and other specialized residences. Approximately 65 percent of Section 811 residents are very satisfied with their living arrangements and 29 percent are somewhat satisfied. The vast majority of residents (80 percent) express that they are able to obtain the services they need (Locke et al 2005). Frequently cited reasons for moving into HUD-assisted housing include: "a desire to live more independently" (47 percent), "availability of onsite support services" (9 percent), and "handicapped accessible" (9 percent) (AREA 1996).

There are indications that Section 811 provides a cost saving alternative to institutionalization. Although a specific study about Section 811 is not available, as described earlier in a HUD study about Section 202, which serves low-income "frail" elderly population at risk of institutionalization, found that on average, a 340-day stay in a nursing home cost approximately \$49,000, whereas housing plus basic services in Section 202 cost approximately \$13,000. More intensive services for frail elderly would generate a cost of approximately \$25,000, still 50 percent lower than institutional care.⁶

Past research has shown that Section 811:

- (a) is a targeted program that reaches people with extremely low incomes and severe disabilities;
- (b) supplies units and accommodates services that are in high demand and are a cost-effective solution for the population it serves; and

⁶ U.S. Department of Housing and Urban Development. *Section 202 Supportive Housing for the Elderly: Program Status and Performance Measurement*. Washington, DC: U.S. Department of Housing and Urban Development. 2008.

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(c) has very high levels of satisfaction among the population it serves. These outcomes – targeting, cost-effectiveness, resident satisfaction – are clear signs that the program works.

Recent reforms in Section 811 aim to address some of the issues identified in past studies and program reviews, namely: (a) delays in project development due to administrative process, lower capacity of sponsors and insufficient capital advances; and (b) a need for integrating buildings themselves in addition to locating buildings in integrated settings. With key changes enacted into law in 2011 by the Melville Act, in addition to funding group homes and independent living communities, Section 811 units are now increasingly being integrated into larger multifamily developments. This better leverages program funds by working better with other traditional sources of affordable housing finance, such as low-income housing tax credits. Additionally, by allocating Section 811 funds through state housing agencies which are already providing financing to multifamily projects, HUD ensures that projects are more ready to go than under the traditional program.

Leveraging Capital:

The Section 811 program is now particularly well-designed to support leveraging of other housing funding, particularly Federal Low-Income Housing Tax Credits, HOME funds, and other state, local, and private funds. Because state and local agencies control almost all the new Federal funds for new affordable housing construction through HOME and LIHTC, putting the Project Rental Assistance authority into their hands directly enables aligned capital investments.

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HOUSING
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Summary of Resources by Program
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2011 Budget Authority</u>	<u>2010 Carryover Into 2011</u>	<u>2011 Total Resources</u>	<u>2011 Obligations</u>	<u>2012 Budget Authority/ Request</u>	<u>2011 Carryover Into 2012</u>	<u>2012 Total Resources</u>	<u>2013 Request</u>
Disabled (Capital Advance and PRAC)	\$48,634	\$254,926	\$303,560	\$51,533	...	\$178,325	\$178,325	...
Disabled PRAC PAC Renewal/Amendment	67,633	793	68,426	63,322	\$20,000	75,621	95,621	\$96,000
PIH Amendment/Renewal of Mainstream Vouchers (Tenant-Based)	31,936	4,132	36,068	33,829	...	3,287	3,287	...
Transformation Initiative	1,497	...	1,497	...	...	...	...	...
Project Rental Assistance Demonstration (PRAD) .	...	...	...	...	<u>145,000</u>	...	<u>145,000</u>	<u>54,000</u>
Total	149,700	259,851	409,551	148,684	165,000	257,233	422,233	150,000

NOTE: HUD is seeking to fund more PRAD contracts with the fiscal year 2012 appropriation by using prior year funds to provide renewals and amendment to existing project rental assistance contracts. This re-allocation request has been submitted in our fiscal year 2012 Operating Plans. The current allocation is \$90 million for PRAC Renewals/Amendments and \$75 million for PRAD. Final allocation of the fiscal year 2012 appropriation is contingent upon the approval of the Operating Plan. PRAC Renewal/Amendment funds will continue being obligated until such time that the Operating Plan is approved. Thus, the \$20 million reflected here may increase.

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Appropriations Language**

The fiscal year 2013 President's Budget includes proposed changes in the appropriation language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

For amendments to capital advance contracts for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013) [and], for project rental assistance for supportive housing for persons with disabilities under section 811(d)(2) of such Act and for project assistance contracts pursuant to section 202(h) of the Housing Act of 1959 (Public Law 86-372; 73 Stat. 667), including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, *for project rental assistance to State housing finance agencies and other appropriate entities as authorized under section 811(b)(3) of the Cranston-Gonzalez National Housing Act*, and for supportive services associated with the housing for persons with disabilities as authorized by section 811(b)(1) of such Act, ~~[\$165,000,000]~~ *\$150,000,000* to remain available until September 30, ~~[2015]~~ *2016: Provided, [That the Secretary may waive the provisions of section 811 governing the terms and conditions of project rental assistance, except that the initial contract term for such assistance shall not exceed 5 years in duration: Provided further,]* That amounts made available under this heading shall be available for Real Estate Assessment Center inspections and inspection-related activities associated with section 811 [Capital Advance] Projects[: *Provided further, That the Secretary shall conduct a demonstration program to make available funds provided under this heading for project rental assistance to State housing finance agencies and other appropriate entities as authorized under section 811(b)(3) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(b)(3))]. (Department of Housing and Urban Development Appropriations Act, 2012.)*

Changes from 2012 Appropriations

The Department proposes no new capital advances for Section 811. The Department also proposes to continue to make project rental assistance available to State housing finance agencies and other appropriate entities. The general provision in Section 223 proposes rent reforms for both public housing and certain rental assistance programs. This includes the establishment of new minimum rents that would apply to the Section 811 program. However, the impact is expected to be minimal since most project residents are currently paying at least the proposed minimum rent. In addition, should the increase create a burden, the affected residents will be eligible for consideration of a hardship exemption.