



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

ASSISTANT SECRETARY FOR
PUBLIC AND INDIAN HOUSING

February 19, 2013

Dear PHA Executive Director:

On a single night in January 2012, a total of 62,619 Veterans were homeless in the United States, according to HUD's most recent estimates. This represents a decline in homelessness among Veterans of 7.2 percent since 2011 and 17.2 percent since 2009. Without a doubt, the continued decline in Veteran homelessness is encouraging news. However, in order to reach our goal of ending Veteran homelessness by 2015, HUD, VA, and our partners around the country need to more effectively target limited resources and prioritize HUD-VASH vouchers for Veterans that need them the most.

The purpose of this letter is to clarify HUD's and VA's strategies for HUD-VASH moving forward that will help ensure we are on the right track to get to zero by 2015. An explanation of FY 2013 performance goals will be provided, followed by a preview of HUD's policies on the awarding and disbursement of Fiscal Year (FY) 2013 HUD-VASH voucher funding. Finally, an overview of the Housing First policy for HUD-VASH will be explained.

The 2015 goal of ending Veterans homelessness is not just a federal goal, a VA goal, or a HUD goal. It is a community goal, one that cities and towns across the country are embracing and making their own. HUD commends the public housing agencies (PHAs) that have taken ownership of the goal and have become involved significantly in local plans and strategies to make it a reality.

Performance Goals for 2013

Through the combination of intensive case management and long-term housing assistance, HUD-VASH is a robust resource designed to assist highly vulnerable Veterans that have experienced homelessness for extended periods of time. ***Our goal of ending Veteran homelessness by 2015 will be unattainable if HUD-VASH vouchers are not reserved for homeless Veterans with the highest needs, particularly those that are chronically homeless.*** For Veterans with fewer barriers to housing that have experienced homelessness for shorter periods of time, communities need to identify and provide access to other available resources for housing and supportive services, such as the VA's Supportive Services for Veteran Families and Grant and Per Diem programs and HUD's Continuum of Care (CoC) and Emergency Solutions Grants programs. PHAs are strongly encouraged to collaborate with local CoCs to help place homeless Veterans in the most appropriate housing.

Both HUD and VA use the chronically homeless definition provided by the McKinney-Vento Homeless Assistance Act, as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2012. Under this definition, a chronically homeless household is one that has experienced homelessness for at least 1 year or on at least 4 separate occasions in the last 3 years and has a head of household with a disability.

HUD recognizes that in the past, prioritizing utilization as a performance measure for HUD-VASH may have impacted negatively the targeting of the most vulnerable Veterans. Often the identification, engagement and housing placement processes with chronically homeless Veterans are more time-consuming than they are with less vulnerable Veterans. Local partners may feel that the pressure to meet utilization targets does not allow them sufficient time and flexibility to work with Veterans most in need of HUD-VASH assistance.

This reality has led HUD to assume a more balanced approach to monitoring HUD-VASH performance moving forward. In FY 2013, HUD will join the VA in giving equal weight to the following targets:

1. 88 percent utilization of all HUD-VASH vouchers awarded since FY 2008. VA and HUD aim for this goal to be achieved at both a national and local level.
2. 65 percent of Veterans entering HUD-VASH case management are chronically homeless. VA and HUD acknowledge that this target is a function of both the number of vouchers assigned to a community and the number of eligible chronically homeless Veterans living in that community. Based on this combination of factors, VA and HUD recognize that although 65% is the national target, not all communities will be able to reach this target at a local level.

It is critical that a balance be achieved between the two objectives of housing chronically homeless Veterans and achieving at least an 88 percent utilization rate. Despite the stronger focus that has been placed on targeting the most vulnerable Veterans, HUD and VA still expect VAMCs and PHAs to lease-up both new vouchers and turnover vouchers as quickly as possible. Maintaining a fast and steady leasing rate is important for the following reasons:

1. Saving lives. Studies have shown that the mortality rate for those experiencing chronic homelessness is 4 to 9 times higher than for the general population. In order to reduce this rate for the most vulnerable homeless Veterans, it is important that they be placed in safe, permanent housing as quickly as possible.
2. Getting to zero by 2015. We need to work faster and smarter in order to end Veteran homelessness in the next 3 years. Achievement of the goal will be measured during the January 2016 PIT Count. Veterans experiencing chronic homelessness have the greatest impact on the Count.
3. Financial stability for PHAs. It is well known that PHAs do not receive administrative fees for unleased vouchers. In addition, PHAs receive renewal funding every year only for those vouchers that have been utilized. As such, if PHAs do not maintain a high utilization rate for all types of vouchers, they risk not having the capacity and enough funding to continue serving the same number of households every year, both through HUD-VASH and their regular Housing Choice Voucher (HCV) programs.

HUD Field Office staff and headquarters will monitor utilization rates and chronically homeless targeting simultaneously through monthly reports provided by the VA. We will also take the two measures into account when awarding new HUD-VASH vouchers.

Preview of Policies for 2013 HUD-VASH Awards

HUD expects the FY 2013 allocation of new, incremental HUD-VASH vouchers to be awarded in the spring of 2013. Not all PHAs currently administering HUD-VASH vouchers will receive 2013 awards, and a few PHAs may receive HUD-VASH vouchers for the first time. For those PHAs administering HUD-VASH vouchers awarded in previous years, HUD expects that disbursement processes for renewal funding will be the same as those applied in Calendar Year (CY) 2012. Further details regarding these processes can be found in Notice PIH 2012-9 and the HCV Funding Notice that will be published after the FY 2013 Appropriations Bill has been passed.

Managing VASH-related funding is admittedly complex, particularly when new increments are awarded on top of an existing HUD-VASH program. The funds from new increments carry more restrictions, since these funds keep their VASH identity until the units are fully leased and renewed in a subsequent year. It has been HUD's practice to disburse automatically funding for new increments and assume an immediate need for the funds. However, when new HUD-VASH vouchers are awarded, partnering PHAs and VAMCs often have not fully leased vouchers awarded in previous years. In such cases, there is an increased risk that the restricted funds will be spent inadvertently on non-VASH vouchers.

To better ensure that the funds from FY 2013 awards are spent as intended, HUD has decided to obligate and disburse the new funding to PHAs when that funding is needed, i.e. when the new vouchers are projected to be leased. The exact date when disbursements begin for each PHA will be established through *funding schedules* that PHAs will submit to HUD as an attachment to their 2013 HUD-VASH applications. To create this schedule, PHAs will need to meet with their partnering VAMCs to figure out the dates when they will be ready to lease the new vouchers. Partnering agencies will also need to ensure that the funding schedules are in line with the 2013 Implementation Plans that PHAs developed with partnering VAMCs, as described in the next section below. Together, the implementation plans and funding schedules for CY 2013 will take the place of the leasing schedules that HUD and VA required partnering agencies to submit in previous years.

The details regarding the new disbursement process and funding schedules are still being finalized. In the next few weeks, HUD will provide guidance on the specific requirements of this process and other aspects of HUD-VASH financial management for 2013.

Applying the Housing First Model to HUD-VASH

The VA and HUD have adopted Housing First as the official policy for housing Veterans through HUD-VASH. Housing First is an evidence-based, cost-effective approach to ending homelessness for the most vulnerable, chronically homeless individuals. The Housing First model prioritizes housing and then assists participants with access to healthcare and other supports that promote housing stabilization and improved quality of life. The model does not require participants to demonstrate sobriety or receive treatment before being placed in permanent housing.

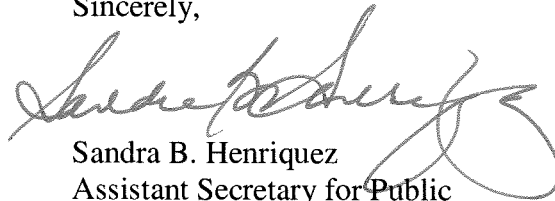
Housing First consistently has been shown to end chronic homelessness for 85 to 95 percent of participants and prevent recurrence of homelessness. In addition, Housing First saves communities money. Numerous studies have shown that it reduces repeated and costly shelter stays, as well as the need for transitional housing and short-term treatment services aimed at preparing Veterans to be "housing ready" or "housing worthy." Housing First also reduces preventable costs incurred through emergency room visits, unscheduled hospitalizations, and incarceration for minor offenses that often are related to mental illness.

Over the past few months, the VA Central Office has provided technical assistance to VAMCs on Housing First and introduced a number of requirements related to the policy's adaptation. One of these requirements was that VAMC directors organize a meeting with partnering PHAs and other organizations to develop a 2013 Implementation Plan with strategies for 1) better targeting the chronically homeless, 2) improving retention, and 3) expediting the leasing process. The implementation plans were captured in a form and submitted by VAMCs to the VA's HUD-VASH program director.

At this time, PHAs are not required to submit this document to HUD. However, for PHAs that are invited to apply for HUD-VASH vouchers in 2013, HUD will ask for the implementation plans to be included as attachments to the applications. The plans should support and enhance partnering agencies' overall efforts to adopt Housing First practices for HUD-VASH and promote housing stability among participating Veterans. The plans should also inform the funding schedules submitted by PHAs receiving 2013 HUD-VASH vouchers.

If you have any questions about the strategies for HUD-VASH expressed in this letter, please contact your local HUD field office. HUD would like to thank PHAs across the country for your extraordinary efforts in support of our shared goal of ending Veteran homelessness. Together we can make it happen.

Sincerely,



Sandra B. Henriquez
Assistant Secretary for Public
and Indian Housing

*The Secretary
and I want
to thank you
personally for
your continued
commitment to
those who served
to preserve our
nation. You, too,
are heroes.
Many sincere
thanks you's
S.*