



## 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 2015-10 (HA)**

Issued: June 12, 2015

Expires : Effective Until Amended,  
Superseded or Rescinded

---

Cross References: Notices PIH  
2011–50 and *Implementation of the  
HUD–Veterans Affairs Supportive  
Housing (HUD-VASH) Program*  
published in the *Federal  
Register* on March 23, 2012.

---

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

- Purpose.** This Notice supersedes Notice PIH 2011–50 and provides guidance to PHAs that have been awarded HUD-VASH vouchers and are interested in project-basing a portion or all of those vouchers. Section k. of the *Revised Implementation of the HUD–VA Supportive Housing Program (Operating Requirements)* published in the *Federal Register* (77 FR 17086) on March 23, 2012, states that the Department will consider, on a case-by-case basis, requests from a PHA to project-based HUD-VASH vouchers in accordance with 24 CFR part 983.

This Notice makes the following changes to Notice PIH 2011–50:

- Section 2.b has been amended to remove the utilization rate reflected on the most recently scored Section 8 Management Assessment Program (SEMAP) certification;
- Section 2.c. has been expanded to include additional information for newly constructed or rehabilitated units;
- Section 2.d. has been updated to include identification of PHA-owned units;
- The prior requirement in Section 2.e. of Notice PIH 2011-50 has been eliminated; and
- Section 2.h. is added to ensure compliance with 24 CFR §983.6, amended by the June 25, 2014, rule implementing changes to the HCV and PBV program (79 FR 36146). The regulation at 24 CFR § 983.6(d) provides that a PHA must submit certain information to the HUD field office for review prior to issuing a Request

for Proposals in accordance with 24 CFR § 983.51(b)(1) or making an alternative selection in accordance with 24 CFR § 983.51(b)(2).

Proposals under all three types of PBV (new construction, rehabilitation and existing housing) will be considered under this Notice. All proposals must be submitted electronically to [Phyllis.A.Smelkinson@hud.gov](mailto:Phyllis.A.Smelkinson@hud.gov) with a copy to the Director of Public Housing in the local HUD field office.

Requests will not be considered unless the Veterans Affairs Medical Center (VAMC) or Community-Based Outpatient Clinic (CBOC) has provided documentation in support of the project. The proposal cover letter accompanying the request must be signed by the PHA's Executive Director (or equivalent official) and may also be signed by 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. 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.** PHAs are obligated to comply with all PBV requirements at 24 CFR part 983 in addition to the following submission requirements in order to be considered under this Notice. The following materials must be included:
- a. A statement outlining the PHA's rationale for proposing to project-base HUD-VASH vouchers rather than providing tenant-based assistance.
  - b. A description of the challenges faced by voucher holders (and HUD-VASH voucher holders, in particular) in the local rental market, including data showing the number of HUD-VASH vouchers issued in the most recent 12-month period and the number of HUD-VASH vouchers leased up in that same timeframe (the "success rate" for HUD-VASH voucher holders) . HUD will no longer consider the most recent leasing indicator under SEMAP, since the leasing of HUD-VASH vouchers is dependent on referrals from the VAMC or CBOC, and the unit months and budget authority associated with these vouchers are not included in the SEMAP leasing indicator.
  - c. For newly constructed or rehabilitated units, a construction schedule that includes the dates on which the following activities are estimated to occur: (1) execution of the Agreement to enter into a Housing Assistance Payments (AHAP) contract; (2) start of construction or rehabilitation; and (3) execution of the PBV HAP contract. There is no deadline for completion of newly constructed or rehabilitated units; however, more than 24 months between execution of the AHAP and PBV HAP contract would be considered an unreasonable amount of time and would require

an explanation.

Please note that project-based HUD-VASH vouchers do not have to be withheld from issuance or “shelved” while waiting for the PBV units to be constructed or rehabilitated. Instead, the vouchers may be issued to HUD-VASH eligible families. The PHA must, however, manage its program in a manner that ensures these vouchers will be available when the PBV units approved through this Notice are completed and accepted by the PHA. For example, if a PHA is going to project-base 10 tenant-based HUD-VASH vouchers and the newly constructed units won’t be available for 18 months, then the PHA could continue to utilize those 10 vouchers until such time as it becomes necessary to hold all or a portion of them to ensure the vouchers will be available when the PBV units are completed. Having made this contractual commitment, a PHA must ensure that it has enough vouchers to fulfill its contractual obligation. While there is no requirement to shelve vouchers, a PHA (e.g., a PHA with a limited number of VASH vouchers or where VASH turnover is uncommonly low) may need to shelve some vouchers in order to meet its contractual commitments.

- d. A description of the proposed project, including the following data:
  - i. Total number of units and buildings in the project;
  - ii. The proposed number of HUD-VASH PBV units and where they will be located by building if there is more than one building in the project;
  - iii. Whether or not the units are PHA-owned;
  - iv. Poverty rate of the census tract in which the project is located;
  - v. Any HUD-VASH related supportive services on or near the premises of the proposed site; and
  - vi. Accessibility of the proposed site to the VAMC or CBOC, transportation, and social and medical services.
- e. Since HUD-VASH families do not have a preference for moving from their PBV units over non HUD-VASH families in PBV units, the PHA will no longer be required to demonstrate that HUD-VASH families will be able to move from their PBV units after 12 months with or without case management. This factor has no bearing on whether or not the proposal will be approved. .
- f. For all projects, a statement confirming that the project was selected in accordance with 24 CF § 983.51, *Owner Proposal Selection Procedures*. In addition, a copy of the Request for Proposals or evidence of a proposal for housing assistance awarded under a federal, state, or local government housing assistance,

community development, or supportive services program that required competitive selection and was selected by the PHA within the past three years.

- g. A copy of the applicable sections of the PHA's PHA Plan and administrative plan that relate to the PBV proposed project. For administrative plan policies, please reference sections 2.a.(1), (2), (3), (6), and (7) of Notice PIH 2011-54 (*Guidance on the Project-Based Voucher Program*). For the PHA Plan, please reference section 2.b. of that Notice.
- h. A statement from the owner confirming that s/he will serve the chronically homeless using the *Housing First* model. Information on *Housing First* is available at: [http://usich.gov/usich\\_resources/fact\\_sheets/the\\_housing\\_first\\_checklist\\_a\\_practical\\_tool\\_for\\_assessing\\_housing\\_first\\_in](http://usich.gov/usich_resources/fact_sheets/the_housing_first_checklist_a_practical_tool_for_assessing_housing_first_in)
- i. An email from the local HUD Field Office Public Housing Director confirming that the PHA has sufficient budget authority to proceed and has complied with 24 CFR § 983.6(d), which governs the selection of PBV proposals. The information should be submitted to HUD no later than 14 calendar days prior to the date that the PHA intends to issue the Request for Proposals or make a selection based on a previous competition in accordance with 24 CFR §983.51(b). The PHA submits the required information electronically to the HUD field office by sending an email to: **[pbvsubmission@hud.gov](mailto:pbvsubmission@hud.gov)**. The PHA must also copy the relevant local HUD Office of Public Housing (PH) Director on its email submission. The relevant local HUD PH Director's email address can be found at the following location:  
**[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/about/focontacts#4CPH](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/about/focontacts#4CPH)**, and in the HUD Locator at **<http://www5.hud.gov:63001/po/i/netlocator/>**

The subject line of the email must include the PHA number (e.g., PA195). The body of the email must clearly identify each of the three submission items. The email must also identify the PHA representative that the HUD field office should contact if HUD has any questions regarding the PHA submission, and the contact information for that PHA representative. HUD will reply to the PHA's email promptly to notify the PHA if: (1) HUD determines the PHA is unable to proceed with its plans to project-base because the 20 percent limitation will be exceeded; (2) If there is a material error in the PHA's calculations; (3) If there is a need for additional information or any other issue with the PHA's submission that must be addressed; or (4) If the 20% limit is not exceeded (this acknowledgement does not imply any other HUD approval).

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

In accordance with 24 CFR § 983.261(a) and the lease, the family may terminate the assisted lease any time after the first year of occupancy. In 24 CFR § 983.261(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 § 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 gross income. However, in accordance with 24 CFR § 983.261(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; and
- 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 regulations at 24 CFR part 983 as well as HUD-issued directives and Notices, including this Notice and Notice PIH 2011-54 (*Guidance of the Project-Based Voucher Program*). Projects must also comply with the Operating Requirements Notice, with the exception of II.d. (Initial Term of the Housing Choice Voucher) and II.e. (Initial Lease Term).
5. **PIC Reporting.** Data for project-based voucher families, including families assisted with project-based HUD-VASH vouchers, must be recorded in Section 11 (*Project Based Certificates and Vouchers*) of the Family Report (form HUD-50058). Please note that payment standards do not apply to the PBV program. Families assisted under the PBV program pay no more than their total tenant payment (TTP), which must be recorded on line 9.j of the Family Report.
6. **For Further Information.** Inquiries about this notice should be directed to your local HUD field office.
7. **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/

---

Lourdes Castro Ramírez, Principal Deputy Assistant  
Secretary for Public and Indian Housing