



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 2009-11 (HA)

Issued: March 16, 2009

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Cross References: 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. As noted in 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, 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. The purpose of this Notice is to provide guidance to those PHAs that were awarded HUD-VASH vouchers that are interested in project-basing a portion of these vouchers. Please note that HUD and the Department of Veterans Affairs have determined that no more than **50 percent** of a PHA's allocation of HUD-VASH vouchers (rounded down) may be project-based. This number must be within the 20 percent maximum budget authority that may be allocated to project-based voucher assistance in accordance with 24 CFR Section 983.5(a). All types of project-based proposals will be considered: existing units, newly constructed units and substantially rehabilitated units. Proposals must be submitted to HUD Headquarters, Room 4210, Washington, DC, 20410-5000, Attention: Kathryn Greenspan.

Requests will not be considered unless the Veteran's Affairs Medical Center (VAMC) is in support of this project. The VAMC should be consulted by the PHA prior to the submission of the PBV proposal to HUD for review.

Please note that all sections of the Operating Requirements will apply to project-basing HUD-VASH vouchers with the exception of II.c. (Initial Term of the Housing Choice Voucher) and II.d (Initial Lease Term). With respect to the initial lease term, the term must be for at least one year for PBV units.

2. Review Factors. When submitting these requests, which must be jointly signed by a PHA and Veterans Affairs Medical Center (VAMC) official, the following factors must be addressed. Please note that the PHA's obligation to comply with 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 project-based voucher units to be completed.
- d. A description of the proposed project including the following data:
 - i. Total number of proposed project-based voucher units and buildings in the project;
 - ii. Poverty rate of the census tract in which the site is located;
 - iii. A description of how selection of the proposed project is consistent with PHA Plan and Administrative Plan policies on deconcentrating poverty and expanding housing and economic opportunities.
 - 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, transportation, and social and medical services.

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

In accordance with 24 CFR Section 983.260(a), the family may terminate the assisted lease anytime after the first year of occupancy. The family must give the owner advance written notice of intent to vacate (with a copy to the PHA) in accordance with the lease. Section 983.260(b) further states 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 Section 983.4.

In addition, in accordance with section g. of the Operating Requirements, as a condition of PBV rental assistance, a HUD-VASH family must receive the case management services from the VAMC. However, a VAMC 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 project-based assisted 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. If there is no regular voucher to offer the family, the HUD-VASH family must be allowed to keep its HUD-VASH voucher when moving to another unit.

Pursuant to the requirements above, the PHA is limited to the following options cited below when a HUD-VASH family wishes to move from the project-based assisted unit after the first year of occupancy. Please note that for HUD-VASH families that still require case management, a. and b. apply. In addition, tenant-based assistance will be limited to jurisdictions where VAMC case management services are available as defined in section II.f. of the Operating Requirements. For families that no longer require case management, c. applies.

Other than exceptions noted here, all regular PBV requirements under 24 CFR Part 983 apply.

- a. The PHA must issue the family an available HUD-VASH voucher to be used as a tenant-based voucher in which case another HUD-VASH family will occupy the project-based unit to which the HUD-VASH assistance is attached.
- b. If there are no HUD-VASH vouchers available, the family may take its HUD-VASH voucher to use as a tenant-based voucher and the PHA may attach a regular voucher, if available, to the project-based unit which must be occupied in accordance with the PHA's preferences for the unit. In this case, preferences cannot be limited to HUD-VASH voucher holders or participants.
- c. If the family no longer requires case management as determined by the VAMC, the family may be offered an available tenant-based voucher or other comparable tenant-based rental assistance. If neither is available, b. will apply.

6. Information Contact. Inquiries about this letter should be directed to Phyllis Smelkinson, Laure Rawson or Kathryn Greenspan in the Housing Voucher Management and Operations Division, Office of Public Housing and Voucher Programs, at (202) 402-4138, 2425, or 4055, respectively.

7. Paperwork Reduction Act. The information collection requirements contained in this Notice is in the process of being reviewed and 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.

/s/

Paula O. Blunt, General Deputy Assistant Secretary
for Public and Indian Housing