

**Billing Code 4210-67P**  
**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**[Docket No. FR-5213-N-01]**

**Section 8 Housing Choice Vouchers:**

**Implementation of the HUD-VA Supportive Housing Program**

**AGENCY:** Office of the Assistant Secretary for Public and Indian Housing

**ACTION:** Notice

**SUMMARY:** This Notice sets forth the policies and procedures for the administration of tenant-based Section 8 Housing Choice Voucher (HCV) rental assistance under the HUD-Veterans Affairs Supportive Housing (HUD-VASH) program administered by local public housing agencies (PHAs) that have partnered with local Veterans Affairs (VA) medical centers.

**DATES: Effective date:** **[Insert date of publication in the Federal Register].**

**FOR FURTHER INFORMATION CONTACT:** David A. Vargas, Director, Office of Housing Voucher Programs, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 4228, Washington, DC, 20410, telephone number (202) 708-2815. (This is not a toll-free number.)

**SUPPLEMENTARY INFORMATION:**

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#### I. Background

Seventy-five million dollars in Housing Choice Voucher (HCV) program funding will provide rental assistance under a supportive housing program for homeless veterans authorized by section 8(o)(19) of the United States Housing Act of 1937, 42 U.S.C. 1437f(o)(19). The initiative is known as the HUD-VASH program and was authorized pursuant to Division K, Title II, of The Consolidated Appropriations Act, 2008 (Pub. Law 110-161) (“2008 Appropriation Act”) enacted on December 26, 2007 (see proviso (7) under the heading “Tenant-Based Rental Assistance”). The HUD-VASH program combines HUD HCV rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs (VA) at its medical centers and in the community. Ongoing VA case management, health, and other supportive services will be made available to homeless veterans at as many as 132 VA Medical Center (VAMC) supportive services sites across the nation.

The 2008 Appropriation Act required HUD to “make such funding available, notwithstanding section 204 (competition provision) of this title, to public housing

agencies (PHAs) that partner with eligible VA Medical Centers or other entities as designated by the Secretary of the Department of Veterans Affairs, based on geographical need for such assistance as identified by the Secretary of the Department of Veterans Affairs, public housing agency administrative performance, and other factors as specified by the Secretary of Housing and Urban Development in consultation with the Secretary of the Department of Veterans Affairs.”

Based on this language, the VA, in consultation with HUD, identified 132 VAMCs that will participate with the program. In doing so, the VA took into account the population of homeless veterans needing services in the area, the number of homeless veterans served by the homeless programs at each VAMC during Fiscal Years 2006 and FY 2007, geographic distribution, and VA case management resources. There will be at least one site in each of the 50 states and in the District of Columbia and Puerto Rico.

HUD, in consultation with the VA, and in consideration of a PHA’s administrative performance, identified eligible PHAs located in the jurisdiction of the VAMCs and invited them to apply for HUD-VASH vouchers. The number of HUD-VASH vouchers awarded to each PHA was determined by HUD and the VA. Approximately 35 rental vouchers were awarded for each professional, full-time HUD-VASH case manager at the local VAMC. HUD-VASH vouchers may be reallocated in the future based on need and usage. A PHA that participates in the HUD-VASH program must partner with their VASH VAMC. Additional information on program requirements and procedures may be found on HUD’s website at [www.HUD.gov](http://www.HUD.gov).

## II. Special Rules for the HUD-VASH Voucher Program

This section sets forth the design features of the HUD-VASH vouchers, including the eligibility of families, portability, case management, and the turnover of these vouchers. The 2008 Appropriation Act states “that the Secretary of Housing and Urban Development may waive, or specify alternative requirements for (in consultation with the Secretary of the Department of Veterans Affairs), any provision of any statute or regulation that the Secretary of Housing and Urban Development administers in connection with the use of funds made available under this paragraph (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment) upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective delivery and administration of such voucher assistance: *Provided further*, That assistance made available under this paragraph shall continue to remain available for homeless veterans upon turnover.”

This notice outlines, below, the waivers or alternative requirements determined by the Secretary to be necessary for the effective delivery and administration of the HUD-VASH program. These waivers or alternative requirements are exceptions to the normal HCV requirements, which otherwise govern the provision of HUD-VASH assistance. In addition, a PHA may request additional statutory or regulatory waivers that it determines are necessary for the effective delivery and administration of the program. These requests may be submitted to the Secretary for review and decision through the Assistant Secretary for Public and Indian Housing.

HUD-VASH vouchers under this part are administered in accordance with the HCV tenant-based rental assistance regulations set forth at 24 CFR part 982. In the HCV program, the PHA pays monthly rental subsidies so that eligible families can afford decent, safe, and sanitary housing. HUD provides housing assistance funds to the PHA, as well as funds for PHA administration of the program.

Under the HCV tenant-based program, families select and rent units that meet program housing-quality standards. If the PHA approves a family's unit and tenancy, the PHA contracts with the owner to make rent subsidy payments (housing assistance payments) directly to the owner on behalf of the family on a monthly basis. The family enters into a lease with the owner and pays its share of the rent to the owner in accordance with the lease. The housing assistance payment (HAP) contract between the PHA and the owner covers only a single unit and a specific assisted family. If the family moves out of the leased unit, the HAP contract with the owner terminates. The family may generally move to another unit with continued assistance so long as the family is complying with program requirements.

Unless expressly noted below, all regulatory requirements and HUD directives regarding the HCV tenant-based program are applicable to HUD-VASH vouchers, including the use of all HUD-required contracts and other forms. The PHA's local discretionary policies adopted in the PHA's written administrative plan apply to HUD-VASH vouchers, unless such local policy conflicts with the requirements of the HUD-VASH vouchers outlined below.

PHAs are required to maintain records that allow for the easy identification of families receiving HUD-VASH vouchers. PHAs must identify these families in the

Public and Indian Housing Information Center (PIC). This record-keeping will help ensure that, in accordance with appropriations renewal language, HUD-VASH vouchers that are in use will remain available for homeless veterans upon turnover.

a. Family Eligibility and Selection

HUD-VASH eligible families are homeless veterans. The 2008 Appropriation Act provides for statutory or regulatory waivers or alternative requirements upon a finding by the Secretary that such waivers or alternatives are necessary for the effective administration and delivery of voucher assistance. The December 17, 2007, Explanatory Statement for the 2008 Appropriation Act provides, “The Appropriations Committees expect that these vouchers will be made available to all homeless veterans, including recently returning veterans” (153 Cong. Rec. H16514 (daily ed., Dec. 17, 2007)). HUD, through its undersigned Secretary, finds the following waivers necessary to effectively administer and deliver the program to all veterans in accordance with Congressional intent.

Section 8(o)(19) of the United States Housing Act of 1937 (USHA of 1937), which requires homeless veterans to have chronic mental illnesses or chronic substance use disorders with required treatment of these disorders as a condition of receipt of HUD-VASH assistance, is waived.

The VAMC will refer HUD-VASH eligible families to the PHA for the issuance of vouchers. Written documentation of these referrals must be maintained in the tenant file at the PHA. Therefore, the PHA will not have the authority to maintain a waiting list or apply local preferences for HUD-VASH vouchers. Accordingly, section 8(o)(6)(A) of the USHA of 1937, 42 U.S.C. 1437f(o)(6)(A), in regard to preferences, has been waived

to provide for the effective administration of the program. In addition, 24 CFR 982.202, 982.204, and 982.207, relating to applicant selection from the waiting list and local preferences, are also waived. Sections 982.203, 982.205, and 982.206 regarding special admissions, cross-listing of the waiting list, and opening and closing the waiting list do not apply to the HUD-VASH program.

The VAMC will screen all families in accordance with its screening criteria. By agreeing to administer the HUD-VASH program, the PHA is relinquishing its authority to determine the eligibility of families in accordance with regular HCV program rules and PHA policies. Specifically, under the HUD-VASH program, PHAs will not have the authority to screen potentially eligible families or deny assistance for any grounds permitted under 24 CFR 982.552 (broad denial for violations of HCV program requirements) and 982.553 (specific denial for criminals and alcohol abusers), with one exception. PHAs will still be required to prohibit admission if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program. Accordingly, the Department is exercising its authority to waive 42 U.S.C. 1437d(s); 42 U.S.C. 13661(a), (b), and (c); and 24 CFR Sections 982.552 and 982.553, with the exception of 982.553(a)(2)(i), which requires denial of admission to certain registered sex offenders.

Civil rights requirements cannot be waived. The HUD-VASH program is administered in accordance with applicable Fair Housing requirements. These requirements prohibit discrimination on the basis of race, color, religion, sex, familial status, national origin, or disability. When disabled veterans are HUD-VASH recipients, HUD's reasonable accommodation standards apply.

b. Income Eligibility

The PHA must determine income eligibility for HUD-VASH families in accordance with 24 CFR 982.201. Income targeting requirements of section 16(b) of the USHA of 1937, as well as 24 CFR 982.201(b)(2), do not apply for HUD-VASH families so that participating PHAs can effectively serve the eligible population specified in the 2008 Appropriation Act; that is, homeless veterans, who may be at a variety of income levels. The PHA may, however, choose to include the admission of extremely low-income HUD-VASH families in its income targeting numbers for the fiscal year in which these families are admitted.

c. Initial Term of the HCV

Recognizing the challenges that HUD-VASH participants may face with their housing search, HUD-VASH vouchers must have an initial search term of at least 120 days. Therefore, § 982.303(a), which states that the initial search term must be at least 60 days, shall not apply, since the initial term must be at least 120 days. Any extensions, suspensions, and progress reports will remain under the policies in the PHA's administrative plan, but will apply after the minimum 120-day initial search term.

d. Initial Lease Term

Under the HCV program, voucher participants must enter into an initial lease with the owner for one year, unless a shorter term would improve housing opportunities for the tenant and the shorter term is a prevailing market practice. To provide a greater range of housing opportunities for HUD-VASH voucher holders, initial leases may be less than

12 months; therefore, both section 8(o)(7)(A) of the USHA of 1937, 42 U.S.C. 1437f(o)(7)(A), and 24 CFR 982.309(a)(2)(ii) are waived.

e. Ineligible Housing

HUD-VASH families will be permitted to live on the grounds of a VAMC in units owned by the VA. Therefore, 24 CFR 982.352(a)(5), which prohibits units on the grounds of a medical, mental, or similar public or private institution, is waived for that purpose only.

f. Mobility and Portability of HUD-VASH Vouchers

An eligible family issued a HUD-VASH voucher must receive case management services provided by the VAMC. Therefore, special mobility and portability procedures must be established. HUD-VASH participant families may reside only in those jurisdictional areas that are accessible to case management services as determined by the partnering VAMC. Since the VAMC will be identifying homeless veterans eligible to participate in the HUD-VASH program, section 8(r)(1)(B)(i) of the USHA of 1937, 42 U.S.C. 1437f(r)(1)(B)(i), which restricts portability in cases where the family did not reside in the jurisdiction of the PHA at the time of application for HCV assistance, and 24 CFR 982.353(a), (b), and (c), which affects where a family can lease a unit with HCV assistance, do not apply.

(1) Portability Moves Where Case Management is Provided by the Initial PHA's Partnering VAMC.

If the family initially leases up, or moves, under portability provisions, but the initial PHA's partnering VAMC will still be able to provide the necessary case

management services due to its proximity to the partnering VAMC, the receiving PHA must process the move in accordance with the portability procedures of 24 CFR 982.355. However, since the initial PHA must maintain records on all HUD-VASH families receiving case management services from its partnering VAMC, receiving PHAs must bill the initial PHA. Therefore, 24 CFR 982.355(d), which gives the receiving PHA the option to absorb the family into its own HCV program or bill the initial PHA, is not applicable.

When the receiving PHA completes the form HUD-50058 under the scenarios above, the action type that must be recorded on line 2a is “1” for a new admission (a family that is new to the HCV program) or “4” for a portability move-in (a family that was previously leased up in the jurisdiction of the initial PHA). Whether the family is a new admission or portability move-in, in section 12 of the HUD-50058, line 12d is marked “Y,” 12e must have an amount recorded, and 12f must include the initial PHA’s code.

(2) Portability Moves Where Case Management is Provided by the Receiving PHA’s Partnering VAMC.

If a family wants to move to another jurisdiction where it will not be possible for the initial PHA’s partnering VAMC to provide case management services, the VAMC must first determine that the HUD-VASH family could be served by another VAMC that is participating in this program, and the receiving PHA must have a HUD-VASH voucher available for this family. In these cases, the families must be absorbed by the receiving PHA either as a new admission (upon initial participation in the HUD-VASH program) or as a portability move-in (after an initial leasing in the initial PHA’s jurisdiction).

Upon absorption, the initial PHA's HUD-VASH voucher will be available to lease to a new HUD-VASH eligible family, as determined by the partnering VAMC, and the absorbed family will count toward the number of HUD-VASH slots awarded to the receiving PHA.

When the receiving PHA completes the HUD-50058 under the scenarios above, the action type that must be recorded on line 2a is "1" for a new admission (a family that is new to the HCV program) or "4" for a portability move-in (a family that was previously leased up in the jurisdiction of the initial PHA). Whether the family is a new admission or portability move-in, in section 12 of the HUD-50058, line 12d is marked "Y," 12e must be 0 since the family must be absorbed, and 12f must be left blank.

g. Case Management Requirements

The VAMC responsibilities include: 1) the screening of homeless veterans to determine whether they meet the HUD-VASH program participation criteria established by the VA national office; 2) providing appropriate treatment and supportive services to potential HUD-VASH program participants, if needed, prior to PHA issuance of rental vouchers; 3) providing housing search assistance to HUD-VASH participants with rental vouchers; 4) identifying the social service and medical needs of HUD-VASH participants and providing, or ensuring the provision of, regular ongoing case management, outpatient health services, hospitalization, and other supportive services as needed throughout this initiative; and 5) maintaining records and providing information for evaluation purposes, as required by HUD and the VA.

As a condition of HCV rental assistance, a HUD-VASH eligible family must receive the case management services noted above from the VAMC. Therefore, a HUD-

VASH participant family's HCV assistance must be terminated for failure to participate, without good cause, in case management as verified by the VAMC. However, a VAMC determination that the participant family no longer requires case management is not grounds for termination of assistance. In such case, and 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.

h. Turnover of HUD-VASH Vouchers

In accordance with the 2008 Appropriation Act, upon turnover, HUD-VASH vouchers must be issued to eligible families as identified by the VAMC, as noted above.

i. Moving-to-Work (MTW) Agencies

HUD-VASH vouchers must be administered in accordance with this Notice and are not eligible for fungibility under their MTW agreements. HUD-VASH vouchers must be reported on separately from vouchers under the agency's MTW Agreement.

j. Project-based Assistance

Although HUD-VASH vouchers are tenant-based rental assistance, the Department will consider, on a case-by-case basis, requests from the PHA (with the support of the VAMC) to project-base these vouchers in accordance with 24 CFR part 983.

k. Section Eight Management Assessment Program (SEMAP)

Since leasing of HUD-VASH vouchers will be dependent on referrals from the VAMC, the unit months and budget authority associated with these vouchers will not be included in the SEMAP leasing indicator denominator. Therefore, 24 CFR 985.3(n)(1)(i)

and (ii) are waived. However, utilization of these vouchers will be monitored separately through HUD systems.

### **III. Reporting Requirements**

A new code (VASH) has been established for use on line 2n of the Family Report (form HUD-50058), which provides for an indication if the family participates in “other special programs.” The information collection requested on HUD-50058 has been approved by the Office of Management and Budget (OMB) and given OMB control number 2577-0083. No person is required to respond to, nor shall any person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act (PRA), unless that collection displays a currently valid OMB control number. This code must remain on the HUD-50058 for the duration of the HUD-VASH family’s participation in the program. The PHA that administers the HUD-VASH voucher on behalf of the family (initial or receiving PHA under portability) must enter and maintain this code on the HUD-50058.

For any additional systems reporting requirements that may be established, HUD will provide further guidance.

Date: May 1, 2008

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Roy A. Bernardi  
Deputy Secretary

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