



U.S. Department of Housing and Urban Development Public and Indian Housing

Special Attention of:
Directors of HUD Regional and Field
Offices of Public Housing;
Agencies that Administer the
Housing Choice Voucher Program

Notice PIH 2011-50 (HA)

Issued: September 15, 2011

Expires: Effective until amended,
superseded, or rescinded

Cross References: Notices PIH 2010-23 and
PIH 2009-11; *Implementation of the HUD-
Veterans Affairs Supportive Housing (HUD-
VASH) Program* published in the *Federal
Register* on May 6, 2008

Subject: Project-Basing HUD-Veterans Affairs Supportive Housing Vouchers

1. Purpose. The purpose of this notice is to reinstate Notice PIH 2010-23 on the same subject with a significant revision in this section and the addition of section 2e. Section J of the *Implementation of the HUD-Veterans Affairs Supportive Housing (HUD-VASH) Program* (Operating Requirements) published in the *Federal Register* on May 6, 2008, stated that the Department will consider, on a case-by-case basis, requests from a public housing agency (PHA) to project-base HUD-VASH vouchers in accordance with 24 CFR part 983. This notice provides continued guidance to those PHAs that have been awarded HUD-VASH vouchers that are interested in project-basing a portion of those vouchers. Previously no more than **50 percent** of a PHA's allocation of HUD-VASH vouchers could be project-based. Please note that this limitation has been removed in order to provide PHAs with additional flexibility in administering their HUD-VASH program. However, the number of HUD-VASH project-based units must still be within the 20 percent maximum budget authority that may be allocated to project-based voucher (PBV) assistance in accordance with 24 CFR Section 983.5(a).

All types of PBV proposals will be considered: existing units, newly constructed units and substantially rehabilitated units. Proposals must be submitted to HUD Headquarters, Room 4216, Washington, DC, 20410-5000, Attention: Phyllis Smelkinson.

Requests will not be considered unless the Veteran's Affairs Medical Center (VAMC) or Community-Based Outpatient Clinic (CBOC) is in support of this project. The VAMC or CBOC must be in agreement with the PHA prior to the submission of the PBV proposal to HUD for review. When submitting these requests, they must be signed by the PHA's Executive Director (or equivalent official) and the VAMC's or Veterans Integrated Service Network's (VISN) Director and the VA Network Homeless Coordinator. The VA officials may include letters of support in lieu of signing the proposal cover letter.

The review factors in Section 2 of this notice will be considered when determining

whether to approve a request received under this notice. In addition, the impact such an approval will have on a HUD-VASH family's right to mobility will also be considered. Final decisions regarding approval of PBV proposals will be made by HUD Headquarters and the HUD-VASH Program leadership at the VA Central Office.

2. Review Factors. The following factors must be addressed. Please note that the PHA's obligation to review all items mandated by the PBV regulation is unaffected by the submission requirements detailed in this section.

- a. An explanation of why the PHA is proposing to project-base HUD-VASH vouchers rather than providing tenant-based assistance.
- b. A description of challenges voucher holders (and HUD-VASH voucher holders, in particular) face in the local rental market. This would include the success rate for HUD-VASH voucher holders (the number of vouchers issued that leased up within a period defined by the PHA) and the utilization rate reflected on the PHA's latest Section Eight Management Assessment Program score, or the calendar year rate, whichever is more recent.
- c. For newly constructed/substantially rehabilitated units, the length of time HUD-VASH vouchers would be shelved (not utilized) while waiting for the PBV units to be completed.
- d. A description of the proposed project including the following data:
 - i. Total number of proposed PBV units and buildings in the project;
 - ii. Poverty rate of the census tract in which the site is located;
 - iii. PHA Plan and Administrative Plan policies on deconcentrating poverty and expanding housing and economic opportunities, if applicable to the census tract's poverty rate (see 24 CFR Section 983.57(b)(1));
 - iv. Any HUD-VASH related supportive services on or near the premises of the proposed site; and
 - v. Accessibility of the proposed site to the VAMC or CBOC, transportation, and social and medical services.
- e. In regard to Section 3 below, documentation of the PHA's ability to provide HUD-VASH tenant-based or regular tenant-based vouchers (if the participant no longer needs case management) if the family wants to move from its PBV unit after 12 months. Also, HUD will consider the PHA's leasing rates in both the regular and HUD-VASH program when determining whether HUD-VASH families will be able to move from their PBV units after 12 months with or without case management.
- f. For all projects, a statement confirming that the project was selected in accordance with 24 CFR § 983.51, *Owner Proposal Selection Procedures*.

3. Continued Assistance for Families that Move from Project-Based Units.

In accordance with 24 CFR Section 983.260(a) and the lease, the family may terminate the assisted lease anytime after the first year of occupancy. In 24 CFR Section 983.260(b) it is further stated that if the family has elected to terminate the lease in this manner, the PHA must offer the family the opportunity for continued tenant-based rental assistance in the form of either assistance under the voucher program or other comparable tenant-based rental assistance as defined in 24 CFR Section 983.3. This section states that comparable rental assistance would be a subsidy or other means to enable a family to obtain decent housing in the PHA jurisdiction renting at a gross rent that is not more than 40 percent of the family's adjusted monthly income. However, in accordance with 24 CFR Section 983.260(c), **before** providing notice to terminate the lease (with a copy to the PHA), the family must contact the PHA to request comparable tenant-based rental assistance if the family wishes to move with continued assistance; if a voucher or other comparable tenant-based rental assistance is not immediately available, the PHA must give the family priority to receive the next available opportunity for continued tenant-based rental assistance.

In accordance with section g. of the Operating Requirements, as a condition of PBV rental assistance, a HUD-VASH family must receive case management services from the VAMC or CBOC; however, a VAMC or CBOC determination that the participant family no longer requires case management is not grounds for termination of assistance. In such cases where a HUD-VASH family wishes to move from its PBV unit, at its option, the PHA may offer the family continued HCV assistance through one of its regular vouchers to free up the HUD-VASH voucher for another eligible family referred by the VAMC or CBOC.

Where case management is still required, tenant-based rental assistance will be limited to jurisdictions where VAMC or CBOC case management services are available as defined in section II.f. of the Operating Requirements and any other applicable notices.

However, to ensure that all PBV units under a housing assistance payments contract remain continuously funded, the following must be implemented when a HUD-VASH family is eligible to move from its PBV unit and there is no other comparable tenant-based rental assistance to offer the family:

- a. If a HUD-VASH tenant-based voucher is not available at the time the family wants (and is eligible) to move, the PHA could require the family to wait for a HUD-VASH tenant-based voucher for a period not to exceed 180 days;
- b. If a HUD-VASH tenant-based voucher is still not available after that period of time, the family must be allowed to move with its HUD-VASH voucher and the PHA would be required to replace the assistance in the PBV unit with one of its regular vouchers unless the PHA and owner agree to remove the unit from the HAP contract;

- c. If after 180 days, a HUD-VASH tenant-based voucher does not become available and the PHA does not have sufficient available funding in its HCV program to attach assistance to the PBV unit, the family may be required to remain in its PBV unit until such funding becomes available. In determining if funding is insufficient, the PHA must take into consideration its available budget authority, which also includes unspent prior year HAP funds in the PHA's Net Restricted Assets account.

4. Program Requirements. All projects must be selected, developed and operated in accordance with PBV program requirements found at 24 CFR part 983, this notice and the Implementation of the HUD-VASH Program (Operating Requirements) published in the *Federal Register* on May 6, 2008, with the exception of II.c. (Initial Term of the Housing Choice Voucher) and II.d. (Initial Lease Term).

5. Announcement of Additional PBV Awards. The Department of Defense and Full-Year Continuing Appropriations Act, 2011 (the Act) (Public Law 112-10) enacted April 15, 2011, provided \$50 million dollars of funding for HUD-VASH vouchers as authorized under section 8(o)(19) of the United States Housing Act of 1937. With the broad flexibility under the Act to address the needs of homeless veterans, the Department decided to fund an additional five PHAs under Notice PIH 2010-40 (*Set-Aside Funding Availability for Project-Basing HUD-VASH Vouchers*). This allowed the Department to fund those PHAs that achieved the same number of points as other selected applications, but were not originally selected through the lottery process. Those PHAs are: (1) Providence (RI) Housing Authority; (2) Tallahassee (FL) Housing Authority; and (3) Washington (DC) Housing Authority.

5. Information Contact. Inquiries about this letter should be directed to Phyllis Smelkinson in the Housing Voucher Management and Operations Division, Office of Public Housing and Voucher Programs, at (202) 402-4138 or by email at Phyllis.Smelkinson@hud.gov.

6. Paperwork Reduction Act. The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C 3520). In accordance with the PRA, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. The active information collection contained in this notice has been approved under the PRA OMB Control Number 2577-0169.

/s/

Sandra B. Henriquez, Assistant Secretary
for Public and Indian Housing