



NATIONAL COALITION *for* HOMELESS VETERANS

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Policy Statement: HUD-VA Supportive Housing Program

WASHINGTON, May 28th, 2024 - The U.S. Department of Housing and Urban Development-U.S. Department of Veterans Affairs Supportive Housing (HUD-VASH) Program is the only federal program specifically designed to end chronic homelessness for veterans and their families. The veterans who enroll in the program become eligible for placement in permanent housing through the award of veteran-specific HUD Section 8 housing vouchers and receive comprehensive VA case management and other supportive services to remain stably housed.

Case management is an integral part of the permanent supportive housing program. The majority of veterans utilizing HUD-VASH vouchers have serious mental illness, substance abuse disorders, physical disabilities, or co-occurring disorders. The program has expanded beyond these bounds in response to the Public Health Emergency (PHE) waiving some eligibility barriers for emergency program adjustments. Veterans create individualized "Housing Recovery Plans" with their case managers, focusing on long-term recovery and full integration into their communities. These plans involve health care, resolving legal and financial issues, and addressing employment needs and other income supports for which they may be eligible.

In FY 2023, Congress appropriated funding for over 111,000 HUD-VASH vouchers. Nationwide, more than 360 Public Housing Authorities (PHAs) have participated in the program at 490 housing projects across the country. Section 9103 of the William M. Thornberry National Defense Authorization Act for FY 2021 (P.L. 116-283) extended eligibility for the program to veterans with "other than honorable" discharge statuses permanently, serving over 7,500 veterans who qualified under this new authority.

There is also a set-aside from the HUD-VASH program, known as Tribal HUD-VASH, which is assisting 29 Tribes and Tribally Designated Housing Entities (TDHEs) serve 459 Veterans in FY'23.

How does the program work?

When Congress funds new HUD-VASH vouchers, HUD – in consultation with VA – awards blocks of vouchers to applicant PHAs across the country based on geographic need and desire to administer vouchers. When vouchers become available, VA Medical Center personnel determine which veterans are clinically eligible for the program before making referrals to local PHAs, which then must verify eligibility based on income limits and HUD regulations.

Veterans who receive HUD-VASH vouchers rent privately owned housing and generally contribute up to 30% of their income toward rent. VA case managers foster a therapeutic relationship with veterans and act as liaisons with landlords, PHAs, and community-based service providers. In some instances, these case management services are contracted through service providers who have already established relationships with participating veterans. When a veteran no longer needs the program's supports or has exceeded its income limits, these vouchers become available for the next qualifying veteran. In 2021, 83% of allocated vouchers resulted in permanent housing placement.

Why is HUD-VASH critical?

With its focus on housing the most vulnerable and difficult-to-serve veteran families, the HUD-VASH Program enables communities to effectively end chronic veteran homelessness. By providing a stable environment with wrap-around services, veterans and their families are able to regain control of their lives and ultimately reintegrate into society.

“The HUD-VA Supportive Housing program is central to Biden-Harris administration’s evidence-based strategy to prevent and homelessness among Veterans,” said VA Deputy Secretary Donald Remy. “Beyond making market-rate housing affordable for eligible low-income Veterans, the HUD-VASH program helps them achieve long-term stability by identifying and addressing the root causes of their homelessness to prevent them from experiencing housing crises in the future, honoring our sacred obligation as a nation to ensure every Veteran has a place to call home.”

What should Congress do?

Congress should create an additional 5,000 vouchers through appropriations in FY 2025. A 5,000 Project-Based Voucher (PBV) competition is also needed to continue to absorb the newly eligible veterans with “Other Than Honorable” discharge statuses and stimulate affordable housing development for veterans. The Biden Administration has proposed the creation of new vouchers by Congress for a rental assistance guarantee, and VA has urged the recapture of unused vouchers which would then be re-disbursed to areas of high need. Congress should pass legislation realizing the administration's goal of creating a Veteran Rental Assistance Guarantee. Congress should also pass legislation removing Veteran Disability Payments from HUD’s Area Median Income (AMI) calculations for HUD-VASH eligibility, if not also voucher payments. If the Internal revenue Service does not consider it “income,” neither should HUD.

What should the Administration do?

Despite the many successes of the HUD-VASH program, some issues remain. The largest of these is VA's ability to hire case managers. In many locations around the country, expertise and or capacity for case managing HUD-VASH vouchers lies outside of the VA, with local community service providers. In 2021 Congress passed P.L. 116 – 315, the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020, mandating VA contract for case manager positions to these community providers if utilization falls below 85% and VAMC case management positions remain

unfilled. However, the likelihood of this happening is different at every VAMC. VA should expand its efforts to direct its VAMCs to adhere to congressional intent and contract out case management positions in locations where the VA has not been able to provide case managers itself within a set period of time.

The Administration should also ramp up efforts to project base HUD-VASH vouchers. In many tight housing markets, affordable housing is scarce if not nearly non-existent. The only surefire way to find homes for veterans through the HUD-VASH program in these communities is to create it through project basing. Especially in areas with high concentrations of homeless veterans (i.e. California, Texas, Florida, and New York) this is the most effective approach. The last competitive round of 2,134 project-based vouchers was in November of 2016. NCHV calls on the Administration to execute a new round of 5,000 project-based vouchers to allow construction of new housing for homeless veterans.

Use of vouchers is limited by the AMI limits implemented by the lowest common denominator between the several entities involved in development of Housing, HUD, VA, PHAs and Private Finance entities. VA and many PHAs have raised their AMI limits from 35% up to 50%, and more recently to 80% of AMI. NCHV urges HUD to commit to raising its own AMI restrictions from 50% to 80% in line with VA. Yet private finance is most often the limiting entity setting their AMI limits at 35% of AMI due to layering restrictions involved with other federal programs like the Low Income Housing Tax Credit or LIHTC. The Administration must work instruct HUD to remove veteran disability payments from LIHTC AMI calculus to enable housing development financiers to raise their own income limits.