



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 2014-03 (HA)

Issued: February 4, 2014

Expires: Effective until amended, revoked
or superseded

Cross References: Notice PIH 2010-40;
*Implementation of the HUD-Veterans
Affairs Supportive Housing (HUD-VASH)
Program* published in the *Federal Register*
on March 23, 2012.

Subject: Set-Aside Funding Availability for Project-Basing HUD-VASH Vouchers

- 1. Purpose.** The purpose of this notice is to announce the availability of a set-aside of approximately \$7 million in HUD-VASH funding that will support approximately 1,000 units of project-based voucher (PBV) assistance. These PBVs will enable homeless veterans to access affordable housing with an array of supportive services. The vouchers are being made available from a set-aside from the Consolidated and Further Continuing Appropriations Act, 2013 (the Act) (Public Law 113-6), enacted March 26, 2013, that provided approximately \$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.** A PHA may submit only **one** application for **one** project¹ to be placed under one PBV housing assistance payments (HAP) contract and may request no more than 75 PBVs in its 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 75 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 75 PBVs. However, 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).

¹ A “project” is defined as a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land.

- 3. Application Due Date.** Applications (form HUD-52515,) are due **90** days from the date of this notice to the Department at the address below:

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 Requirements.** 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. This means that the PHA must have selection policies in its Administrative Plan and select proposals in accordance with such policies. PHAs must select proposals using either of the following two methods: (1) 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 a federal, state, or local government housing assistance, community development, or supportive services program. The competition must have occurred within three years of the PBV proposal selection date by the PHA and the earlier competitive selection proposal must not have involved any consideration that the project would receive PBV assistance.

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, include the five-digit PHA code (e.g. AL001) along with the name and mailing address of the PHA. 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:

- a. The number of PBVs requested, which cannot exceed 75.
- b. A description of the proposed project including: (1) the location by census tract; (2) the total number of buildings; (3) total number of units by bedroom size in each building; (4) the number and bedroom sizes of HUD-VASH units in each building; and (5) the target population, if any, of any non HUD-VASH units.
- c. Information regarding the threshold and scored factors (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.

The form HUD-52515 must be signed by the Executive Director of the PHA.

5. Threshold Factors: Threshold factors must be met in order for the application to be given further consideration. If the HUD-52515 or any of the threshold items listed below are incomplete or missing, they will be treated as a curable deficiency and HUD may contact an applicant to clarify or request the missing information. Applicants must provide the requested information, in accordance with HUD instructions, within 10 business days from the date of the request or the application will no longer be considered for funding under this notice.

- (a) The application must include a signed letter of support from the Director of the VAMC or Veterans Integrated Service Network (VISN). The letter from the VA must confirm the need for the number of vouchers requested in the application.
- (b) The application must include a statement that it will comply with *Housing First*. The signature on the application will serve as a certification of the statement.

Housing First is an approach where homeless persons, usually chronically homeless or especially vulnerable homeless individuals and families, are provided immediate access to housing and then offered the supportive services that may be needed to foster long-term stability and prevent a return to homelessness. This approach removes unnecessary barriers and assumes that supportive services are more effective in addressing needs when the individual or family is housed and the daily stress of being homeless is taken out of the equation. Key components of this model include a simple application process, a

harm reduction approach, and no conditions of tenancy beyond those included in the lease. *Housing First* specifically does not require sobriety or testing for substance abuse to obtain or sustain tenancy and thus must not be required in the lease. More 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..

(c) A statement that the Administrative Plan contains all required PBV policies and the application for HUD-VASH is consistent with the PHA Plan (see Section 2.a. and 2.b. of Notice PIH 2011-54 *Guidance on the Project-Based Voucher Program*) for program requirements. The signature on the application will serve as a certification of this statement.

(d) 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. 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.

(e) 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(b).

(f) The application must include a statement indicating the project's accessibility to transit, the VA Medical Center or VA Community-Based Outpatient Clinic (CBOC), employment opportunities, and to key neighborhood assets (which must be identified), such as quality grocery stores, banks, libraries, and parks and recreational facilities. This statement must include transit options for the immediate area, such as rail, bus, ride/bike share, etc., and may include scoring indices for neighborhoods, such as a Walk Score (<http://www.walkscore.com>). The signature on the application will serve as a certification of this statement.

6. Scored Factors: A maximum of 85 points may be awarded.

- a. **Project Readiness:** The PHA must provide a project timeline indicating major milestones including when project units will be ready for occupancy:

30 points: Existing housing that will be ready for occupancy within 60 days of selection date for PBVs under this notice, which is anticipated to be 90 calendar days from application due date.

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 selection date for PBVs under this notice, which is anticipated to be 90 calendar days from application due date.

5 points: Newly constructed or rehabilitated units that will execute an AHAP and start construction within 12 months of selection date for PBVs under this notice, which is anticipated to be 90 calendar days from application due date .

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 by the PHA and must be returned to the Department.

Please note that both the AHAP and PBV HAP contract may only be executed after specific regulatory requirements are met. For new construction and rehabilitation, an environmental review and subsidy layering review are required prior to the execution of the AHAP as required by 24 CFR 983.153. An environmental review is required prior to the execution of a PBV HAP contract for existing units. In selecting projects, the PHA must consider these requirements in concert with the timelines noted above.

- b. **Participation in the Enhanced Use Lease (EUL) Program.** The PHA must describe its 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.

25 points: The project is being developed in coordination with the EUL program.
0 points: The project is not associated the EUL program.

- c. **Relative Need:** This factor will be rated by HUD and the VA based on an analysis of homeless veteran data, provided by local Continuums of Care and VA Medical Centers in the geographic area of the PBV project. Level of need will be determined by the number of homeless veterans, with an emphasis on chronically homeless veterans, in the project's geographic area and the number of permanent supportive housing resources in the area available to address the need. HUD and the VA will then divide the applications into three levels of need based on the available data.

30 points: Very high need is determined.

15 points: High need is determined.

5 points: Medium need is determined.

- 7. PBV Requirements.** All projects must be selected (see Section 4 of this notice), 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 March 23, 2012, the requirements of Notice PIH 2010-23 (*Project-basing of HUD-VASH Vouchers*) and Notice PIH 2011-54 (*Guidance on the PBV Program*). **If a PHA applicant requires a waiver of any of the requirements noted above, it must submit the waiver request with its application.**

- 8. Vacant Units.** In regard to vacant units, if any contract units have been vacant for a period of 120 days or more since owner notice of vacancy (and notwithstanding the reasonable good faith efforts of the PHA to fill such vacancies), the PHA may give notice to the owner amending the HAP contract to reduce the number of contract units that have been vacant for such period. Any units not assisted under a HAP contract may be marketed and occupied as the owner determines. The PHA will no longer receive administrative fees for any units removed from the PBV HAP contract. Please reference 24 CFR 983.254(b).

- 9. Selection of Applications.** Applications will be selected in order of points awarded until all funding is exhausted. If at the end of the selection process, two or more applications have tied scores and there is not enough funding to select all of the tied-score applications, selection will be based on this order: (1) Score for Relative Need; (2) if scores are still tied, the Score for Participation in the Enhanced Use Lease (EUL) Program; and (3) if scores are still tied, the score for Project Readiness. If there are still tied scores, the application/applications selection will be based on a lottery drawing.

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. If any funding is returned after awards are made due to non-compliance with award terms, those funds will also be used to provide additional tenant-based HUD-VASH vouchers in accordance with the normal allocation process.

10. Information Contact. Inquiries about this notice should be directed to Phyllis Smelkinson, Darrin Dorsett, or Caroline Crouse in the Housing Voucher Management and Operations Division, Office of Public Housing and Voucher Programs, at (202) 402-4138, (202) 402-8861, or (202) 402-4595, respectively.

11. 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
Public and Indian Housing