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## Chapter 9 – Special Purpose Vouchers

# KEY CONCEPTS

**ALMOST 800 PUBLIC HOUSING AGENCIES** (PHAs) administer special purpose Housing Choice Vouchers (HCVs) that are targeted to specific populations.

**IN GENERAL, THESE SPECIAL PURPOSE HCVS** are governed by the same rules and regulations as the conventional HCV program.

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## Chapter 9 *Special Purpose Vouchers*

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### *Vouchers for Specific Populations*

Over the past decades, Congress has appropriated funds for over 157,600 vouchers — referred to collectively as "special purpose vouchers" — targeted to specific populations, including veterans, families reunifying with their children, and people with disabilities. PHAs are not required to apply for these vouchers; rather, they have the option to apply. Almost 800 public housing agencies (PHAs) across the nation now administer one or more of these special purpose voucher programs. For a complete listing, visit [TAC's database of special purpose vouchers](#).

These vouchers are considered part of the Housing Choice Voucher (HCV) program and are utilized in the same manner — with different target populations. Since any one PHA may administer several different HCV special purpose programs — each with its own eligibility criteria — it is important to learn about the different policies used for each.

The U.S. Department of Housing and Urban Development (HUD) has issued some guidance specific to special purpose voucher programs. Specifically, in 2011 [HUD published a special notice](#) to better track the utilization of these vouchers and to ensure that PHAs continue to issue them to the intended target population upon turnover.

### *HUD-VA Supportive Housing (VASH) Vouchers*

The federal government is committed to ending homelessness among veterans. A critical tool to reach this goal is the HUD-VASH program, a collaboration between HUD and the Department of Veterans Affairs (VA). Since 2008<sup>1</sup>, HUD has awarded over 80,000 VASH vouchers to more than 530 PHAs across the nation to help veterans and their families find and maintain housing.

These VASH vouchers are not awarded competitively to PHAs; rather, PHAs located in communities with high numbers of homeless veterans<sup>2</sup> are awarded vouchers. There is at least one PHA administering VASH vouchers in every state.

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<sup>1</sup> Some PHAs were also awarded VASH vouchers in the 1990s as part of a demonstration program, but the program was restructured and expanded in 2008.

<sup>2</sup> Based on an analysis of HUD's point-in-time data submitted by Continuums of Care, VA medical center data on the number of contacts with homeless veterans, and performance data from public housing agencies and VA medical centers.

The VASH program is built on partnerships between PHAs and local VA medical centers. As in other collaborations described in this chapter, VASH requires the VA medical center to identify eligible veterans and refer them to the PHA, while the PHA is responsible for administering the HCV rental assistance.

There are some small but significant differences between VASH and other HCV special purpose voucher programs. In general, VASH is subject to all HCV rules and regulations; however, when Congress created the VASH program it incorporated modified screening standards. Thus, for VASH vouchers, [PHAs are only allowed to screen applicants for lifetime sex-offender status and income eligibility](#). Other screening criteria commonly applied to applicants in the HCV program — including past drug or criminal activity, and standing with federal housing programs — cannot be used to determine the eligibility of VASH applicants.

Many communities have declared an end to homelessness among veterans, with VASH a critical resource in this effort. Many others continue to work to meet this goal. The VA has encouraged communities with high levels of chronic homelessness among veterans to prioritize these veterans for some or all of the VASH vouchers at their disposal.

### **VASH Project-Based Vouchers**

The majority of VASH assistance is tenant-based; however there are options to provide "project-based" VASH assistance. By project-basing VASH vouchers, a PHA and its partnering VA medical center may be able to increase the number of permanent supportive housing units available to veterans experiencing homelessness in a given community.

In accordance with the HCV project-based rules and with HUD's permission, a PHA can project-base up to 20 percent of its HCV allocation (see Chapter 10 for more information). [However, no more than 50 percent of a PHA's total VASH allocation may be used for project-based assistance](#). To use VASH vouchers for project-based assistance, a PHA must work closely with a VA medical center and submit a request to HUD that explains how project-based vouchers will help overcome barriers to the utilization of tenant-based vouchers.

In addition to this option, HUD has held three competitions (in 2010, 2014, and 2015) to award special project-based VASH vouchers.

### ***Nonelderly People with Disabilities (NED) Vouchers***

HUD has awarded over 55,000 vouchers to assist nonelderly people (i.e., people under age 62) with disabilities. Referred to as NED vouchers, these may be used only by people with disabilities in households that qualify as "disabled households" as defined on [page 5](#). More than 400 PHAs across the nation currently administer NED vouchers in accordance with all HCV program regulations and guidance. Given the high number of younger people experiencing chronic homelessness, these vouchers represent a key tool in a community's efforts to end chronic homelessness.

### **Nonelderly People with Disabilities (NED) Category 2 Vouchers**

In 2011, HUD awarded 948 special NED vouchers targeted to nonelderly people with disabilities transitioning from nursing homes or other institutions to the community — referred to as NED Category 2 (NED2) vouchers. These vouchers represented one of the first collaborations between HUD and the U.S. Department of Health and Human Services as part of President Obama’s Year of Community Living initiative. Currently, 28 PHAs in 15 states administer these NED2 vouchers in partnership with state or local Medicaid/health and human services agencies responsible for helping people transition to community-based living.

The same HCV regulations and guidance apply to the NED2 vouchers as to the conventional NED vouchers, with the only difference being the target population. These vouchers have proven to be a valuable tool in helping states comply with their *Olmstead* obligations as described on [page 2](#).

## **GOOD TO KNOW**

### ***ESTABLISHING A NONELDERLY DISABLED BASELINE***

In the past, some public housing agencies (PHAs) merged their NED vouchers into their conventional Housing Choice Voucher programs; however, guidance from the Department of Housing and Urban Development (HUD) issued in 2011 ([PIH Notice 2011-32](#)) requires each PHA to work with HUD to establish a baseline number of NED vouchers it has received. The guidance makes clear that PHAs are expected to maintain a NED voucher leasing rate of at least 95 percent, and establishes reporting mechanisms so that HUD may track this rate. If a PHA has to stop issuing vouchers due to a budget shortfall, when the PHA resumes issuing vouchers it must first issue NED vouchers to eligible households on the waiting list until the baseline number of NED vouchers are leased.

### ***Family Unification Program***

From 1992 to 2001 and again from 2008 to 2010, Congress made available new vouchers targeted to families and youth in need of housing assistance. There are now over 95 PHAs in the nation that administer almost 7,000 Family Unification Program (FUP) vouchers. These special HCVs are specifically targeted to:

- Families for whom the lack of adequate housing is a primary factor in the imminent placement of the family’s children to out-of-home care, and
- Families for whom the lack of adequate housing is a primary factor preventing children from being reunited with family members.

For FUP, families with "lack of adequate housing" include those that are:

- Homeless;
- In imminent danger of losing their housing;
- Displaced by domestic violence;
- Living in substandard or dilapidated housing;
- Living in an overcrowded unit; or
- Living in housing not accessible to the family's disabled child or children, or to the youth (see below), due to the nature of the disability.

### **Family Unification Program Transitional Housing for Youth**

In addition to helping families to reunite or stabilize with their children, FUP vouchers can also be used to provide transitional housing for youth. Specifically, FUP youth vouchers are targeted to people at least 18 and not more than 21 years old who left foster care at age 16 or older and who lack adequate housing.

The FUP vouchers used by youth are time-limited and can only provide up to 18 months of housing assistance. Family Unification Program vouchers for youth are the only Housing Choice Vouchers that are not considered permanent housing. These time-limited vouchers can only be used for transitional housing for this target population.

### **Family Unification Program Outreach and Referrals**

The Family Unification Program represents a collaboration between a PHA and the public child welfare agency (PCWA) responsible for providing services to families and children in crisis. These PCWAs are usually state agencies, such as the department of social services, youth services, or children and families.

Like VASH vouchers, FUP vouchers are administered through a closed referral network. In other words, FUP applications can only be submitted to PHAs through a referral from the partner PCWA. Once the agency makes a referral, the PHA places the FUP applicant on its waiting list, determines whether the family or youth meets HCV eligibility requirements, and conducts all other processes relating to issuing them a voucher.

HUD requires that the PCWA provide support services to youth while they receive rental assistance through FUP vouchers. HUD does not require that services be provided to FUP families, although partner agencies are encouraged to do so. Regardless of whether service provision is required, HUD guidance is clear that a PHA cannot terminate a FUP household for non-compliance with support services.

In communities where many families are experiencing chronic homelessness, homeless providers, Continuums of Care, and advocates should reach out to the local PCWA to determine if any of these families are eligible for services and FUP vouchers.