

SECTION 202- SUPPORTIVE HOUSING FOR THE ELDERLY

Purpose: This program provides funding for the development and operation of supportive housing for very low-income persons 62 years of age or older.

- **Mixed-Use/Mixed-Financed-** Capital advance funds may also be used in combination with other non-Section 202 funding to develop a mixed-finance project, including a mixed-finance project for additional units over and above the Section 202 units. A proposal to develop a mixed-use project or the development of a mixed-use project in which the Section 202 units are mortgaged separately from the other uses of the structure is not considered a mixed-finance project and is not allowed. However, you must obtain funds to assist the additional units with other than PRAC funds. HUD will not provide PRAC funds for non-Section 202 units.
- **202/Operating Cost Standards:**
HUD shall establish operating cost standards based on the average annual operating cost of comparable housing for persons with disabilities in each Field Office and shall adjust the standard annually based on appropriate indices of an increase in housing costs. The FY 2010 operating cost standard for the Baltimore office is \$5,520 per person/ per unit and Washington D.C. is \$5,620 per person/ per unit.

Capital Advance = HCP x Development Cost Limits x units			
HIGH COST PERCENTAGE		DEVELOPMENT COST LIMITS	
(HCP)			
		Non-Elevator	Elevator
Baltimore	196%	Efficiency	\$ 51,739
Washington DC	224%	One bedroom	59,655
		Two bedroom	71,944
			54,448
			52,415
			75,897

- **202/Eligible Occupants** - Any household composed of one or more persons, one of who is 62 years of age or more at the time of initial occupancy
- **Site and Neighborhood Standards:** Site must be adequate in size, exposure and contour. Site and neighborhood must facilitate and further full compliance of Title VI of the Civil Rights Act. New construction sites must not be located in an area of minority concentration or racially mixed if the project will cause a significant increase in the proportion of minority to no minority.
- **Design Standards:**
Limited to efficiencies or one-bedroom units, if resident manager is proposed up to two bedrooms can be provided for the resident manager unit. **Limitation on unit sizes. The net rentable area of tenant units shall not exceed 415 sq. ft. for an efficiency unit or 540 sq. ft. for a one-bedroom unit. The manager's unit, if a two-bedroom unit, may not exceed**

800 sq. ft. Only one bath will be permitted regardless of unit size. Community spaces. Community spaces may not exceed 10 percent of the gross square foot area. Community space excludes offices, halls, mechanical rooms, laundry rooms, parking, and lobbies.

- **Accessibility:** 5% and all common areas must be accessible. 2% for hearing/sight
- **Categories of Elderly:**
 - "Go Go" – independent
 - "Slo Go" -at risk, 1-2 ADL
 - "No Go" - frail, unable to perform at least 3 ADL
- **Activities of Daily Living (ADL)** eating, bathing, grooming, dressing, household management activities. Eating: may need assistance with cooking, preparing or serving food, but must be able to feed self; Bathing: may need assistance in getting in and out of the shower or tub, but must be able to wash self; Grooming: May need assistance in washing hair, but must be able to take care of personal appearance; Dressing: Must be able to dress self, but may need occasional assistance; Home Management: May need assistance in doing housework, grocery shopping, laundry, getting to and from doctor and shopping, but must be mobile.
- **Savings Incentive:** If development costs are less than the initial fund reservation can retain 50 percent of this savings in the Replacement Reserve Account and may be increased up to 75 percent if energy efficient features are incorporated.
- **Funding Restrictions-** Section 202 funds may not be used for any of the following:
 1. Nursing Homes
 2. Infirmaries/ Medical Facilities
 3. Mobile Homes
 4. Community Centers
 5. Headquarters for organizations for the elderly
 6. Residential units without kitchens and/or bathrooms
 7. Refinancing of sponsor-owned facilities without rehabilitation
 8. Housing that you currently own or lease that is occupied by elderly persons
 9. Projects licensed or to be licensed as assisted living facilities
- **Service Component**
 1. Meal service adequate to meet nutritional needs: NOTE: Section 202 projects selected for funding may not operate a mandatory meals program. Any meals program must be voluntary on the part of the residents. (See 24 CFR Part 278, Mandatory Meals Programs in
 2. Multifamily Rental or Cooperative Projects for the Elderly or Disabled).
 3. Housekeeping aid
 4. Personal assistance
 5. Transportation services

6. Health-related services: NOTE: Health care must be based in the community, not in the project. A small multipurpose room may be provided in a project for the elderly for emergency

- **Who Pays for the Services-** Indirect costs associated with providing supportive services shall be an eligible cost under the Project Rental Assistance Contract. Likewise, any costs associated with employing a service coordinator in housing principally serving frail elderly persons also are eligible, unless the project is receiving congregate housing services assistance under Section 802 of the National Affordable Housing Act. The HUD-approved expenses for operating a project may include 15 percent (up to \$15 per unit/per mo.) of the service costs for the frail elderly and those determined to be "at risk" of being institutionalized. The balance of service costs (85 percent for the frail and "at risk" elderly and all costs for other elderly) shall be provided from other sources, which may include co-payment by the tenant receiving the service. Such co-payment shall not be included in the Total Tenant Payment. Even though a tenant may not be eligible to receive assistance under the HUD portion of the payment, it does not preclude a tenant or the service coordinator from arranging for service(s) which are paid for by the tenant or from other sources.
- **Service Coordinator-** PRAC funds may also be used to cover the cost of employing a service coordinator if at least 25 percent of the project's residents are frail or at-risk of being institutionalized. A service coordinator is a social service staff person who is part of the project's management team. The service coordinator is responsible for assuring that the project's elderly residents, especially those who are frail or "at risk," are linked to the supportive services available from community agencies to enable them to continue living in the project.