

# Summary of Set-Aside Funding for Project-Basing HUD-VASH Vouchers

On February 4, 2014, HUD announced the availability of a set-aside of approximately \$7 million to support approximately 1,000 project-based vouchers (PBV) through HUD-Veterans Affairs Supportive Housing (VASH) in Notice of Competitive Funding [PIH Notice 2014-03](#). The availability of these project-based VASH Vouchers provides additional permanent supportive housing opportunities for eligible homeless veterans. PHAs may choose to select a PBV project in one of two ways, each of which is described below. PHAs may only select and apply for one project for a maximum of 75 vouchers, with one exception, as described below.

PHA applications are due to HUD by **May 5, 2014**. (90 days from February 4, 2014, the date of PIH Notice 2014-03)

It is important to note that PHAs that administer tenant-based HUD-VASH vouchers can currently choose to use these vouchers for project-based assistance by submitting a request to HUD in accordance with PIH Notice 2010-23, which was further clarified in PIH Notice 2011-50. The VASH PBVs made available through this Notice of Competitive Funding are a special set-aside in addition to the existing PBV option.

## NEXT STEPS

FOR NON-PROFIT OWNERS OR HOUSING DEVELOPERS...	FOR PUBLIC HOUSING AUTHORITIES...
➤ Go to <a href="#">TAC's Voucher Database</a> to determine if your local PHA administers an allocation of VASH vouchers	➤ Review this summary guide for basic principles and overall application/set-aside requirements
➤ Review <i>HUD Notice PIH 2014-03: Set-Aside Funding Availability for Project-Basing HUD-VASH Vouchers</i> and other key documents	➤ Review in detail <i>HUD Notice PIH 2014-03: Set-Aside Funding Availability for Project-Basing HUD-VASH Vouchers</i> and other key documents
➤ Contact local VASH PHA to discuss whether the PHA plans to apply for the special set-aside of project-based VASH vouchers	➤ Review the 6 eligibility threshold factors (see page 3) to determine if your agency is eligible to apply for the set-aside of PBV VASH funding
➤ Review PHA process for selecting PBV proposals including any selection criteria	➤ Review current VASH tenant-based assistance lease-up data to assess whether a PBV VASH application would be competitive
➤ Contact local VA Homeless Coordinator, VISN Homeless Coordinator, or VAMC Director to get buy-in for the proposal	➤ Contact local VA Homeless Coordinator, VISN Homeless Coordinator, or VAMC Director to discuss whether to submit an application
➤ Based on the PIH Notice, PHA selection plan and input from the VA, conceptualize and respond to a PBV proposal	➤ In accordance with HUD's PBV Selection Procedures (24 CFR Part 983.51) and the PHA's Administrative Plan, decide whether to a) Develop and publish a solicitation for PBV projects. Consider carefully the scored factors included in the Notice of Competitive Funding; or b) select a proposal based on a previous competition in accordance with the notice's guidelines (see page 2)

## PHA PBV PROJECT SELECTION AND LIMITATIONS

PHAs must provide a conditional PBV project award, which must be subject to a successful award under the Notice of Competitive Funding, prior to submitting an application for PBVs pursuant to PIH 2014-03.

### Project Selection Options

PHAs have **two options** for PBV project selection methodology:

1. **To issue a request for PBV proposals.** The PHA may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites; or,
2. **Select a proposal based on a previous competition** under federal, state, or local government housing assistance, community development, or other supportive services program. Such competition must have occurred within three years of the PBV proposal selection date by the PHA and the earlier competitively selected proposal must not have involved any consideration that the project would receive PBV assistance.

### Proposal Limitations

A PHA may only submit one application for a single VASH PBV project of **no more than 75 vouchers** with a *project* being defined as “a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land”, with the following exception: If a PHA has received more than one allocation for HUD-VASH vouchers, and those vouchers are targeted to different VA facilities, the PHA may submit one application for up to 75 PBVs in connection with *each* VA facility, separately. Each VA facility requires a separate application requesting no more than 75 PBVs per individual site. While each application may be for up to 75 vouchers, the maximum number of vouchers requested must be within the 20 percent maximum budget authority that may be allocated to PBV assistance in accordance with 24 CFR 983.5(a).

## APPLICATION SUBMISSION

Hard copies of applications (form HUD 52515 and supporting materials) are **due to by May 5, 2014 at 5:00 p.m. EST** (90 days from February 4, 2014, the date of PIH Notice 2014-03) at:

*U.S. Department of Housing and Urban Development  
Office of Housing Voucher Programs  
Attn: Phyllis Smelkinson  
Room 4216  
451 7<sup>th</sup> Street, SW  
Washington, DC 20410*

It is recommended that applications be sent using overnight mail that requires signature upon delivery. Hand-delivered or standard delivery will be accepted; however, it is important to know that non-expedited mail has no guaranteed delivery time and is subject to the Department's security screening which may delay delivery beyond the deadline.

## ELIGIBLE APPLICANTS AND THRESHOLD REQUIREMENTS

PHAs do not need to currently be operating the HUD-VASH program to apply for vouchers under this announcement. However, all applications must include a signed letter of support from the Director of the local VA Medical Center (VAMC) or Veterans Integrated Service Network (VISN) that confirms the need for the number of vouchers requested.

The PHA's application must meet six (6) threshold requirements in order to be given further consideration by HUD. If the HUD-52515 or any of the threshold items listed are incomplete or missing, they will be treated as a curable deficiency and HUD may contact an applicant to clarify or request the missing documentation and require it be submitted within 10 business days. Applications with outstanding requests after 10 business days will no longer be considered for funding.

HUS will assess the following six threshold requirements:

1. **VAMC and/or VISN Support.** The application must include a signed letter of support from the Director of the VA Medical Center or Veterans Integrated Service Network. This letter must confirm the need for the number of vouchers being requested.
2. **Housing First.** The application must include a statement that it will comply with *Housing First*, as described on page 3 of the Notice of Competitive Funding. The signature on the application will serve as a certificate of the statement.
3. **Administrative Plan.** The application must include a statement that the PHA's Administrative Plan contains all required PBV policies and the application for HUD-VASH is consistent with that plan, in accordance with Sections 2.a. and 2.b. of Notice PH 2011-54 *Guidance on the Project-Based Voucher Program*.
4. **Program Management Findings.** The PHA applicant must not have any major unresolved program management findings from an Inspector General audit, HUD management review or Independent Public Accountant (IPA) audit for the PHA's HCV program, or other significant program compliance problems that were not resolved or in the process of being resolved (as determined by the local HUD Field Office) prior to the Notice's application deadline. Major program management findings, or significant program compliance problems, are those that would cast doubt on the capacity of the applicant to effectively administer a HUD-VASH PBV project. In addition, the PHA must not be involved in litigation that HUD determines may seriously impede the ability of the applicant to administer the HUD-VASH PBV project.
5. **Expanding Housing and Economic Opportunity:** The application must include an explanation of how the project is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities in accordance with the PHA plan and the PHA's administrative plan policies, which must be established in accordance with 24 CFR 983.57.
6. **Accessibility:** The application must include a statement indicating the project's accessibility to transit, the local VAMC or VA Community-Based Outpatient Clinic, employment opportunities and other key neighborhood assets, as described further in the Notice of Competitive Funding.

The signature on the PBV application serves as certification of the threshold statements provided for the application (see Application Components below).

## APPLICATION COMPONENTS

The application for PBV VASH funding contains only one required form: [Form HUD-52515: Funding Application, Section 8 Tenant-Based Assistance, Rental Certificate Program, Rental Voucher Program](#), along with accompanying narratives and explanations as described below. When completing this form, PHAs must follow specific directions including:

- Fill in the five-digit PHA code along with the name mailing address of the PHA
- Section A: Do not complete
- Section B: Only complete the box for total dwelling units
- Section C: Do not complete
- Section D: Do not address the *Need for Housing Assistance*; instead Include a narrative (attach additional pages) that specifically addresses:
  - The number of PBVs requested (cannot exceed 75)
  - A description of the proposed project, including:
    - The location by census tract;
    - The total number of buildings;
    - The total number of units by bedroom size in each building;
    - The number and bedroom sizes of HUD-VASH unit in each building; and
    - The target population, if any, of any non HUD-VASH units.
  - Information regarding the threshold score factors listed above (which must all be addressed) on which the application will be assessed and scored. Applications will be scored and assessed by Headquarters, the Field Office and the VA.
  - Information regarding the following **scored factors**:
    - Project Readiness: Submit a program schedule indicating major milestones and when project units will be ready for occupancy.
    - Participation in the Enhanced Use Lease (EUL) Program: Describe the PHA's collaborative efforts with the VA in developing the PBV proposal for the EUL program. Please note that a PHA's selection of an EUL site meets the alternative competitive selection requirements under 24 CFR 983.51(b)(2). However, the means of selection must still be consistent with the PHA's administrative plan.
    - Relative Need: This factor will be assessed based on data on homeless veterans from HUD, the local Continuums of Care, and VA Medical Centers. Level of need will be determined by the number of homeless veterans, with an emphasis on chronically homeless veterans, in the geographic area and the number of available permanent supportive housing resource in the area. (Note: This factor will be rated by HUD and VA once applications are submitted)

Any VASH PBVs awarded through this Notice of Competitive Funding must operate in accordance with PBV program requirements (24CFR Part 983), [Implementation of the HUD-VASH Program \(Operating Requirements\)](#), and the requirements for continued assistance for families that move from HUD-VASH project-based units as contained in *PIH 2010-23*.



## COLLABORATION WITH THE VA AND OTHER SYSTEMS OF CARE

All applications for VASH PBV funding in response to the Notice of Competitive Funding must include a signed letter of support from the Director of the local VA Medical Center (VAMC) or Veterans Integrated Service Network (VISN). TAC recommends that PHAs obtain letters of support from both entities and include them in the development and implementation of the PBV project solicitation and resulting voucher application process. Within the solicitation process, VA staff should play an active role in the evaluation/selection of potential PBV projects. This early and engaged involvement of key VA staff will ensure local VAMC's and VISN's buy-in and support letter for the VASH PBV proposal.

TAC also recommends that the PHA explore how its Section 8 HCV and HUD-VASH Program can collaborate with a variety of VA's programs and services including:

- Healthcare for Homeless Veterans
- Supportive Services for Veteran Families Program
- Residential Rehabilitation
- VA's Domiciliary Program
- Compensated Work Therapy Program
- Veterans Benefits Administration Special Outreach and Benefits Assistance (service-connected and non-service connected disability)
- National Call Center for Homeless Veterans
- Homeless Veterans Dental Assistance Program
- Veteran Justice Outreach Program
- Safe Haven Pilot Programs.

Keep in mind that each VAMC's programs and services are different and not all VAMCs will offer all of the programs and services listed above.

TAC further recommends coordination with the PHA's geographic systems of care and non-Veteran housing and service entities to enhance community linkages and targeting priorities. These may include local housing and service agencies, Continuum of Care Leads, and local and state governments, among other stakeholders.

## SCORING

The applications will be scored by HUD and selected in order of points awarded until all funding is exhausted. Applications can receive a maximum score of 85 points based on the following scoring criteria:

- Project Readiness:
  - *30 points:* Existing housing that will be ready for occupancy within 60 days of the \*selection date\* for PBVs under this notice (*note: PHA with existing units will be required to submit a PBV HAP contract to Headquarters to verify occupancy for existing units within 60 days*)
  - *15 Points:* Newly constructed or rehabilitated units that will execute an Agreement to enter into Housing Assistance Payments (AHAP) and start construction within 6 months of the selection date for PBVs under this notice
  - *5 points:* Newly constructed or rehabilitated units that will execute an AHAP and start construction within 12 months of the selection date for PBVs under this notice

(\*PBV award selection expected within 90 days from application due date)



- Participation in the Enhanced Use Lease (EUL) Program:
  - *25 points:* Project is being developed in coordination with the EUL program.
  - *0 points:* Project is not associated with the EUL program.
- Relative Need: Data to score this factor will be provided by HUD and the VA.
  - *30 points:* Very high need
  - *15 points:* High need
  - *5 points:* Medium need

If selected, the PHA will be required to submit a PBV HAP contract (form HUD-52530B) to Headquarters at the address above to verify occupancy for existing units within 60 days of selection. If a PHA is selected for a new construction or rehabilitation project, the AHAP (form HUD-53531 A and B) must be submitted in accordance with the deadlines above. If the PBV HAP contract or AHAP is not executed by the deadlines noted above, the funding and associated PBVs will be forfeited and must be returned to the Department. See the Notice of Competitive Funding for further guidance.

## FOR MORE INFORMATION

In addition to HUD PIH Notice 2010-40: Set-Aside Funding Availability for Project-Basing HUD-VASH Vouchers, there are many online resources that provide additional information about the VASH program including:

- [HUD VASH Website](#)
- [VA VASH Website](#)
- [VASH Operating Requirements](#) and related [HUD-VASH Questions and Answers](#) document
- [HUD Notice PIH 2014-03: Project-Based HUD-Veterans Affairs Supportive Housing Vouchers](#)
- [VASH Frequently Asked Questions](#)
- [HUD Project-Based Assistance Regulations \(24 CFR Part 983\)](#)