Subject: Set-Aside Funding Availability for Project-Basing HUD-Veterans Affairs Supportive Housing Vouchers

1. **Purpose.** The purpose of this Notice is to inform public housing agencies (PHAs) that have already received an allocation of HUD-Veterans Affairs Supportive (VASH) vouchers in 2008, 2009 or 2010 of a set-aside of approximately 500 project-based vouchers (PBV) through this notice of competitive funding. These PBVs will enable homeless veterans to access affordable housing with an array of supportive services. Any PBVs awarded from this set-aside will not count against the 50 percent of a PHA’s total allocation of HUD-VASH vouchers that can be project-based as noted in section 1 of Notice PIH 2010-23, *Project-Basing HUD-Veterans Affairs Supportive Housing Vouchers*. However, the 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). These vouchers are being made available from a set-aside from the Omnibus Appropriations Act, 2010 (the Act) (Public Law 111-117) enacted December 16, 2009, that provided $75 million dollars of funding for HUD-VASH vouchers as authorized under section 8(o)(19) of the United States Housing Act of 1937.

2. **Maximum and Minimum Awards.** Under this Notice, a PHA may only submit one application for one PBV project and may request no more than 50 PBVs per application, with the following exception. A PHA that has received more than one allocation of HUD-VASH vouchers that are targeted to different VA facilities may submit one application (for one project) for up to 50 PBVs in connection with each VA facility. For example, if the PHA received an allocation for one Veterans Affairs Medical Center
(VAMC) and another allocation for a Community Based Outpatient Clinic (CBOC) under the same VAMC, the PHA could submit two applications, one for a single project in connection with each site. Each application could be for up to 50 PBVs. The PHA must indicate for each application the minimum number of PBVs it will accept, if selected.

3. **Application Due Date.** All applications are due no later than February 28, 2011, to the Department at the address below and must be signed by the Executive Director of the PHA and the Director of the VAMC or Veterans Integrated Service Network (VISN).

   U. S. Department of Housing and Urban Development  
   Office of Housing Voucher Programs,  
   Attn: Phyllis Smelkinson, Room 4216  
   451 7th Street, S.W., Washington, DC 20410  
   All applications must be received at the above address no later than close of business (5:00 p.m. EST) on the due date.

   It is recommended that applications be sent using overnight mail (USPS, UPS, FedEx, DHL, etc.) that requires signature upon delivery. Hand-delivered or standard delivery mail will be accepted; however, it is important to note that non-expedited mail has no guaranteed delivery time and is subject to the Department’s security screening which can delay delivery. Applications will only be accepted at the above location; delivery to other locations will not be accepted. Applications not received on time will not be processed. Faxes and electronic submissions will not be accepted.

4. **Application Submission.** In order to address the required factors in the application, PHAs must select PBV proposals in accordance with program requirements at 24 CFR §983.51 prior to submitting an application under this Notice. The selection of the PBV proposal must be conditional and subject to the successful award of funding pursuant to this Notice, unless a PHA has sufficient available voucher funding in its regular voucher program and/or HUD-VASH program to fulfill the PBV commitment outside of this set-aside.

   The PHA must submit Form HUD-52515, Funding Application, Section 8 Tenant-Based Assistance, Rental Certificate Program, Rental Voucher Program. This form may be downloaded from the following website:  
   http://www.hud.gov/offices/adm/hudclips/forms/hud5.cfm. When completing this form, only complete the box for total dwelling units under vouchers in section B. Do not complete sections A or C. In section D of the form you do not have to address Need for Housing Assistance. Rather, the PHA applicant must provide the following information for which you may attach extra paper:
- The number of PBVs requested, which cannot exceed 50.
- The minimum number of PBVs the PHA will accept.
- A description of the proposed project including: the location by census tract; total number of units by bedroom size; total number of buildings; number and bedroom sizes of HUD-VASH units; number of HUD-VASH units per building; and target population of any non HUD-VASH units.
- A description of the proximity of community facilities and resources for veterans living at the project, such as grocery stores, libraries, medical services, educational opportunities, potential employment opportunities, etc., and the modes of transportation available if the facilities and resources are not easily accessible for the veterans.
- Information regarding the following scored factors (which must all be addressed) on which the application will be scored and assessed. Threshold factors will be assessed by Headquarters or the Field Office.

5. **Threshold factors that demonstrate administrative capability must be met in order for the application to be given further consideration.**

   a. Each applicant must meet the PIH Information Center (PIC) reporting requirements of 95 percent (under PIH Notice 2007-29) for each of the three months immediately preceding the month in which the applications under this Notice are due. Moving to Work (MTW) agencies must meet a reporting requirement of 85 percent for the same three months consistent with existing MTW reporting requirements.

   b. Each applicant must have achieved at least 15 points under the Section 8 Management Assessment Program (SEMAP) leasing indicator (24 CFR 985.3(n) and not be designated as troubled for its most recent assessed fiscal year, which includes those fiscal years ending September 30, 2009, December 31, 2009, March 31, 2010, and June 30, 2010. MTW agencies that are not required to report under SEMAP shall be held to the 95 percent lease-up and budget authority utilization requirements referenced above. These MTW agencies are required to include in their applications a certification that they are not required to report under SEMAP and that they meet the 95 percent lease-up or budget authority utilization requirements.

   c. 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 programs that were not resolved or in the process of being resolved (as determined by the local field office) prior to this 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.

d. 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.

6. Scored Factors: A maximum of 110 points can be awarded.

a. Project Readiness: The PHA must submit a program schedule indicating when project units will be ready for occupancy:
   25 points: Existing housing that is ready for occupancy within 30 days of selection.
   15 points: Newly constructed or substantially rehabilitated units that will be ready for occupancy within 12 months of signing the Agreement to Enter into a Housing Assistance Payments (AHAP) contract (form HUD-52531 A and 52531 B).
   5 points: Newly constructed or substantially rehabilitated units that will be ready for occupancy after 12 months of signing the Agreement to Enter into a Housing Assistance Payments (AHAP) contract (form HUD-52531 A and 52531 B).

b. Supportive Services: The application must describe the supportive services available from the VA and other sources to the residents of the project, in addition to the VA case management services provided with the voucher. These supportive services should include fair housing counseling to advise veterans on their fair housing rights to file a housing discrimination complaint should they be faced with discrimination. Supportive services must reflect the specific needs of the target population this project plans to assist. This would include a description of on-site as well as off-site services, what these services include, who provides the services, the length of time services will be available to each client, and how these services will be monitored by the VA or other responsible party.
   15 points: Appropriate, target population focused supportive services beyond case management are provided and are easily accessible to Veterans.
   5 points: Supportive services beyond case management are provided but are limited, primarily off-site, not specific to the target population, or difficult to access.
   0 points: There are no supportive services offered beyond VA case management.

c. Poverty Rate: The applicant must provide the poverty rate of the census tract in which the project will be located.
   15 points: The project is located in a census tract with poverty rate of 20 percent or less as of the 2000 Census.
   0 points: The project is not located in a census tract with a poverty rate of 20 percent or less as of the 2000 Census. Please note that if a project is in a census tract with a higher poverty rate than 20 percent according to the most recent census data, the PHA is required to explain how the project site is consistent with the goal of
deconcentrating poverty and expanding housing and economic opportunities. Please reference 24 CFR Section 983.57(b).

d. **Experience of the Owner/Developer:** The PHA must describe the experience of the owner/developer in the management/development of supportive housing for veterans, homeless, elderly and/or disabled families.

10 points: The owner/developer has experience in the management/development of supportive housing for veterans.

5 points: The owner/developer has experience in the management/development of supportive housing for homeless, elderly and/or disabled families.

0 points: None of the above applies.

e. **Collaboration with VA Programs:** The PHA must describe its collaborative efforts with the VA in developing the PBV proposal and identify the use of specific VA initiatives or programs such as the VA Enhanced Use Lease (EUL) program.

15 points: The project is being developed in coordination with a specific VA initiative or program such as the EUL.

0 points: The project is not associated with a specific VA initiative or program.

f. **Relative Need:** This factor will be rated by HUD and the VA based on homeless veteran data provided by local Continuums of Care and VA centers in the geographic area of the PBV project. An application’s level of need will be determined by the number of homeless veterans in the project’s geographic area. HUD and the VA then will sort the need data from high to low and divide the applications into three levels of need.

20 points: Very high need is determined.

10 points: High need is determined.

5 points: Medium need is determined.

g. **Availability of Tenant-Based HUD-VASH Vouchers:** PHAs that have not leased up all of their tenant-based HUD-VASH vouchers have the option of submitting a proposal to HUD to project-base available HUD-VASH vouchers in accordance with Notice PIH 2010-23. Therefore, PHA applicants that cannot consider this option because they do not have enough tenant-based HUD-VASH vouchers available will receive extra points. This factor will be rated by HUD and the VA based upon the latest available lease-up data from the Voucher Management System (VMS) and VA reports, as of the application due date.

10 points: The applicant has less than 5% of its tenant-based HUD-VASH vouchers available for project-basing.

5 points: The applicant has less than 10% of its tenant-based HUD-VASH vouchers available for project-basing.
0 points: The applicant has more than 10% of its tenant-based HUD-VASH vouchers available for project-basing.

7. All projects must be selected, developed and operated in accordance with the PHA’s application, PBV program requirements found at 24 CFR part 983, Implementation of the HUD-VASH Program (Operating Requirements) published in the Federal Register on May 6, 2008, and the requirements for continued assistance for families that move from HUD-VASH project-based units as contained in Notice PIH 2010-23, Project-Basing of HUD-Veterans Affairs Supportive Housing Vouchers. If a PHA applicant requires a waiver of any of the requirements noted above, it must submit the waiver request with its application.

8. Selection of Applications. Applications will be selected in order of points awarded until all funding is exhausted. If any funding remains, it will be used to provide additional tenant-based HUD-VASH vouchers according to the geographic need of homeless veterans based on HUD and VA data.

9. Information Contact. Inquiries about this Notice should be directed to Phyllis Smelkinson or Kathryn Greenspan in the Housing Voucher Management and Operations Division, Office of Public Housing and Voucher Programs, at (202) 402-4138 or 4055, respectively.

10. 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 collections contained in this Notice have been approved under the PRA OMB Control Number 2577-0169.

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