

## MEETING AGENDA

### FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY COMMITTEE OF THE WHOLE

Wednesday, January 15, 2025

Fairfax County Redevelopment and Housing Authority Board Room  
4530 University Drive, Fairfax, Virginia 22030

**6:00 p.m. – CALL TO ORDER**

#### **DRAFT ACTION ITEMS FOR JANUARY 23, 2025:**

1. Resolution Number XX-25      Authorization, Subject to Board of Supervisors Approval, to Make Loans to Affiliates of Wellington Development Partners of up to \$9,400,000 to Finance the Development of Agape Chantilly House Phase One (Sully District)
2. Resolution Number XX-25      Modifications to the Fairfax County Redevelopment and Housing Authority Student Scholarship Program

#### **DRAFT ADMINISTRATIVE ITEMS JANUARY 23, 2025:**

1. Resolution Number XX-25      Approval of Chapter 19 of the Housing Choice Voucher Program Administrative Plan

**CLOSED SESSION**

**BOARD MATTERS**

**ADJOURNMENT**

*Fairfax County is committed to a policy of nondiscrimination in all County programs, services and activities and will provide reasonable accommodations upon request. To request special accommodations call 703-246-5000 (select menu option 8), or TTY 711.*

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ACTION – X

RESOLUTION NUMBER XX-25: Authorization, Subject to Board of Supervisors Approval, to Make Loans to Affiliates of Wellington Development Partners of up to \$9,400,000 to Finance the Development of Agape Chantilly House Phase One (Sully District)

ISSUE:

It is requested that the Fairfax County Redevelopment and Housing Authority (FCRHA) authorize subordinate financing of up to \$9,400,000, subject to approval by the Fairfax County Board of Supervisors (the BOS), to affiliates of Wellington Development Partners (WDP) for the development of 101 units of affordable senior housing in the Sully District.

RECOMMENDATION:

It is recommended that the FCRHA approve and authorize loans not to exceed a total of \$9,400,000 in subordinate funds to develop Agape Chantilly House Phase One (the Project), located at 3870 Centerview Drive in Chantilly.

TIMING:

WDP anticipates using both 4 percent and 9 percent Low-Income Housing Tax Credits (LIHTCs) to develop the Project. To make WDP's 9 percent LIHTC application more competitive when compared to other applicants, WDP needs to demonstrate that it has secured local subordinate financing sources as a part of the application, which is due to Virginia Housing in March 2025.

RELATION TO FCRHA STRATEGIC PLAN:

This action supports the FCRHA's overarching Strategic Plan goal to preserve, expand and facilitate affordable housing opportunities for senior households in Fairfax County.

BACKGROUND:

*Developer:*

WDP is a developer based in Washington, DC with expertise in affordable housing, residential development, and LIHTC programs. It was created as an offshoot of E&G Group, an affordable housing owner/operator established over 40 years ago serving the greater Washington, DC area. WDP was formed to satisfy the growing need for suburban affordable housing, particularly in Northern Virginia. The firm's principals are affordable housing professionals with significant experience in rental assistance

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programs, community engagement, government programs including Housing Choice Voucher programs, and financing senior housing.

WDP's on-going and completed projects in collaboration with other development organizations/entities within the past ten years include:

- Old Arcola Elementary School Apartments - 73 units, Sterling, VA
- Tuscarora Crossing Apartments - 180 units, Leesburg, VA
- Seneca Creek Senior Residences - 111 units for seniors, Gaithersburg, MD
- Loudoun View Senior Residences - 98 units for seniors, Sterling, VA
- 2321 4<sup>th</sup> Street - 116 units, Washington, DC

*Project Description:*

WDP entered into a joint venture agreement with Agape Property Management LLC (APM), the owner of a 3.79-acre project site, to develop an affordable senior housing community. To further this effort, on March 19, 2024, the BOS approved rezoning plan RZPA 2022-SU-00129 and Special Exception SE-2022-SU-00030, which allows for the development of a 228-unit affordable independent living facility, including on-site adult day care. WDP intends to develop the facility in two phases, as permitted under the rezoning. The loan that is the subject of this item is for Phase One, which will include 101 units, the adult day care, and 96 parking spaces.

*Site Control:*

APM and WDP have entered into an Option to Ground Lease ("Option"), under which WDP would lease the project site for a term of 99 years. The Option must be exercised within 24 months of the option effective date, October 22, 2024, or the Option will automatically terminate.

*Requested Loan:*

In August 2024, the FCRHA released its FY25 NOFA, noting the availability of funds from various sources for affordable housing development. In October 2024, WDP applied for \$9,427,989 in FY25 NOFA funds to develop the Project. WDP plans on using both 4 percent and 9 percent LIHTC, and requested two financing structures with loan amounts of \$6,032,375 for the 51 units that will be funded by 4 percent LIHTC, and a loan of \$3,395,614 for the 50 units to be funded by 9 percent LIHTC. The anticipated Project financing plan is further described in Attachment 2.

*Expected Benefits:*

- a) 101 new units of affordable housing in Sully District serving seniors between 30 and 60 percent of Area Median Income (AMI).
- b) Centerville bus stop within 0.2 miles of the development.

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- c) Property will include controlled access, elevators, a library, a fitness center, package lockers, on-site property management, a community room, a courtyard/outdoor terrace, parking and electric vehicle charging stations.
- d) In-unit features include weather sheltered entries, extra floor space in kitchen/ bathroom to allow easy turning, kitchen task lighting, audio/visual doorbells, and easy to use thermostats.
- e) An on-premise, independently operated adult day care center that allows convenient, safe and easy access to daily activities for senior residents that choose to use the facilities for an extra cost.
- f) Project expects to meet the National Green Building Standard silver certification.
- g) Project will be designed to meet Virginia Housing Universal Design standards.
- h) Project will include 11 ADA (Americans with Disabilities Act) compliant units.

*Requirements for funding:*

The developer currently anticipates closing on the financing in the second quarter of 2026. Requirements for the closing include, but are not limited to, the following:

1. The developer must secure the 9 percent LIHTC award from Virginia Housing
2. Additional funding sources secured that meet:
  - a. The maximum Loan-to-Value ratio requirements
  - b. Required debt leveraging ratios for respective LIHTC portions
  - c. County per unit funding goal
3. Secure commitment of funds for the construction loan and permanent debt
4. Placement of tax credits with an investor
5. Final underwriting and loan amount determination by Department of Housing and Community Development (HCD) staff
6. Satisfactory collateralization of the loans
7. Receipt and approval of all third-party reports by HCD staff
8. Other factors as deemed necessary to protect the interest of the FCRHA and Fairfax County

Risks and Concerns:

1. **Interest rate risk on the first mortgage:** The interest rate will not be fixed until closing and is subject to market conditions. If interest rates rise, the developer must identify additional sources of funds or identify cost savings in the development budget.

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2. **First mortgage commitment risk:** If first mortgage commitment(s) is (are) not received, the project closing could be delayed or the Option to Lease may be terminated.
3. **Tax credit equity price:** The pricing of LIHTC equity is based on market conditions. The tax credit investor will determine the final tax credit pricing. Should equity prices fall below currently estimated levels, the developer would need to identify additional sources of funds or cost savings in the development budget.
4. **9 percent LIHTC Award:** WDP will be submitting their 9 percent LIHTC application in March 2025. Due to high competition among the 9 percent LIHTC applicants, WDP may not be awarded the 9 percent LIHTC. Without the substantial tax credit equity, the project would have a large funding gap and would be required to restructure the financing and/or raise additional subordinate financing sources.
5. **Additional Subordinate Financing:** The developer anticipates applying for several subordinate loans and grant sources that are considered competitive. If the developer does not secure these sources, the project will need additional sources or may not move forward.
6. **WDP Financials:** WDP has reported net losses for the past three years, which were caused by significant development delays in water and sewer infrastructure for a project in Loudoun County. The issue has been resolved and the project will enable WDP to collect an anticipated \$6 million in fees starting December 2025. WDP also confirmed that \$3 million in anticipated fees is expected from a second project starting September 2025. Staff will negotiate collateralization, security, and loan guarantees with WDP and its affiliates to protect the interests of the FCRHA.

EQUITY IMPACT:

The proposed Project will help achieve the BOS goal of creating 10,000 affordable housing units by 2034.

Agape Chantilly House will provide crucial affordable housing for senior residents. The location of the proposed Project is accessible to important community amenities such as transportation, jobs, groceries, retail and recreation. The location and population served align with the One Fairfax Policy, which recommends, in part, (i) the implementation of housing policies and practices that encourage all who want to live in Fairfax to be able to do so, and (ii) providing a full spectrum of housing opportunities across the County, most notably those in mixed-use areas that are accessible to multiple modes of transport.

The Project, including the on-premise adult day care center, will promote housing opportunities for the County's senior population, an important factor in promoting health,

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safety and well-being of seniors. Additionally, this will allow seniors to fully participate in the region's economic vitality and connect to the community's available resources.

STAFF IMPACT:

Department of Housing & Community Development (HCD) staff will continue to spend a considerable amount of time underwriting, structuring, and negotiating the transaction with the developer, in coordination with the Office of the County Attorney and other County departments.

Additionally, after construction completion, HCD staff will monitor compliance of the Project with the loan documents and affordability requirements.

FISCAL IMPACT:

The total FCRHA loan amount of no more than \$9,400,000 is anticipated to come from one or more of the following sources:

- 300-C30300: Development Partners Blueprint Fund
- 400-C40300: Senior Housing Trust Fund (HTF)

The interest rate on the FCRHA loans will be 3 percent simple interest per annum. Interest will start to accrue on funds as they are disbursed.

For each respective 4 percent and 9 percent LIHTC applications in NOFA funding, the FCRHA will receive an ongoing loan monitoring fee of \$7,500 annually after construction completion, escalating at three percent annually.

ENCLOSED DOCUMENTS:

Attachment 1 – Resolution Number XX-25

Attachment 2 – Appraised Value, Proposed Unit Mix, Rent Structure and Financing Plan

Attachment 3 – FY25 NOFA Loan Term Sheet

Attachment 4 – Project Location Map

STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)

Anna Shapiro, Deputy Director, Real Estate Finance and Development, HCD

Callahan Seltzer, Division Director, Real Estate and Community Development Finance (RECDF), HCD

Mark Buenavista, Division Director, Capital Planning and Development (CPD), HCD

Alexanne Yi, Senior Real Estate Finance Officer, RECDF, HCD

RESOLUTION NUMBER XX-25

Authorization, Subject to Board of Supervisors Approval, to Make Loans to Affiliates of Wellington Development Partners of up to \$9,400,000 to Finance the Development of Agape Chantilly House Phase One (Sully District)

**WHEREAS**, Wellington Development Partners (WDP) submitted a request for financing under the Fiscal Year 2025 Notice of Funding Availability for the development of 101 units at Agape Chantilly House Phase One located at 3870 Centerview Drive, Chantilly (the Project); and

**WHEREAS**, at its January 23, 2025 meeting, the Fairfax County Redevelopment and Housing Authority (FCRHA) considered WDP's request for up to \$9,400,000 in subordinate financing for the Project; and

**NOW, THEREFORE, BE IT RESOLVED** that the FCRHA authorizes:

- 1) Providing financing to WDP for the development of the Project in the amount of up to \$9,400,000, as described in the Action Item presented to the FCRHA on January 23, 2025; and
- 2) Adjustment of the total Project loan amount between the four percent and nine percent LIHTC financing structures, as needed, as long as the total FCRHA subordinate debt does not exceed \$9,400,000.

**BE IT FURTHER RESOLVED** that the FCRHA authorizes any Assistant Secretary to negotiate and finalize loan terms and associated documents on behalf of the FCRHA in substantial conformance with the Action Item presented to the FCRHA on January 23, 2025, and authorizes its Chair, Vice Chair or any Assistant Secretary to execute all documents, agreements, and instruments reasonably necessary or appropriate in connection with issuing the FCRHA loan(s) for the Project.

Appraised Value, Proposed Unit Mix, Rent Structure and Financing PlanAppraised Value:

An independent appraisal company, Allen & Associate Consulting, Inc., confirmed that the total appraised value of Phase One of the Agape Chantilly House Project fully collateralizes the sum of the anticipated senior debt and FCRHA subordinate loan. According to the appraisal dated October 18, 2024, the appraised value for Phase One is \$22,280,000. The final loans will be structured to fully collateralize the total requested loans.

The Department of Tax Administration (DTA) has reviewed the appraisal and determined that the valuation methodology and value conclusions were appropriate and reasonable.

Proposed Unit Mix:

	Room Type	30% AMI	50% AMI	50% AMI (PBV)	60% AMI	Units
4% LIHTC	1-bed	5	0	0	41	46
	2-beds	0	0	0	5	5
9% LIHTC	1- bed	5	12	5	18	40
	2-beds	1	0	3	6	10
Total		11	12	8	70	<b>101</b>

Rent Structure:

The project will use two rent rate structures: (1) Eight Project-Based Voucher (PBV) rents established by the FCRHA, using a U.S. Department of Housing and Urban Development regulatory structure; and (2) LIHTC rents set by Virginia Housing for the remaining units. The HUD regulatory structure for PBVs dictates the gross rent that a landlord can receive when using such vouchers. When the voucher is applied to each unit, the tenant's portion of the rent will not exceed one-third of the tenant's adjusted income, depending on household status.

Current Estimated Financing Plan:

Wellington Development Partners is proposing to finance the Project using both 4 percent and 9 percent LIHTC along with a variety of sources, including, but not limited to, a mortgage financed by Virginia Housing, Virginia REACH PLUS & REACH subordinate loans, second position subordinate financing through the FCRHA (FCRHA loans), and Affordable and Special Needs Housing (ASNH) funds from the Virginia Department of Housing and Community Development (DHCD). The total amount of FCRHA subordinate financing will not exceed \$9,400,000. The sources of funds and allocation between sources may be revised before closing to reach an optimal financing structure. The proposed sources of funding for the Project, along with the uses of such funds in delivering the Project, are listed below:



**Estimated Sources and Uses as of January 2025:**

<b>Sources</b>	<b>4 Percent LIHTC</b>	<b>9 Percent LIHTC</b>	<b>Combined</b>
Tax Credit Equity	\$ 5,504,460	\$ 10,918,908	\$ 16,423,368
VH First Mortgage	\$ 2,785,629	\$ 2,552,832	\$ 5,338,461
Virginia REACH PLUS	\$ 2,000,000	\$ 2,000,000	\$ 4,000,000
Virginia REACH	\$ 2,193,000	\$ 2,250,000	\$ 4,443,000
FCRHA Subordinate Loan(s)	\$ 6,032,375	\$ 3,367,625	\$ 9,400,000
Virginia DHCD: VHTF	0	\$ 700,000	\$ 700,000
Deferred Developer Fee	\$437,347	\$ 527,989	\$ 965,489
<b>Total Sources</b>	<b>\$18,952,964</b>	<b>\$ 22,317,354</b>	<b>\$41,270,318</b>

<b>Uses</b>	<b>4 Percent LIHTC</b>	<b>9 Percent LIHTC</b>	<b>Combined</b>
Acquisition	\$ 832,135	\$ 667,865	\$ 1,500,000
Hard Construction Cost	\$12,844,690	\$14,616,178	\$ 27,463,868
Construction Contingency	\$ 760,089	\$947,043	\$ 1,707,132
Architecture & Engineering	\$1,042,869	\$1,298,131	\$ 2,340,000
Soft Costs	\$ 198,263	\$ 615,972	\$814,235
Financing/ Interests	\$ 1,056,980	\$1,677,674	\$ 2,734,654
Reserves	\$468,938	\$491,491	\$ 960,429
Developer Fee	\$1,750,000	\$2,000,000	\$ 3,750,000
<b>Total Uses</b>	<b>\$ 18,952,964</b>	<b>\$22,317,354</b>	<b>\$41,270,318</b>

The FCRHA staff will continue to underwrite the Project as other sources are committed, including LIHTC equity and additional sources sought by the developer. The SAC recommended approval of up to \$9,400,000 for this Project, but the final loan amount remains subject to final underwriting, including evaluation of the Loan to Value, County loan per unit, and leveraging ratios constraints as set forth in the 2025 NOFA.

Agape Chantilly House Phase One

FY2025 NOFA Loan Term Sheet

**Borrowers:** AHC1 4% Owner LLC and AHC1 9% Owner LLC

**Developer:** To be formed single purpose entity controlled by Wellington Development Partners and Agape Property Management

**Project Address:** 3870 Centerview Drive Chantilly, VA 20151

**Loan Amounts:** Up to \$9,400,000, which will be divided into two loans, one for each of the 4 percent and 9 percent LIHTC entities. The funding of these two loans may include Fairfax County Housing Blueprint (“Blueprint”) program, Senior Housing Trust Fund (HTF), and/or other sources, at FCRHA’s discretion. If the FCRHA uses multiple funding sources, each source will comprise a separate loan. The terms will apply to each loan.

If there are savings in the development budget upon project completion, then at the discretion of the FCRHA such savings may be used to reduce the amount of the FCRHA loan(s), so long as such reduction would not impact the project’s basis under LIHTC.

**Interest Rate:** Each loan will incur 3 percent simple interest per annum. Interest will start to accrue on funds as they are disbursed.

**Repayment:** Loan will be repaid from annual net cash flow (NCF). NCF includes cash flow remaining after payment of must-pay debt service, operating expenses, operating reserves, deferred developer fee, and such other expenses as the FCRHA may approve. Payments made will be applied first to accrued interest, and then to principal. All outstanding principal and accrued but unpaid interest will be due on the maturity date.

**Term:** Term will be the longer of (i) term of first-position permanent loan or (ii) 30 years following conversion of first-position loan to permanent financing.

**Security:** FCRHA Loans will be subordinate to the first trust mortgage and may be lower in priority lien position, if acceptable to the FCRHA in its sole discretion. If the project is funded with Blueprint and/or other FCRHA funds, then the Blueprint loan will be in second position, followed by other FCRHA loans in third position, fourth position, etc.)

**Affordability:** Borrowers will rent approximately 11 units to households with an initial household income of no more than 30 percent of the area median income (AMI); approximately 20 units to households with an initial household income of no more than 50 percent of AMI; and approximately 70 units to households with an initial household income of no more than 60 percent of AMI.

Borrowers must comply with all applicable affordability requirements, including LIHTC requirements during the LIHTC compliance period.

FCRHA loan affordability restrictions will appear in one or more agreements recorded in the land records for the property and will run with the land for the term of the loan(s).

**Option & ROFR:** Borrowers will provide FCRHA with an option to purchase the property and a right of first refusal (ROFR) for the property. Each of the FCRHA's option and ROFR rights will be subordinate to senior debt financing and will not apply to offers where the purchaser is related to the Developer.

**Developer Fee:** Borrowers may pay a developer fee to Developer, the total and deferred amounts of which are subject to the approval of the FCRHA. Borrowers may recoup its deferred developer fee in full before making payments on the FCRHA loan(s), subject to terms to be finalized between FCRHA and Borrowers.

Borrowers will make no other payments to Developer (or affiliates of Developer) without the prior consent of the FCRHA.

**Monitoring Fees:** Borrowers will pay to the FCRHA an annual monitoring fee of \$7,500, escalating at 3 percent annually, for monitoring project compliance with loan and other affordability requirements. The monitoring fees may be cash flow dependent but must be paid prior to any other cash flow dependent payment.

**Reserves:** At funding, Borrowers will establish a repair and replacement reserve. The amount of the reserve must be approved by the

## FCRHA.

- Transfers:** Borrowers may not transfer the property, in whole or in part, by operation of law or otherwise, without the prior approval of the FCRHA, not to be unreasonably withheld, and subject to the FCRHA's rights under the ROFR. Borrowers may, however, transfer the property to an affiliate under common control, as further described in the loan documents to be negotiated for the project, provided that Borrowers must notify the FCRHA in advance and that the transferee assumes the loan(s).
- Senior Loan:** The first position loan must have a fixed interest rate, provided that the FCRHA may approve a variable rate senior construction loan in its sole discretion. The permanent first position loan must amortize.
- First position lender must enter into intercreditor or subordination agreement with FCRHA on terms reasonably acceptable to the FCRHA including, without limitation, the right to cure defaults, to acquire the senior debt, and to acquire ownership of the property.
- Other Loans:** Borrower may not subject the property to any deed of trust or other lien, whether senior or subordinate to the FCRHA loan(s), and whether secured or unsecured, without the prior approval of the FCRHA, except as specifically permitted in the loan documents.
- Refinancing:** Borrower may not refinance senior debt on the Project without FCRHA's consent. FCRHA loans will become due upon any refinancing of the senior permanent loan. The FCRHA, in its sole discretion, may agree to resubordinate one or more of the FCRHA loans upon such refinancing.
- FCRHA Termination Right:** If the Borrower does not obtain an award of 9% LIHTC in 2025, the FCRHA reserves the right to terminate the loan commitment.
- Closing:** Borrower will execute FCRHA loan documents concurrently with Borrower's construction loan closing (Closing). Unless waived by the FCRHA in its sole discretion, the following conditions must be met before Closing:
- Fully executed construction loan documents and construction contract.
  - Fully executed partnership/operating agreement of Borrower, with admission of investor.
  - Fully executed loan commitment for permanent loan, and all necessary approvals for any other permanent and ongoing

funding sources.

- A satisfactory appraisal, dated no earlier than 6 months before Closing, showing a property value that exceeds the aggregate debt on the property.
- ALTA survey and Lender's title insurance policy for the benefit of the FCRHA, from a title company acceptable to the FCRHA.
- Zoning letter from the Fairfax County Department of Planning and Zoning, site plan, building permits, etc.
- Borrower organizational documents (including good standing certificate and authorizing resolutions).
- Legal opinion of Borrower's counsel.
- Final underwriting acceptable to the FCRHA, including sources and uses, development budget, annual operating expenses, 30-year cash flow analysis, and a development schedule.
- Such other documents and information as the FCRHA may reasonably require.

Funding:

FCRHA loan funds shall be disbursed at construction completion or earlier as may be permitted under the loan documents. Conditions precedent to funding the FCRHA loan(s) shall be detailed in the loan documents, and shall include the following:

- Certificate of substantial completion from project architect or other certification, as appropriate.
- Payment and performance bond specifying the FCRHA as a named insured.
- Payment and performance bond specifying the FCRHA as a named insured.
- No outstanding defaults under any loan, construction, or other project-related agreement.
- Final construction lien releases, all occupancy permits, and a set of as-built drawings for the project.
- Such other items and information as the FCRHA may reasonably require.

Use of Insurance Proceeds

After a casualty event, Borrowers must restore the Property if restoration is reasonably practicable. To the extent acceptable to Borrower's first-position lender, such lender will not have unilateral ability to repay itself from casualty insurance proceeds after all casualty events.

The FCRHA may permit full or partial exceptions to any provision in this term sheet in its sole discretion. In the event of any conflict between this term sheet and any fully executed FCRHA loan document, the terms of the FCRHA loan document will control. No third party may rely on the contents of this term sheet.

**FCRHA:**

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY

By: \_\_\_\_\_  
Name:  
Title:

**BORROWER(S):**

AHC1 4% Owner LLC

By: \_\_\_\_\_  
Name:  
Title:

AHC1 9% Owner LLC

By: \_\_\_\_\_  
Name:  
Title:

# Project Location

Agape Chantilly House: 3870 Centerview Drive Chantilly, VA 20151

Amenity	Distance from the Proposed Project
Urgent Care	.6 miles
Aldi	.7 miles
Sully Plaza Shopping Center	.7 miles
Walmart Supercenter	1.2 miles
Costco	1.6 miles
Target	1.6 miles
Sully Community Center	1.7 miles
Sully Senior Center	2.0 miles
Chantilly Regional Library	2.4 miles
Inova Fair Oaks Hospital Center	3.9 miles
Fair Oaks Mall	4.8 miles
Reston Hospital Center	9.0 miles



Note: The proximity to subject and area amenities are estimations provided by the appraiser, Allen & Associates Consulting, Inc on 10/18/24.

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ACTION – X

RESOLUTION NUMBER XX-25: Modifications to the Fairfax County Redevelopment and Housing Authority Student Scholarship Program

ISSUE:

It is requested that the Fairfax County Redevelopment and Housing Authority (FCRHA) authorize modifications to the student scholarship program. Currently, all eligible scholarship applications are scored and ranked relative to one another, regardless of whether the applicant is a “traditional” student (i.e., a graduating high school senior or a current postsecondary student) or a “non-traditional” student (i.e., enrolling in postsecondary education after a separation of at least two years from high school or obtaining a GED). As such, scoring all applications together can negatively impact non-traditional students’ ability to earn a scholarship, as traditional and non-traditional students each have unique strengths. If authorized, modifications to the scholarship program would improve equity among individuals who receive an award, particularly between traditional and non-traditional students.

RECOMMENDATION:

It is recommended that the FCRHA approve the modifications to the student scholarship program, beginning with Calendar Year 2025, to improve equity among awardees.

TIMING:

Immediate. Approval by the FCRHA will allow staff to update the Calendar Year (CY) 2025 scholarship program accordingly.

RELATION TO FCRHA STRATEGIC PLAN:

Modifications to the scholarship program support the FCRHA’s Strategic Plan and statutory requirements as outlined in the FCRHA’s Moving to Work agreement with the U.S. Department of Housing and Urban Development to facilitate greater self-sufficiency of residents and households served.

BACKGROUND:

In March of 2023, the FCRHA authorized the use of operational funds to support a student scholarship program (FCRHA Resolution 11-23). The FCRHA scholarship program provides financial assistance to Fairfax County residents who live in affordable housing supported by the FCRHA for postsecondary education and technical training opportunities. Through this investment, the FCRHA is committed to encouraging greater self-sufficiency through education among individuals and families receiving housing



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assistance. The FCRHA awarded scholarships to students attending postsecondary educational institutions in CY 2023 and CY 2024.

Since the launch of the FCRHA scholarship program, individuals from a variety of backgrounds have applied for awards. This includes individuals currently enrolled in postsecondary institutions; students attending postsecondary institutions immediately following high school graduation; and adults returning to postsecondary education. Applicants have diverse skill sets, employment histories, educational levels, and demographic characteristics.

Currently, all scholarship applicants apply online via one standard application. If an applicant meets the stated eligibility requirements, applications are forwarded for review by the Scholarship Selection Committee. Members of the Scholarship Selection Committee use a defined set of criteria, previously approved by the FCRHA, to individually score and rank applications. All applications, for both traditional and non-traditional students, are then subsequently reviewed together and ranked by the Scholarship Selection Committee prior to award.

For reference, Attachment 2 provides an overview of key features of the FCRHA scholarship program as adopted in March 2023 and currently in use.

**PROPOSED MODIFICATIONS TO THE SCHOLARSHIP PROGRAM:**

Because of the diversity in the applications, staff are proposing to divide the scholarship program into two award categories: 1) traditional students; and 2) non-traditional students. If adopted, individuals would be able to apply to only one award category each year. The Scholarship Selection Committee would then review and score all eligible applications in each of the award categories separately. This would enable applications where the individual has identified as a traditional student to be reviewed, scored, and ranked relative to one another. Likewise, eligible applications for individuals who identify as a non-traditional student would be reviewed, scored, and ranked relative to one another as well. While the scoring criteria for non-traditional students currently weigh more heavily on life experiences and less on academic achievements, this has not necessarily resulted in overall scores that allow Scholarship Selection Committee members to easily rank applications relative to one another.

A total of up to ten applications will continue to be annually awarded, with each student receiving a \$5,000 award. The number of scholarships awarded to traditional versus non-traditional students will be based on the proportion of eligible applications received in each award category (e.g., if 35 eligible applications are reviewed in the traditional student category, and 15 eligible applications are reviewed in the non-traditional student category, the FCRHA would award up to seven (7) traditional student applicants and up to three (3) non-traditional student applicants).

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EQUITY IMPACT:

The primary intent of the proposed modifications to the current program is to increase equity among scholarship awardees. Members of the Scholarship Selection Committee and staff have recognized limitations in the current model in which all eligible applications are reviewed relative to one another using criteria predominantly based on academic merit and written responses to essay questions. This has favored traditional students, who often have strong communication skills and high-grade point averages.

If adopted, the proposed changes would provide a more equitable scoring and ranking process for non-traditional students who often have strong skill sets outside of traditional academic settings. The proposed change will also help to promote the self-sufficiency of adults who are head of their household and typically non-traditional students. By increasing the diversity of those who are awarded a scholarship, the program will become more equitable in terms of the ages, skill sets, and household composition of those served.

STAFF IMPACT:

The modifications to the scholarship program will not result in any changes to the current management of the scholarship program. Staff will continue to update the FCRHA as needed as the scholarship program is implemented.

FISCAL IMPACT:

The FCRHA currently allocates up to \$50,000 annually from Fund 810-C81000, FCRHA General Operating Fund, to support the scholarship program. The modifications to the scholarship program will not result in any additional fiscal implications.

ENCLOSED DOCUMENTS:

Attachment 1 – Resolution Number XX-25

Attachment 2 – Background Information on the FCRHA Student Scholarship Program

STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)

Amy Ginger, Deputy Director, Operations, HCD

Linda Hoffman, Director, Policy and Communications, HCD

RESOLUTION NUMBER XX-25

Approval of Modifications to the Fairfax County Redevelopment and Housing Authority  
Student Scholarship Program

**BE IT RESOLVED THAT** the Fairfax County Redevelopment and Housing Authority (FCRHA) approves modifications to the student scholarship program, as outlined in the Action Item presented to the FCRHA on January 23, 2025.

DRAFT

**Background Information on the FCRHA Student Scholarship Program**

The following provides key information on the FCRHA Student Scholarship Program as currently implemented. For more details, see the FCRHA Item and corresponding attachments adopted by the FCRHA on March 16, 2023.

**Eligibility Requirements**

The following are the current eligibility requirements that must be met by all applicants to be considered for a scholarship:

1. A current member of a household residing in any housing owned or operated by the FCRHA. This includes households receiving any type of federal, state, or local rental housing assistance provided by either a project-based or tenant-based voucher.
2. A student either accepted by or currently attending an accredited university, college, vocational, or technical school.
3. A resident of Fairfax County, Virginia for at least six months prior to submitting their scholarship application.

Applicants must meet all three eligibility requirements listed above for their application to advance for consideration of award. Students can receive a scholarship a maximum of four (4) times in total if they continue to meet the above eligibility requirements and maintain a 2.5 cumulative grade point average.

**Evaluation of Scholarship Applications**

If an application meets all three eligibility requirements, as listed above, it will be evaluated and scored using defined criteria. These criteria are grade point average from a high school or a postsecondary institution if currently enrolled; essay responses; awards and/or honors received by the applicant; participation in extracurricular, employment and volunteer activities; and two letters of recommendation. The table below notes the maximum points per criteria for traditional and non-traditional students.

Criteria	Maximum Points per Criteria Area	
	Traditional Students	Non-Traditional Students
Grades	40	30
Essay Responses	30	40
Awards/Honors	10	5
Extracurricular, Employment and volunteer Activities	15	15
Letters of Recommendation	5	10

Applications will be scored on a basis of 100 points. An additional 10 bonus points will be added to the scores of applicants who are residing in households at 30 percent of

the Area Median Income (AMI) or below, defined as extremely low-income by the U.S. Department of Housing and Urban Development.

All applicants are asked to sign the application and certify that the information is complete and accurate to their knowledge. Applicants are also required to submit a copy of their educational transcript for verification purposes.

*Amount and Allowable Use of Scholarship Funds*

Up to ten scholarships, valued at \$5,000 each, will be awarded each year to eligible recipients (a maximum total of \$50,000 annually). Scholarship funds may only be used for tuition and related fees required for enrollment as well as books, supplies, and required equipment for courses. Scholarship funds may be used towards certificates (offered by an accredited institution as approved by the FCRHA selection committee), associates, bachelor's, or graduate degrees. All institutions must be accredited regardless of their length or type of program.

Funds are submitted directly to the higher education institution on behalf of each recipient. In any given year, if the FCRHA does not receive ten applications that are eligible for an award, any unspent funds will be used in future years, not to exceed a total of \$50,000 per calendar year without FCRHA approval.

*Selection Committee*

A selection committee comprised of two (2) FCRHA Commissioners and the Director of HCD (or designee) is formed each year. FCRHA Commissioners can request to participate on the committee and/or serve at the request of the FCRHA Chairman. HCD staff will support the selection committee throughout the process and in the administration of the scholarships.

The selection committee will be responsible for determining the most meritorious applicants by reviewing, scoring, and ranking all eligible applications based on the approved evaluation criteria.

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ADMINISTRATIVE – X

RESOLUTION NUMBER XX-25: Approval of Chapter 19 of the Housing Choice Voucher Program Administrative Plan

ISSUE:

The purpose of this Item is to request Fairfax County Redevelopment and Housing Authority (FCRHA) approval to adopt Chapter 19, Special Purpose Vouchers, of its Housing Choice Voucher (HCV) Program Administrative Plan (HCV Administrative Plan). Chapter 19 is a new chapter to the HCV Administrative Plan containing both mandatory and discretionary policies.

RECOMMENDATION:

That the FCRHA approve Chapter 19 to be included in the HCV Administrative Plan.

TIMING:

Immediate. This chapter has not previously been adopted by the FCRHA and is included in its entirety for reference as Attachment 2.

RELATION TO FCRHA STRATEGIC PLAN:

The proposed action directly supports the FCRHA's mission, and the annual goals set forth in the FCRHA's Strategic Plan. Updates to the HCV Administrative Plan also directly support the One Fairfax Policy, adopted by the FCRHA.

BACKGROUND:

The rules and regulations that direct how the FCRHA administers the HCV program are outlined in the HCV Administrative Plan, which is required by HUD. The HCV Administrative Plan is reviewed and updated on a regular basis to reflect changes in statutes and regulations and to ensure consistency in operations.

INFORMATION ON CHAPTER 19:

Chapter 19 of the HCV Administrative Plan outlines policies for the administration of Special Purpose Vouchers, as part of the Housing Choice Voucher program. Special Purpose Vouchers are those that support specific populations and are funded via separate Congressional appropriations from regular HCV program funding, and often have different regulations and requirements from the regular HCV Program. As the FCRHA currently administers several types of Special Purpose Vouchers, inclusion of

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Chapter 19 in the HCV Administrative Plan is important to ensure transparency and consistency in operations.

Chapter 19 outlines HUD regulations and proposed FCRHA policies for administering the following types of Special Purpose Vouchers:

- Family Unification Program (FUP) – Vouchers serve families that, due to inadequate housing, would 1) have the family's children placed in out-of-home care; or 2) have the discharge of children from out-of-home care delayed. FUP vouchers also serve youth (up to age 24) who have left foster care or will leave foster care and are at risk of homelessness.
- Veterans Affairs Supportive Housing (VASH) – Vouchers combine HCV rental assistance with case management and other services provided by the U.S. Department of Veterans Affairs. Eligible families are those experiencing homelessness, agree to participate in case management services, and are referred to the FCRHA for HCV rental assistance.
- Mainstream – Vouchers assist non-elderly individuals living with disabilities and their families, particularly for persons at risk of institutionalization or are transitioning out of institutions.
- Non-Elderly Disabled (NED) – Vouchers are designed to assist non-elderly individuals living with a disability and their families lease accessible and affordable housing in the private market. In general, NED vouchers follow the same program requirements as standard vouchers.

Requirements and FCRHA policies for adoption for each of the above listed Special Purpose Vouchers are included in Chapter 19 and cover such topics as eligibility, voucher term, portability, and others. General requirements of the HCV program apply to Special Purpose Vouchers, except as listed in this chapter and required under HUD and federal statutes.

STAFF IMPACT:

Staff spent significant time reviewing and drafting policies for inclusion in Chapter 19 of the HCV Administrative Plan.

FISCAL IMPACT:

None.

ENCLOSED DOCUMENTS:

Attachment 1: Resolution XX-25  
Attachment 2: Chapter 19 of the Housing Choice Voucher (HCV) Administrative Plan

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STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)

Amy Ginger, Deputy Director, Operations, HCD

Linda Hoffman, Director, Policy & Communications (P&C), HCD

Brandy Thompson, Management Analyst, P&C, HCD

ASSIGNED COUNSEL:

Richard Dzubin, Office of the County Attorney

DRAFT



RESOLUTION NUMBER XX-25

Approval of Chapter 19 of the Housing Choice Voucher Program Administrative Plan

**BE IT RESOLVED** that the Fairfax County Redevelopment and Housing Authority (FCRHA) approves Chapter 19 for inclusion in its Housing Choice Voucher Program Administrative Plan, as presented to the FCRHA on January 23, 2025.

DRAFT

## Chapter 19

### SPECIAL PURPOSE VOUCHERS

#### INTRODUCTION

Special purpose vouchers are specifically funded by Congress in separate appropriations from regular HCV program funding in order to target specific populations. Special purpose vouchers include vouchers for the following programs:

- Family Unification Program (FUP)
- Foster Youth to Independence (FYI) program
- Veterans Affairs Supportive Housing (VASH)
- Mainstream
- Non-Elderly Disabled (NED)
- Stability Voucher program

;

This chapter describes HUD regulations and FCRHA policies for administering special purpose vouchers. The policies outlined in this chapter are organized into four sections, as follows:

Part I: Family Unification Program (FUP)

Part II: Veterans Affairs Supportive Housing (VASH)

Part III: Mainstream voucher program

Part IV: Non-Elderly Disabled (NED) vouchers

Except as addressed by this chapter and as required under federal statute and HUD requirements, the general requirements of the HCV program apply to special purpose vouchers.

## **PART I: FAMILY UNIFICATION PROGRAM (FUP)**

### **19-1.A. PROGRAM OVERVIEW [Fact Sheet, Housing Choice Voucher Program Family Unification Program (FUP)]**

#### **Overview**

The Family Unification Program (FUP) was authorized by Congress in 1990 to help preserve and reunify families. PHAs that administer the program provide vouchers to two different populations—FUP families and FUP youth.

Families eligible for FUP are families for whom the lack of adequate housing is a primary factor in:

- The imminent placement of the family's child or children in out-of-home care; or
- The delay in the discharge of the child or children to the family from out-of-home care.

There is no time limitation on FUP family vouchers, and the family retains their voucher as long as they are HCV-eligible. There is no requirement for the provision of supportive services for FUP family vouchers.

Youth eligible for FUP are those who:

- Are at least 18 years old and not more than 24 years of age;
- Have left foster care or will leave foster care within 90 calendar days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act at age 16 and older; and
- Are homeless or at risk of becoming homeless.

FUP youth vouchers are limited by statute to a period between 36 and 60 months of housing assistance. Supportive services must also be provided to FUP-eligible youth by the Public Child Welfare Agency (PCWA) or by another agency or organization under contract with the PCWA for the period of time defined in the notice or Notice of Funding Availability/Opportunity (NOFA/O) for which funding was made available.

PHAs that wish to administer FUP vouchers must apply to HUD by submitting an application under an active Notice of Funding Opportunity (NOFO). While the FUP program is administered in accordance with HCV regulations, the FUP NOFOs issued by HUD provide specific program information and requirements.

In order to administer the program, the PHA must also form a partnership with a local PCWA who is responsible for determining if the family or youth meets FUP eligibility requirements and referring them to the PHA. Once the referral is received, the PHA is responsible for placing the FUP family or youth on the PHA's waiting list and determining whether they are eligible to receive assistance under the PHA's HCV program.

### **Assigning Vouchers [FUP FAQs]**

The FCRHA may, but is not required to, assign a specific number or percentage of FUP vouchers for FUP youths and FUP families. Unless the FCRHA assigns a specific number or percentage of FUP vouchers to a designated FUP population, the FCRHA must serve any referrals (youths or families) that meet all program eligibility requirements up to the FCRHA's designated FUP program size.

#### FCRHA Policy

The FCRHA has not designated any specific number or percentage of FUP vouchers for youths or families. The FCRHA will serve all referrals that meet program eligibility requirements, up to the FCRHA's FUP voucher allocation.

### **19-I.B. PUBLIC CHILD WELFARE AGENCY (PCWA)**

Families and youth do not apply directly to the FCRHA for FUP vouchers. They are instead referred by a PCWA with whom the FCRHA has entered into a Memorandum of Understanding (MOU). The partnering PCWA initially determines whether the family or youth meets the FUP program eligibility requirements listed in 19-I.C. and 19-I.D. and then refers those families or youths to the FCRHA.

HUD strongly encourages PHAs and PCWAs to make decisions collaboratively on the administration of the program and to maintain open and continuous communication. The PCWA must have a system for identifying FUP-eligible youth within the agency's caseload and for reviewing referrals from a Continuum of Care (COC) if applicable.

#### FCRHA Policy

The FCRHA has entered into an MOU with the Fairfax County Department of Family Services (DFS). The FCRHA may enter into additional MOUs with other providers as needed to serve FUP-eligible youth.

### **Supportive Services**

The PCWA must provide supportive services for the period of time defined in the notice or NOFA/O for which the funding was made available to all FUP-eligible youth regardless of their age. The MOU between the PHA and the PCWA should identify the period of time in which supportive services will be provided.

#### FCRHA Policy

DFS will provide supportive services for all FUP youth as specified in the MOU.

Supportive services may be provided to FUP-eligible youth by the PCWA or by another agency or organization under agreement or contract with the PCWA, including the PHA. The organization providing the services and resources must be identified in the MOU. The following services must be offered:

- Basic life skills information or counseling on money management, use of credit, housekeeping, proper nutrition or meal preparation, and access to health care (e.g., doctors, medication, and mental and behavioral health services);
- Counseling on compliance with rental lease requirements and with HCV program participant requirements, including assistance or referrals for assistance on security deposits, utility hook-up fees, and utility deposits;
- Providing such assurances to owners of rental property as are reasonable and necessary to assist a FUP-eligible youth to rent a unit with a FUP voucher;
- Job preparation and attainment counseling (where to look and how to apply, dress, grooming, relationships with supervisory personnel, etc.); and
- Educational and career advancement counseling regarding attainment of general equivalency diploma (GED), or attendance or financing of education at a technical school, trade school, or college, including successful work ethic and attitude models.

A FUP-eligible youth cannot be required to participate in these services as condition of receipt of the FUP voucher.

### **19-I.C. FUP FAMILY VOUCHER ELIGIBILITY CRITERIA**

FUP family assistance is reserved for eligible families that the PCWA has certified are a family for whom a lack of adequate housing is a primary factor in:

- The imminent placement of the family’s child or children in out-of-home care, or
- The delay in the discharge of the child or children to the family from out-of-home care.

*Lack of adequate housing* means the family meets any one of the following conditions:

- Living in substandard housing, which refers to a unit that meets any one of the following conditions:
  - Does not have operable indoor plumbing
  - Does not have a usable flush toilet inside the unit for the exclusive use of a family or youth
  - Does not have a usable bathtub or shower inside the unit for the exclusive use of a family or youth
  - Does not have electricity, or has inadequate or unsafe electrical service
  - Does not have a safe or adequate source of heat
  - Should, but does not, have a kitchen
  - Has been declared unfit for habitation by an agency or unit of government, or in its present condition otherwise endangers the health, safety, or well-being of the family or youth
  - Has one or more critical defects, or a combination of intermediate defects in sufficient number or to the extent that it requires considerable repair or rebuilding. The defects may result from original construction, from continued neglect or lack of repair, or from serious damage to the structure
- Being homeless as defined in 24 CFR 578.3
- Living in a unit where the presence of a household member with certain characteristics (i.e., conviction for certain criminal activities) would result in the imminent placement of the

family's child or children in out-of-home care, or the delay in the discharge of the child or children to the family from out-of-home care

- Living in housing not accessible to the family's disabled child or children due to the nature of the disability
- Living in an overcrowded unit, which is defined as living in a unit where one of the following conditions has been met:
  - The family is separated from its child or children and the parents are living in an otherwise standard housing unit, but, after the family is reunited, the parents' housing unit would be overcrowded for the entire family and would be considered substandard; or
  - The family is living with its child or children in a unit that is overcrowded for the entire family and this overcrowded condition may result, in addition to other factors, in the imminent placement of its child or children in out-of-home care.
  - For purposes of this definition, the determination as to whether the unit is overcrowded is made in accordance with the FCRHA subsidy standards in Chapter 5, Part III of this policy.

Since HUD does not define *imminent placement*, the partnering PCWA may use its discretion to determine whether the potential out of home placement of the family's child or children is imminent [FUP FAQs].

#### **19-I.D. FUP YOUTH VOUCHER ELIGIBILITY CRITERIA**

While FUP family vouchers operate as regular HCVs after the family is referred from the PCWA, there are several aspects of the FUP youth vouchers that make them distinct from the FUP family vouchers and from regular HCVs.

##### **Eligibility Criteria**

A FUP-eligible youth is a youth the PCWA has certified:

- Is at least 18 years old and not more than 24 years of age (has not yet reached their 25<sup>th</sup> birthday);
  - The FUP youth must be no more than 24 years old at the time the PCWA certifies them as eligible and at the time of HAP contract execution.
- Has left foster care or will leave foster care within 90 calendar days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act;
  - Foster care placement can include, but is not limited to, placements in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, childcare institutions, and pre-adoptive homes in accordance with 24 CFR 5.576.
- Was homeless or at risk of becoming homeless at age 16 or older;
  - *At risk of being homeless* is fully defined at 24 CFR 576.2.
    - o This includes a person that is exiting a publicly funded institution, or system of care (such as a healthcare facility, a mental health facility, foster care or other youth facility, or correction program or institution).
    - o Therefore, youth being discharged from an institution may be eligible for a FUP voucher [FUP FAQs].

- Has an annual income at or below 30 percent of area median income; and
- Does not have sufficient resources or support networks (e.g., family, friends, faith-based or other social networks) immediately available to prevent them from moving to a supervised publicly or privately operated shelter designed to provide temporary living arrangements.

### **19-I.E. ASSISTANCE PERIOD [FR Notice 1/24/22]**

#### **Maximum Assistance Period**

Although there is no time limit on FUP family vouchers, FUP youth vouchers are limited by statute. Unless the FUP youth meets an exception outlined below, after 36 months of assistance, the FUP youth voucher must be terminated. However, any period of time for which no subsidy (HAP) is being paid on behalf of the youth does not count toward the 36-month limitation. If the FUP youth does meet the requirements outlined below, the statutory limit on FUP assistance is a total of 60 months of FUP voucher assistance [FR Notice 1/24/22].

#### **Extension of Assistance**

FUP youth who first leased or lease a unit after December 27, 2020, may be eligible for an extension of assistance up to 24 months beyond the 36-month time limit (for a total of 60 months of assistance).

#### **FSS Participation**

While FUP youth cannot be required to participate in the Family Self-Sufficiency (FSS) program as a condition of receipt of assistance, an eligible FUP youth who participates in the FSS program and is in compliance with the applicable terms and conditions of the program is entitled to receive assistance for up to an additional 24 months. A FUP youth must accept an FSS slot if it is offered to them prior to the 36-month mark in order to receive an extension of assistance (unless the youth meets one of the statutory exceptions described below).

#### FCRHA Policy

Youth will be automatically enrolled in the FSS program at the time of initial lease up in the FUP Youth program, unless the program is full. Youth who are added to the FSS waitlist due to a lack of immediately available FSS slots, will receive a preference and be enrolled when the next available slot opens. Youth can decline participating in the FSS program at any time.

Youth who decline (opt out) participation in the FSS program are not considered “unable to enroll” and will not be granted an extension unless they meet the requirements for a *statutory exception*.

A youth who declines to participate in FSS (opts out) initially but elects to re-enroll prior to the 24-month mark may do so and receive an enrollment preference ahead of other FSS applicants.

After month 24, the youth may still enroll in FSS if a slot is available, but enrollment at this stage does not in itself guarantee an extension to the voucher term. The youth will need to be actively engaged and in compliance with the applicable terms and conditions of the program for a minimum of 9 out of the 12 months in order to be considered for an extension.

### Statutory Exceptions

A FUP youth will be entitled to receive an extension of assistance for up to 24 months beyond the 36-month time limit without participating in the FCRHA's FSS program if they certify that they meet one of the exceptions below:

- The FUP youth is a parent or other household member responsible for the care of a dependent child under the age of six or for the care of an incapacitated person.

#### FCRHA Policy

The FCRHA defines *incapacitated person* as an individual who has been found by a court to be incapable of receiving and evaluating information effectively or responding to people, events, or environments to such an extent that the individual lacks the capacity to (i) meet the essential requirements for their health, care, safety, or therapeutic needs without the assistance or protection of a guardian or (ii) manage property or financial affairs or provide for their support or for the support of their legal dependents without the assistance or protection of a conservator. (Va. Code §64.2-2000)

The child or incapacitated person may not be required to reside in the household on a full-time basis in order for the youth to certify they meet this exception. For example, a child in a joint custody arrangement under the age of six who resides in the household only part-time may qualify the youth for this exception.

The FUP youth will be required to self-certify that they meet this exception. The FCRHA will apply this exception in a manner that provides extensions of FUP youth assistance to the broadest population possible consistent with the statutory requirements.

- The FUP youth is a person who is regularly and actively participating in a drug addiction or alcohol treatment and rehabilitation program.

#### FCRHA Policy

The FCRHA defines regular and active participation in a manner that provides extensions of FUP youth assistance to the broadest population possible consistent with the statutory requirements. The FCRHA will also rely on verification by the third party that the FUP youth's participation is regular and active, based on the established clinical expectations of the substance abuse program that is providing the service.



The FUP youth will be required to self-certify that they meet this exception if there is no third party verification.

- The FUP youth is a person who is incapable of complying with the requirement to participate in a FSS program as described above or engage in education, workforce development, or employment activities as described below, as applicable, due to a documented medical condition.

FCRHA Policy

The FUP youth will be required to self-certify that they have a documented medical condition that prevents them from complying with the requirement to participate in the FSS program or engage in education, workforce development, or employment activities as described in Chapter 19. This certification is the only documentation that the FUP youth must submit.

The FCRHA will apply this requirement in a manner that provides extensions of FUP youth assistance to the broadest population possible consistent with statutory requirements.

A FUP youth that meets one of the above exceptions must still be offered an opportunity to enroll in the FCRHA's FSS program (if it is available to them) and receive any supportive services available to FUP youth. A FUP youth may choose to participate in an FSS program or engage in education, workforce development, or employment activities, even if they meet one of the above statutory exceptions.

**FSS Enrollment at 24 Months**

If the FUP youth has not been provided an opportunity to enroll in the FSS program during the first 24 months of FUP assistance, HUD encourages the FCRHA to remind the youth at the 24-month reexamination of the education, workforce development, and employment requirements described below so that the youth has enough time to meet these requirements prior to the expiration of the 36-month time period for FUP assistance.

FCRHA Policy

If the FUP youth opts out of the FSS program during the first 12 months of FUP assistance and does not voluntarily enroll with the first 12 months, the FCRHA will offer the youth a slot with an enrollment preference, prior to completing their first regularly scheduled recertification.

If no FSS slots are available, the FCRHA will explain to the FUP youth the expectation to engage in a combination of education, workforce development, and/or employment activities for at least 36-hours per week.

The FCRHA may make exceptions to the above requirement for circumstances beyond the youth's control.

### **FSS Enrollment Between 36 and 48 Months**

If the FUP youth is offered an FSS slot prior to the 36-month mark, the youth:

- Will be required to enroll in the FSS program in order to receive an extension of assistance at the end of the 36-month time period (unless they meet one of the statutory exceptions described above).
- Will not be considered to have been “unable to enroll” in the FSS program, and as a result, will not be eligible to receive an extension of assistance based on meeting the education, workforce development, or employment requirements described below.

If an FSS slot becomes available between the 36-month and 48-month mark:

- The FCRHA must offer the slot to a FUP youth who had their voucher extended based on meeting the education, workforce development, or employment requirement listed below, or one of the statutory exceptions listed above (even if the youth previously declined an FSS slot because they met one of the statutory exceptions).
- The FCRHA must work with the youth to determine whether enrollment in FSS is feasible and in their best interest given any education, workforce development, or employment activities that the youth is engaged in and any statutory exceptions that apply to the youth, as well as the remaining time on their voucher.
- If the FUP youth accepts the FSS slot, the FCRHA must work with the youth to establish Contract of Participation goals and an Individual Training and Services Plan (ITSP) that can be accomplished within the time period left on the voucher.

#### FCRHA Policy

If an FSS slot becomes available between 36 and 48 months, the FCRHA will offer the FSS slot to a FUP youth who was provided with an extension as a result of meeting the education, workforce development, and/or employment requirements.

A preference will be applied for youth only in cases where slots were not previously available. Youth who previously declined enrollment, voluntarily withdrew or were terminated from participation in the FSS program and attempt to enroll at month 36 or later will not be given a preference.

### **FSS Enrollment After 48 Months**

The FCRHA may, but is not required to, offer a FUP youth an FSS slot that becomes available between the 48-month mark and the 60-month mark, since the youth will have already received their second and final extension.

#### FCRHA Policy

If an FSS slot becomes available between the 48 and 60-month marks, the FCRHA will not offer the FSS slot to a FUP youth.

### **No FSS Program or Unable to Enroll in FSS**

If a PHA does not carry out an FSS program or the FUP youth has been unable to enroll in the program during the first 36 months of receiving FUP assistance, the FUP youth is entitled to receive an extension of assistance for up to two successive 12-month periods beyond the 36-month time limit provided that the youth engaged in at least one of the education, workforce development, or employment activities described below for not less than nine months of the 12-month period preceding each extension. In order to meet the nine months out of the preceding 12 months requirement, the youth may have engaged in one of the education, workforce development, or employment activities described below or a combination of these activities.

FCRHA Policy

The FCRHA operates an FSS program. Priority for enrollment is given to FUP Youth through automatic enrollment at admission or a FUP Youth preference when an FSS waitlist is open.

The youth are only considered “unable to enroll” if no FSS slots are available during the first 36-months of participation

**Education, Workforce Development, or Employment Activities**

If a PHA that carries out an FSS program is unable to offer a FUP youth an FSS slot during their first 36 months of receiving FUP youth assistance, the youth is considered to have been “unable to enroll” in the program and may have their voucher extended by meeting the education, workforce development, or employment criteria described below:

- The youth was engaged in obtaining a recognized postsecondary credential or a secondary school diploma or its recognized equivalent.

FCRHA Policy

The FCRHA will use the definitions of *recognized postsecondary credential* and *secondary school diploma or its recognized equivalent* under the Workforce Innovation and Opportunity Act (WIOA). WIOA defines a *recognized postsecondary credential* as a credential consisting of an industry-recognized certificate or certification, a certificate of completion of an apprenticeship, a license recognized by the state involved or federal government, or an associate or baccalaureate degree (29 U.S.C. 3102). Examples of a recognized postsecondary credential include, but are not limited to, an associate’s degree, bachelor’s degree, occupational licensure, or occupational certification (reference U.S. Department of Labor, Training and Employment Guidance Letter No. 10–16, Change 1). For the purpose of WIOA, the U.S. Department of Labor defines a *secondary school diploma or its recognized equivalent* as a secondary school diploma (or alternate diploma) that is recognized by a state and that is included for accountability purposes under the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act (ESSA). A secondary school equivalency certification signifies that a student has completed the requirement for a high school education. Examples of a secondary school diploma or its recognized equivalent include, but are not limited to, obtaining certification of attaining passing scores on a state-recognized high school equivalency test, earning a secondary school diploma or state-recognized

equivalent, or obtaining certification of passing a state-recognized competency-based assessment.

- The youth was enrolled in an *institution of higher education*, as such term is defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)) or an institution that meets the definition of a *proprietary institution of higher education* or a *postsecondary vocational institution* under sections 102(b)(1) and (c)(1) of the Higher Education Act of 1965 (20 U.S.C. 1002(b)(1) and (c)(1)), respectively.

#### FCRHA Policy

Youth must be enrolled in education activities, to include public and private postsecondary institutions of higher education or a postsecondary vocational institution credentials, on at least a full-time basis, as defined by the institution that they attend. However, the FCRHA may make exceptions to this requirement if the youth is unable to enroll in a sufficient number of classes due to a lack of course offerings by the educational institution where the youth is enrolled.

- The youth was participating in a career pathway, as such term is defined in Section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102). The term *career pathway* means a combination of rigorous and high-quality education, training, and other services that:
  - Aligns with the skill needs of industries in the economy of the state or regional economy involved;
  - Prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships registered under the Act of August 16, 1937 (commonly known as the “National Apprenticeship Act”; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.) (referred to individually in this Act as an *apprenticeship*, except in section 3226 of this title);
  - Includes counseling to support an individual in achieving the individual’s education and career goals;
  - Includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;
  - Organizes education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable;
  - Enables an individual to attain a secondary school diploma or its recognized equivalent, and at least one recognized postsecondary credential; and
  - Helps an individual enter or advance within a specific occupation or occupational cluster.
- The youth was employed.

#### FCRHA Policy

The FCRHA will consider the youth to be employed if they work or participate in other activities related to self-sufficiency a minimum of 36 hours per week. The FCRHA may make exceptions to this requirement if the youth’s hours are reduced due to

circumstances beyond their control or the youth must temporarily reduce their work hours due to a verified family emergency.

The FCRHA may accept a combination of the education, workforce development, or employment criteria described above as activities related to self-sufficiency.

### **Extensions of Assistance**

At the 36-month and 48-month reexamination, the FCRHA must extend FUP youth assistance if the youth is participating in and in compliance with the FSS program as long as the youth is still eligible for the HCV program.

In any case, the FUP youth cannot receive more than a total of 60 months of FUP youth voucher assistance, even if the FSS Contract of Participation time period extends beyond the voucher 60-month mark.

### **Verification Prior to Annual Reexam**

In order to provide an extension of assistance, the FCRHA must verify compliance with the above requirements at the end of the 36-month time period and the 48-month time periods. The FCRHA does not need to verify compliance with these requirements at the end of the 60-month time period since the maximum length of assistance is 60 months.

To verify compliance with the education, workforce development, or employment requirement or one of the statutory exceptions, the FCRHA must provide the FUP youth written notification informing them that they may receive an extension of their FUP assistance and providing instructions on how the youth may demonstrate that they meet one of these conditions. This notification must be provided sufficiently in advance of the end of the 36-month or 48-month time periods, as applicable, to allow the FUP youth to demonstrate that they meet the education, workforce development, or employment requirement, or one of the statutory exceptions, and for the FCRHA to conduct an annual reexamination prior to the expiration of the FUP assistance.

### FCRHA Policy

The FCRHA will verify compliance with the education, workforce development, or employment requirement, or one of the statutory exceptions, at the end of the 24-month and 30-month time periods prior to the FUP youth's regularly scheduled reexamination. The FCRHA will not verify compliance at the end of the 60-month time period.

The FCRHA will provide each FUP youth on the FCRHA's program with a written notification informing them that they may receive an extension of their FUP assistance if they meet conditions outlined in this chapter and providing them with instructions on how they may demonstrate compliance 120-calendar days prior to their regularly scheduled reexamination date. When necessary, the FCRHA will provide this notification in a format accessible to FUP youth living with disabilities and in a translated format for FUP youth with limited English proficiency in accordance with Chapter 2.

The FCRHA will use the following verification methods to verify a FUP youth's eligibility for voucher extensions:

- To verify compliance with the FSS requirement, the FCRHA's program staff will examine its records to confirm, or obtain confirmation from the FCRHA's FSS program staff, that the FUP youth participant is in compliance with FSS program requirements and has not been terminated from the FSS program.
- To meet the education, workforce development, or employment requirement, the FCRHA's program staff will verify that the FUP youth was engaged in at least one education, workforce development, or employment activity for at least nine months of the 12-month period immediately preceding the end of 36-month or 48-month time period, as applicable.
  - Due to the timing of when the FCRHA verifies compliance and conducts the regularly scheduled reexamination, the FUP youth may have not yet met the nine-month requirement but may be able to demonstrate that they will meet the nine-month requirement as of the end of the 36-month or 48-month time period. In such cases, the FUP youth will still be considered to have met the requirements.

In order for the FUP youth to meet one of the statutory exceptions described above, the youth must certify to the FCRHA that they meet one of these exceptions.

A FUP youth who received an extension of voucher assistance at the end of the 36-month time period based on meeting one of the conditions described in this chapter does not have to meet the same conditions when they reach the end of the 48-month time period. The FUP youth may demonstrate that they meet a different condition in order to receive an extension of their assistance.

If the PHA determines that the youth meets one of the statutory conditions, the PHA would then conduct an annual reexamination. If the annual reexamination determines that the youth is still eligible for the HCV program, the PHA must provide the FUP youth the extension of voucher assistance.

### **Termination of Assistance for Failure to Meet Conditions**

Failure of the FUP youth to meet one of the above conditions will only impact their ability to receive subsequent extensions of assistance. It will not serve as a basis for terminating the FUP assistance prior to the annual reexam.

If the FUP youth does not meet any of the conditions described in this chapter, the youth is subject to the statutory time limit of 36 months or the time limit of any extension that the youth has already received, and the FUP youth voucher must be terminated once the youth reaches this time limit. The calculation of the time limit begins from the date the first HAP contract is signed (for tenant-based vouchers) or from the date the youth entered into the initial lease agreement (for project-based vouchers). The number of months is calculated based on the number of months that HAP subsidy is being paid on behalf of the youth, not the number of months that the

youth is in the FUP youth program. Prior to termination, the FCRHA must offer the FUP youth the opportunity to request an informal hearing, in accordance with Chapter 16.

## **19-I.F. REFERRALS AND WAITING LIST MANAGEMENT**

### **Referrals**

The PCWA must establish and implement a system to identify FUP-eligible families and youths within the agency's caseload and make referrals to the FCRHA. The PCWA must certify that the FUP applicants they refer to the FCRHA meet FUP eligibility requirements. The FCRHA is not required to maintain full documentation that demonstrates the family's or youth's FUP eligibility as determined by the PCWA but should keep the referral or certification from the PCWA.

#### FCRHA Policy

As part of the MOU, the FCRHA and DFS have identified staff positions to serve as lead FUP liaisons. These positions will be responsible for transmission and acceptance of FUP referrals. DFS should provide sufficient staff and resources to ensure eligible families and youths are identified and determined eligible in a timely manner.

When FUP vouchers are available, the FCRHA liaison responsible for acceptance of referrals will contact the DFS FUP liaison indicating the number of vouchers available and requesting an appropriate number of referrals. No more than 10 business days from the date DFS receives this notification, the DFS liaison will provide the FCRHA with a list of eligible referrals which include the name, address, and contact phone number for each individual who is being referred; a completed release form for each adult family member; and a written certification for each referral indicating the youth or family is FUP-eligible.

The FCRHA will maintain a copy of the referral or certification from DFS in the participant's file along with other eligibility paperwork.

A PHA must serve any referrals (youths or families) that meet all program eligibility requirements. If a PHA determines that it has received a sufficient number of referrals from the PCWA so that the PHA will be able to lease all FUP vouchers awarded, the PHA may request that the PCWA suspend transmission of referrals. If the PHA determines that additional referrals will be needed after it has made such a request, the PHA may request that the PCWA resume transmission of referrals [Notice PIH 2011-52].

### **Waiting List Placement**

A family that is already participating in the regular HCV program cannot be transferred to a FUP voucher.

Once a referral is made, the FCRHA must compare the list of PCWA referrals to its HCV waiting list to determine if any applicants on the PCWA's referral list are already on the

FCRHA's HCV waiting list. Applicants already on the FCRHA's HCV waiting list retain the order of their position on the list. Applicants not already on the FCRHA's HCV waiting list must be placed on the HCV waiting list.

If the FCRHA's HCV waiting list is closed, the FCRHA must open its HCV waiting list in order to accept new FUP applicants. If necessary, the FCRHA may open its waiting list solely for FUP applicants, but this information must be included in the FCRHA's notice of opening its waiting list (reference section 4-II.C., Opening and Closing the Waiting List of this administrative plan).

FCRHA Policy

Upon having vacancies, the FCRHA will on a monthly basis request from DFS a specific number of referrals for new FUP applicants. The FCRHA will review the HCV waiting list to confirm whether or not the referrals received from DFS are on the waiting list.

Referrals who are already on the HCV waiting list will be given a FUP limited preference and immediately selected off the HCV waiting list.

Referrals not already on the waiting list will be placed on the HCV waiting list with the date and time of the original referral, given a FUP limited preference, and immediately selected off the HCV waiting list.

**Waiting List Selection**

The FCRHA selects FUP-eligible families or youths based on the FCRHA's regular HCV waiting list selection policies in Chapter 4, including any preferences that may apply.

**19-I.G. PHA HCV ELIGIBILITY DETERMINATION**

Once a FUP-eligible family or youth is selected from the HCV waiting list, the FCRHA must determine whether the family or youth meets HCV program eligibility requirements. Applicants must be eligible under both FUP family or youth eligibility requirements, as applicable, and HCV eligibility requirements as outlined in Chapter 3 of this policy.

The PCWA may, but is not obligated to, provide information to the FCRHA on the family's criminal history.

FCRHA Policy

Subject to privacy laws, the PCWA will provide any available information regarding the applicant's criminal history to the FCRHA.

The FCRHA will consider the information in making its eligibility determination in accordance with the FCRHA's policies in Chapter 3, Part III.

**Additional FUP Eligibility Factors [FUP FAQs]**

For FUP family vouchers, the family must remain FUP-eligible thorough lease-up.



- If, after a family is referred by the PCWA but prior to issuing a family FUP voucher, the FCRHA discovers that the lack of adequate housing is no longer a primary factor for the family not reunifying, the FUP voucher may not be issued to the family.
- Similarly, if the FUP voucher has already been issued before the FCRHA discovers that the reunification will not happen, but the family has not yet leased up under the voucher, the FCRHA must not execute the HAP contract, as the family is no longer FUP-eligible.

FUP-eligible youth must be no more than 24 years old both at the time of PCWA certification and at the time of the HAP execution. If a FUP youth is 24 at the time of PCWA certification but will turn 25 before the HAP contract is executed, the youth is no longer eligible for a FUP youth voucher.

#### FCRHA Policy

Any applicant that does not meet the initial eligibility criteria for the HCV program listed in Chapter 3 or any eligibility criteria listed in this section will be notified by the FCRHA in writing following policies in Section 3-III.F., including stating the reasons the applicant was found ineligible and providing an opportunity for an informal review.

#### **19.I.H. LEASE UP [FR Notice 1/24/22]**

Once the FCRHA determines that the family or youth meets HCV eligibility requirements, the family or youth will be issued a FUP voucher in accordance with FCRHA policies.

During the family briefing, PHAs must inform the FUP youth of:

- The extension of assistance provisions and requirements;
- The availability of the FSS program and offer them an FSS slot, if available, or offer to place them on the FSS waiting list (provided the PHA has an FSS program); and
- Supportive services available to them, the existence of any other programs or services, and their eligibility for such programs and services. However, participation in supportive services cannot be required as a condition of receiving FUP youth assistance.

#### FCRHA Policy

Eligible applicants will be notified by the FCRHA in writing following policies in Section 3-III.F. of this administrative plan. FUP families will attend a standard HCV briefing in accordance with FCRHA policies in Part I of Chapter 5 of this administrative plan. FUP youth will be briefed individually. The FCRHA will provide all aspects of the written and oral briefing as outlined in Part I of Chapter 5 but will also provide an explanation of the required items listed above, as well as discussing supportive services offered by the PCWA.

For both FUP youth and FUP families, vouchers will be issued for 120 calendar days. The FCRHA may grant additional extensions of up to 30-60 calendar day increments for any reason, not just those listed in the policy in Section 5-II.E, with the maximum search time being limited to 240 calendar days.

Once the family or youth locate a unit, the FCRHA conducts all other processes relating to voucher issuance and administration per HCV program regulations and the FCRHA's policies (including, but not limited to: inspections, determination of rent reasonableness, etc.).

## **19-I.I. TERMINATION OF ASSISTANCE**

### **General Requirements**

With the exception of terminations of assistance for FUP youth after the statutorily required time period, terminations of FUP assistance are handled in the same way as the regular HCV program. Termination of a FUP voucher must be consistent with regulations for termination in 24 CFR Part 982, Subpart L and be in compliance with FCRHA policies (Chapter 12).

If the person who qualifies for the FUP voucher passes away, the family retains the FUP voucher. In the case of a FUP-youth voucher, assistance will terminate after the statutorily required time period, even if the FUP-eligible youth is no longer included in the household.

If the person who qualifies for the FUP voucher moves, the remaining family members may keep the FUP voucher based on FCRHA policy (reference Section 3-I.C., Family Breakup and Remaining Member of Tenant Family).

### **FUP Family Vouchers**

If parents lose their parental rights or are separated from their children after voucher lease-up (or their children reach adulthood), the family is still eligible to keep their FUP assistance, as the regulations do not permit HCV termination for a family losing parental rights or the children reaching adulthood. However, the PHA may transfer the assistance of a FUP family voucher holder to regular HCV assistance if there are no longer children in the household.

#### FCRHA Policy

The FCRHA will transfer assistance of a FUP family voucher to a regular HCV if there are no longer children in the household of a FUP family voucher holder. Selection preferences for the FCRHA's waiting list are governed by Chapter 4 of the HCV Administrative Plan.

### **FUP Youth Vouchers**

A PHA cannot terminate a FUP youth's assistance for noncompliance with PCWA case management, nor may the PHA terminate assistance for a FUP youth for not accepting services from the PCWA.

The PHA may not transfer the assistance of a FUP youth voucher holder to regular HCV assistance upon the expiration of the statutorily required time period. However, the PHA may issue a regular HCV to FUP youth if they were selected from the waiting list in accordance with

PHA policies and may also adopt a preference for FUP youth voucher holders who are being terminated for this reason.

FCRHA Policy

The FCRHA will transfer assistance of a FUP youth voucher to a regular HCV for FUP youth who are terminated due to the time limit on assistance. Selection preferences for the FCRHA's waiting list are governed by Chapter 4 of the HCV Administrative Plan.

Upon the expiration of the statutorily required time period, a FUP youth voucher holder who has children and who lacks adequate housing may qualify for a FUP family voucher provided they are referred by the PCWA as an eligible family and meet the eligibility requirements for the FCRHA's HCV program.

**19-I.J. FUP PORTABILITY**

Portability for a FUP family or youth is handled in the same way as for a regular HCV family. A PHA may not restrict or deny portability for a FUP family or youth for reasons other than those specified in the HCV program regulations, as reflected in Chapter 10 of the administrative plan. A FUP family or youth does not have to port to a jurisdiction that administers FUP.

If the receiving PHA administers the FUP voucher on behalf of the initial PHA, the voucher is still considered a FUP voucher regardless of whether the receiving PHA has a FUP program. If the receiving PHA absorbs the voucher, the receiving PHA may absorb the incoming port into its FUP program (if it has one) or into its regular HCV program (if the receiving PHA has vouchers available to do so) and the family or youth become regular HCV participants. In either case, when the receiving PHA absorbs the voucher, a FUP voucher becomes available to the initial PHA.

**Considerations for FUP Youth Vouchers**

If the voucher is a FUP youth voucher and remains such upon lease-up in the receiving PHA's jurisdiction, termination of assistance must still take place once the youth has received assistance for the statutorily required time period. If the receiving PHA is administering the FUP youth voucher on behalf of the initial PHA, the two PHAs must work together to initiate termination upon expiration of the statutorily required time period.

**19-I.K. PROJECT-BASING FUP VOUCHERS [Notice PIH 2017-21; FR Notice 5/7/24; 24 CFR 983.6(d)(2); 983.54(c); 983.262(c) and (e); and FR Notice 1/24/22]**

The PHA may project-base FUP vouchers without HUD approval in accordance with all statutory and regulatory requirements for the PBV program. Reference Chapter 17 for FCRHA policies related to project-basing FUP vouchers.

## **PART II: VETERANS AFFAIRS SUPPORTIVE HOUSING (VASH) PROGRAM**

### **19-II.A. PROGRAM OVERVIEW**

Since 2008, HCV program funding has provided rental assistance under a supportive housing program for homeless veterans. The Veterans Affairs Supportive Housing (VASH) program combines HCV rental assistance with case management and clinical services provided by the Department of Veterans Affairs (VA) at VA medical centers (VAMCs) and Community-Based Outpatient Clinics (CBOCs), or through a designated service provider (DSP) as approved by the VA Secretary. Eligible families are homeless veterans and their families that agree to participate in VA case management and are referred to the VAMC's partner PHA for HCV assistance. The VAMC or DSP's responsibilities include:

- Screening homeless veterans to determine whether they meet VASH program participation criteria;
- Referring homeless veterans to the PHA;
  - The term *homeless veteran* means a veteran who is homeless (as that term is defined in subsection (a) or (b) of Section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302)). Reference 38 U.S.C. 2002.
- Providing appropriate treatment and supportive services to potential VASH participants, if needed, prior to PHA issuance of a voucher;
- Providing housing search assistance to VASH participants;
- Identifying the social service and medical needs of VASH participants, and providing or ensuring the provision of regular ongoing case management, outpatient health services, hospitalization, and other supportive services as needed throughout the veterans' participation period; and
- Maintaining records and providing information for evaluation purposes, as required by HUD and the VA.

VASH vouchers are awarded noncompetitively based on geographic need and PHA administrative performance. Eligible PHAs must be located within the jurisdiction of a VAMC and in an area of high need based on data compiled by HUD and the VA. When Congress funds a new allocation of VASH vouchers, HUD invites eligible PHAs to apply for a specified number of vouchers.

Generally, the HUD-VASH program is administered in accordance with regular HCV program requirements. However, HUD is authorized to waive or specify alternative requirements to allow PHAs to effectively deliver and administer VASH assistance. Alternative requirements are established in the HUD-VASH Operating Requirements, which were originally published in the Federal Register on May 6, 2008, and updated September 27, 2021, and then again in 2024. Unless expressly waived by HUD, all regulatory requirements and HUD directives regarding the HCV program requirements are applicable to VASH vouchers, including the use of all HUD-required contracts and other forms, and all civil rights and fair housing requirements. In addition, the PHA may request additional statutory or regulatory waivers that it determines are necessary for the effective delivery and administration of the program.

The VASH program is administered in accordance with applicable Fair Housing requirements since civil rights requirements cannot be waived under the program. These include applicable authorities under 24 CFR 5.105(a) and 24 CFR 982.53 including, but not limited to, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act, and the Age Discrimination Act and all FCRHA policies as outlined in Chapter 2 of this document.

When HUD-VASH recipients include veterans living with disabilities or family members living with disabilities, reasonable accommodation requirements in Part II of Chapter 2 of this policy apply.

### **19-II.B. REFERRALS [FR Notice 8/13/24 and HUD-VASH Qs and As]**

VAMC case managers will screen all families in accordance with VA screening criteria and refer eligible families to the FCRHA for determination of program eligibility and voucher issuance. The FCRHA has no role in determining or verifying the veteran's eligibility under VA screening criteria, including determining the veteran's homelessness status. The FCRHA must accept referrals from the partnering VAMC and must maintain written documentation of referrals in VASH tenant files. Upon turnover, VASH vouchers must be issued to eligible veteran families as identified by the VAMC.

#### FCRHA Policy

In order to expedite the screening process, the FCRHA will provide all forms and a list of documents required for the VASH application to the VAMC. Case managers will work with veterans to fill out the forms and compile all documents prior to meeting with the FCRHA and submitting an application. When feasible, the VAMC or DSP case manager should email copies of all documents to the FCRHA prior to the meeting in order to allow the FCRHA time to review them and start a file for the veteran.

After the VAMC or DSP has given the FCRHA a referral, the FCRHA will initiate an eligibility screening within five (5) business days of receipt of a VAMC referral. The FCRHA will also accept referrals, submitted by the DSP to the Fairfax County Continuum of Care's Coordinated Entry System (CES), for veterans experiencing homelessness.

### **19-II.C. HCV PROGRAM ELIGIBILITY [FR Notice 8/13/24]**

Eligible participants are homeless veterans and their families who agree to participate in case management from the VAMC.

- A *VASH Veteran or veteran family* refers to either a single veteran or a veteran with a household composed of two or more related persons. It also includes one or more eligible persons living with the veteran who are determined to be important to the veteran's care or well-being.

- A veteran for the purpose of VASH is a person whose length of service meets statutory requirements, and who served in the active military, naval, or air service, was discharged or released under conditions other than dishonorable, and is eligible for VA health care.

Under VASH, PHAs do not have authority to determine family eligibility in accordance with HCV program rules and FCRHA policies. The only reasons for denial of assistance by the FCRHA are failure to meet the income eligibility requirements and/or that a family member is subject to a lifetime registration requirement under a state sex offender registration program. Under portability, the receiving PHA must also comply with these VASH screening requirements.

### **Social Security Numbers**

When verifying Social Security numbers (SSNs) for homeless veterans and their family members, PHAs must use available flexibilities in accordance with 24 CFR 5.216(g)(1)(iii) to accept self-certification of SSNs and at least one third-party document, such as a bank statement, utility or cell phone bill, or benefit letter that contains the name of the individual in the absence of other documentation.

In the case of the homeless veteran, the FCRHA must accept the Certificate of Release or Discharge from Active Duty (DD-214) or the VA-verified Application for Health Benefits (10-10EZ) as verification of SSN if these forms are available and cannot require the veteran to provide a Social Security card. A VA-issued identification card may also be used to verify the SSN of a homeless veteran.

### **Proof of Age**

The DD-214 or 10-10EZ must be accepted as proof of age in lieu of birth certificates or other FCRHA-required documentation as outlined in Section 7-II.C. of this policy. A VA-issued identification card may also be used to verify the age of a homeless veteran.

### **Photo Identification**

A VA-issued identification card must be accepted in lieu of another type of government-issued photo identification. These cards also serve as verification of SSNs and date of birth.

### **Income Eligibility [FR Notice 8/13/24]**

With some exceptions, the FCRHA must determine income eligibility for VASH families in accordance with 24 CFR 982.201 and policies in Section 3-II.A. Low-income families (80 percent of AMI) are eligible for assistance under VASH, and PHAs may not condition eligibility based on additional eligibility criteria specified in its administrative plan. If the family is over-income based on the most recently published income limits for the family size, the family will be ineligible for assistance.

The following alternative requirements related to income apply to VASH families:

- The PHA must determine the applicant's annual income for purposes of income eligibility by excluding all VA service-connected benefits received by the applicant. This special income exclusion only applies to the definition of *annual income* for purposes of determining income eligibility. If the HUD-VASH applicant qualifies as a low-income family under the alternative requirement, the VA service-connected benefits (with the exception of the normally excluded deferred VA disability payments under 24 CFR 5.609(b)(16) and the payments related to aid and attendance under 24 CFR 5.609(b)(17)) must still be included as annual income when calculating the family's adjusted income. In other words, the VA service-connected disability benefits are excluded for purposes of determining income eligibility but included for purposes of calculating the family's total tenant payment (TTP), housing assistance payment (HAP), and family share.
- When a veteran family reports that they have zero income, the PHA must accept a self-certification of zero income from the family at admission and at reexamination without taking any additional steps to verify the family is indeed zero income. The self-certification does not need to be notarized. The PHA must verify families' income in the Enterprise Income Verification (EIV) system within 120 days after admission. The PHA may not deny zero income families.
- Regardless of PHA policy, in determining compliance with the asset limitation at admission, for the VASH program, the PHA must accept a self-certification by the family that the family's total assets are equal to or less than the HUD-published asset limitation amount (adjusted annually) and that the family does not have any present ownership interest in real property, without taking additional steps to verify the accuracy of the declaration.
- The PHA must not enforce the asset limitation for VASH families at reexamination.
- In addition, because there needs to be a monthly housing assistance payment (HAP) in order to enter into a HAP contract on behalf of a tenant-based voucher family, the utilization of tenant-based VASH assistance by families determined income-eligible is limited to those areas where the family's (TTP) is less than the applicable payment standard or exception payment standard (including any VASH-specific exception payment standard established by the PHA). The family must select a unit with a gross rent that is above the family's TTP in order to lease a unit with the tenant-based VASH voucher.

While income-targeting does not apply to VASH vouchers, the FCRHA may include the admission of extremely low-income VASH families in its income targeting numbers for the fiscal year in which these families are admitted.

#### FCRHA Policy

The FCRHA will serve VASH families up to 80 percent Area Median Income (AMI) since the income targeting requirement at 24 CFR 982.201(b)(2) does not apply to VASH vouchers.

#### **Minimum Rent [FR Notice 8/13/24]**

PHAs must consider hardship circumstances before charging a minimum rent in accordance with 24 CFR 5.630(b). The PHA may choose to charge a lower minimum rent (including a minimum rent of \$0) specifically for their VASH program regardless of the minimum rent policies established in their administrative plan for other HCV families.

FCRHA Policy

The PHA will establish a minimum rent of \$50 for VASH families.

**Screening [FR Notice 8/13/24]**

The FCRHA may not screen any potentially eligible family members or deny assistance for any grounds permitted under 24 CFR 982.552 and 982.553 with one exception: the FCRHA is still 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, with the exception of denial for registration as a lifetime sex offender under state law and FCRHA policies on how sex offender screenings will be conducted, FCRHA policy in Sections 3-III.B. through 3-III.E. do not apply to VASH. The prohibition against screening families for anything other than lifetime sex offender status applies to all family members, not just the veteran.

If a family member is subject to lifetime registration under a state sex offender registration program, the remaining family members may be served if the family agrees to remove the sex offender from its family composition. This is true unless the family member subject to lifetime registration under a state sex offender registration program is the homeless veteran, in which case the family would be denied admission to the program [FR Notice 8/13/24].

**Denial of Assistance [Notice PIH 2008-37]**

Once a veteran is referred by the VAMC or DSP, the FCRHA must either issue a voucher or deny assistance. If the FCRHA denies assistance, it must provide the family with prompt notice of the decision and a brief statement of the reason for denial in accordance with Section 3-III.F. Like in the standard HCV program, the family must be provided with the opportunity for an informal review in accordance with policies in Section 3-III.F. In addition, a copy of the denial notice must be sent to the VAMC or DSP case manager.

**19-II.D. CHANGES IN FAMILY COMPOSITION****Adding Family Members [FR Notice 8/13/24]**

When adding a family member after the family has been admitted to the program, FCRHA policies in Section 3-II.B. apply. Other than the birth, adoption, or court-awarded custody of a child, the FCRHA must approve additional family members and will apply its regular screening criteria in doing so.

**Remaining Family Members [HUD-VASH Qs and As]**

If the homeless veteran dies while the family is being assisted, the voucher would remain with the remaining members of the tenant family. The FCRHA may use one of its own regular vouchers, if available, to continue assisting this family and free up a VASH voucher for another VASH-eligible family. If a regular voucher is not available, the family would continue utilizing



the VASH voucher. Once the VASH voucher turns over, however, it must go to a homeless veteran family.

### **Family Break Up [HUD-VASH Qs and As]**

In the case of divorce or separation, since the set-aside of VASH vouchers is for veterans, the voucher must remain with the veteran. This overrides the FCRHA's policies in Section 3-I.C. on how to determine who remains in the program if a family breaks up.

## **19-II.E. LEASING [FR Notice 8/13/24]**

### **Waiting List**

The FCRHA does not have the authority to maintain a waiting list or apply local preferences for HUD-VASH vouchers. Policies in Chapter 4 relating to applicant selection from the waiting list, local preferences, special admissions, cross-listing, and opening and closing the waiting list do not apply to VASH vouchers.

### **Exception Payment Standards [FR Notice 8/13/24]**

To assist VASH participants in finding affordable housing, especially in competitive markets, HUD allows PHAs to establish a HUD-VASH exception payment standard. PHAs may go up to but no higher than 120 percent of the published metropolitan area-wide fair market rent (FMR) or small area fair market rent (SAFMR) specifically for VASH families. PHAs who want to establish a VASH exception payment standard over 120 percent are allowed but must still request a waiver from HUD through the regular waiver process outlined in Notice PIH 2018-16, or any successor notices.

Exception payment standards implemented by the PHA under this section also apply in determining rents under 24 CFR 983.301(b) for PBV projects only when the project is comprised solely of units exclusively made available to VASH families.

The PHA may also establish an exception payment standard up to 140 percent of the published FMR or SAFMR only to be applied if required as a reasonable accommodation for a family that includes a person with a disability. Any unit approved under an exception payment standard must still meet reasonable rent requirements. The PHA may use a payment standard that is greater than 140 percent of FMR as a reasonable accommodation for a person with a disability, but only with HUD approval.

#### FCRHA Policy

All VASH vouchers follow MTW Activity 2019-1.

### **Voucher Issuance [FR Notice 8/13/24]**

Unlike the standard HCV program which requires an initial voucher term of at least 60 calendar days, VASH vouchers must have an initial search term of at least 120 calendar days. This applies both to the initial search term and moves. FCRHA policies on extensions as outlined in Section 5-II.E. will apply.

#### FCRHA Policy

All VASH vouchers will have an initial term of 120 calendar days.

The family must submit a Request for Tenancy Approval and proposed lease within the 120-calendar day period unless the FCRHA grants an extension.

The FCRHA may grant additional extensions of up to 30-60 calendar day increments for any reason, not just those listed in the policy in Section 5-II.E, with the maximum search time being limited to 240 calendar days.

The FCRHA must track issuance of HCVs for families referred by the VAMC or DSP in HUD systems as required in FR Notice 8/13/24.

#### **Special Housing Types [FR Notice 8/13/24]**

The PHA must permit VASH clients to use the following special housing types for tenant-based VASH assistance, regardless of whether these types are permitted in their administrative plan for other families:

- Single room occupancy (SRO);
- Congregate housing;
- Group home;
- Shared housing; and
- Cooperative housing.

#### **Initial Lease Term [FR Notice 8/13/24]**

Unlike in the standard HCV program, VASH voucher holders may enter into an initial lease that is for less than 12 months. Accordingly, FCRHA policy in Section 9-I.E., Term of Assisted Tenancy, does not apply.

#### **Ineligible Housing [FR Notice 8/13/24]**

Unlike in the standard HCV program, VASH families are permitted to live on the grounds of a VA facility in units developed to house homeless veterans. This applies to both tenant-based assistance and PBV. Therefore, 24 CFR 982.352(a)(5) and 983.53(a)(2), which prohibit units on the physical grounds of a medical, mental, or similar public or private institution, do not apply to VASH for this purpose only. Accordingly, FCRHA policy in 9-I.D., Ineligible Units, does not apply for this purpose only.

#### **Pre-Inspections [FR Notice 8/13/24]**

To expedite the leasing process, PHAs may pre-inspect available units that veterans may be interested in leasing in order to maintain a pool of eligible units. If a VASH family selects a unit that passed inspection (without intervening occupancy) within 90 calendar days of the date of the Request for Tenancy Approval (Form HUD-52517), the unit may be approved if it meets all other conditions under 24 CFR 982.305. However, the veteran must be free to select their unit and cannot be steered to these units. All regulatory requirements pertaining to housing quality standards found at 24 CFR 5.703 apply to HUD-VASH.

FCRHA Policy

The FCRHA will not conduct any pre-inspections of available units.

**19-II.F. PORTABILITY [Notice PIH 2011-53 and FR Notice 8/13/24]**

**General Requirements**

Portability policies under VASH depend on whether the family wants to move within or outside of the initial VA facility's catchment area (the area in which the VAMC or DSP operates). In all cases, the initial VA facility must be consulted prior to the move and provide written confirmation that case management will continue to be provided in the family's new location. VASH participant families may only reside in jurisdictions that are accessible to case management services, as determined by case managers at the partnering VAMC or DSP. A family that moves under the portability procedures must not be subject to rescreening by the receiving PHA.

Under VASH, applicant families may move under portability even if the family did not have legal residency in the jurisdiction of the initial PHA when they applied. As a result, FCRHA policies in Section 10-II.B. about nonresident applicants do not apply.

If the family no longer requires case management, there are no portability restrictions. Normal portability rules apply.

**Portability within the Initial VAMC or DSP's Catchment Area**

A VASH family can move within the VAMC's catchment area as long as case management can still be provided, as determined by the VA. If the initial PHA's partnering VAMC or DSP will still provide the case management services, the receiving PHA must process the move in accordance with portability procedures:

- If the receiving PHA has been awarded VASH vouchers, it can choose to either bill the initial PHA or absorb the family if it has a VASH voucher available to do so.
  - If the PHA absorbs the family, the VAMC or DSP providing the initial case management must agree to the absorption and the transfer of case management.
- If the receiving PHA does not administer a VASH program, it must always bill the initial PHA.

**Portability Outside of the Initial VAMC or DSP's Catchment Area**

If a family wants to move to another jurisdiction where it will not be possible for the initial PHA's partnering VAMC or DSP to provide case management services, the initial VAMC or DSP must first determine that the VASH family could be served by another VAMC or DSP that is participating in the VASH program, and the receiving PHA has an available VASH voucher. In these cases, the family must be absorbed by the receiving PHA either as a new admission or as a portability move-in, as applicable. Upon absorption, the initial PHA's VASH voucher will be available to lease to a new VASH-eligible family, and the absorbed family will count toward the number of VASH slots awarded to the receiving PHA.

### **Portability Outside of the Initial VAMC or DSP's Catchment Area under VAWA**

Veterans who request to port beyond the catchment area of the VAMC or DSP where they are receiving case management to protect the health or safety of a person who is or has been the victim of domestic violence, dating violence, sexual assault, stalking, or human trafficking, and who reasonably believes they are threatened with imminent harm from further violence by remaining in the unit may port prior to receiving approval from the receiving VAMC or DSP. The initial PHA must follow its emergency transfer plan (reference Exhibit 16-3). PHAs may require verbal self-certification or a written request from a participant seeking a move beyond the catchment area of the VAMC or DSP.

The verbal self-certification or written request must include either a statement expressing why the participant reasonably believes that there is a threat of imminent harm from further violence if they were to remain in the same unit or a statement that the tenant was a sexual assault victim and that the sexual assault occurred on the premises during the 90 calendar-day period preceding the participants request for the move.

The participant must still port to a PHA that has a VASH program. If the receiving PHA does not have a VASH voucher available to lease, they may bill the initial PHA until a VASH voucher is available, at which point the porting veteran must be absorbed into the receiving PHA's program.

### **19-II.G. TERMINATION OF ASSISTANCE [FR Notice 8/13/24]**

Prior to terminating VASH participants, HUD strongly encourages PHAs to exercise their discretion under 24 CFR 982.552(c)(2) as outlined in Section 12-II.D. of this policy and consider all relevant circumstances of the specific case. This includes granting reasonable accommodations for persons living with disabilities, as well as considering the role of the case manager and the impact that ongoing case management services can have on mitigating the conditions that led to the potential termination.

VASH participant families may not be terminated after admission for a circumstance or activities that occurred prior to admission and were known to the FCRHA but could not be considered at the time of admission due to VASH program requirements. The FCRHA may terminate the family's assistance only for program violations that occur after the family's admission to the program.

There are two alternative requirements for termination of assistance for VASH participants.

### **Cessation of Case Management**

As a condition of receiving HCV rental assistance, a HUD-VASH-eligible family must receive case management services from the VAMC or DSP. A VASH participant family's assistance must be terminated for failure to participate, without good cause, in case management as verified by the VAMC or DSP. However, the PHA may offer the family continued assistance through one of its regular vouchers or a PBV unit not exclusively made available for HUD-VASH.

However, a VAMC or DSP determination that the participant family no longer requires case management is not grounds for termination of voucher or PBV assistance. In such a case, at its option, the FCRHA may offer the family continued assistance through one of its regular vouchers. The decision to transfer assistance to a regular voucher must consider veteran preference and must be communicated to the VA prior to occurring. If the FCRHA has no voucher to offer, the family will retain its VASH voucher, or PBV unit, until such time as the FCRHA has an available voucher (or PBV unit not exclusively made available for VASH) for the family.

#### FCRHA Policy

Upon notification by the VAMC or DSP that a VASH PBV family has failed to participate in case management without good cause, the FCRHA will provide written notice of termination of assistance to the family and the owner within 10 business days. The family will be given 60 calendar days from the date of the notice to move out of the unit.

The FCRHA may make exceptions to this 60 calendar-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

Upon notification by the VAMC or DSP that a VASH household has successfully graduated from VAMC case management, the FCRHA will transfer assistance to a regular HCV. Selection preferences for the FCRHA's waiting list are governed by Chapter 4 of the HCV Administrative Plan.

### **Serious Violation of the Lease**

The regulation at 24 CFR 982.552(b)(2) states that the PHA must terminate program assistance for a family evicted from housing assisted under the program for serious violation of the lease. HUD waived this provision, and establishing the alternative requirement that the PHA may terminate program assistance in this case. Prior to terminating VASH participants for this reason, HUD strongly encourages PHAs to exercise their discretion under 24 CFR 982.552(c)(2) and consider all relevant circumstances of the specific case, as well as including the role of the case manager and the impact that ongoing case management services can have on mitigating the

conditions that led to the potential termination, prior to determining whether to terminate assistance.

#### **VAWA [FR Notice 8/13/24]**

When a veteran's family member is receiving protection under VAWA because the veteran is the perpetrator of domestic violence, dating violence, sexual assault, stalking, or human trafficking, the victim must continue to be assisted. Upon termination of the perpetrator's VASH assistance, the victim must be given a regular HCV if one is available, and the perpetrator's VASH voucher must be used to serve another eligible veteran family. If a regular HCV is not available, the perpetrator must be terminated from assistance and the victim will continue to use the VASH voucher.

### **19-II.H. PROJECT-BASING VASH VOUCHERS**

#### **General Requirements [Notice PIH 2017-21 and FR Notice 8/13/24]**

PHAs are authorized to project-base their tenant-based VASH vouchers without additional HUD review or approval in accordance with Notice PIH 2017-21 and all PBV program requirements provided that the VAMC or DSP will continue to make supportive services available. In addition, since 2010, HUD has awarded VASH vouchers specifically for project-based assistance in the form of PBV HUD-VASH set-aside vouchers. While these vouchers are excluded from the PBV program cap as long as they remain under PBV HAP contract at the designated project, all other VASH vouchers are subject to the PBV program percentage limitation discussed in Section 17-I.A. Note that VASH supportive services only need to be provided to VASH families receiving PBV assistance in the project, not all families receiving PBV assistance in the project. If a VASH family does not require or no longer requires case management, the unit continues to count as an excepted PBV unit as long as the family resides in the unit. In the description of units in Exhibit A of the HAP contract, PHAs must indicate the number of units that will be exclusively made available to VASH families. The PHA must refer only VASH families to PBV units exclusively made available to VASH families and to PBV units funded through a VASH PBV set-aside award.

If the PHA project-bases VASH vouchers, the PHA must consult with the partnering VAMC or DSP to ensure approval of the project or projects. PHAs may project-base VASH vouchers in projects alongside other PBV units and may execute a single HAP contract covering both the VASH PBVs and the other PBVs. The FCRHA must refer only VASH families to PBV units exclusively made available to VASH families and to PBV units funded through a HUD set-aside award.

If a VASH family is referred to the FCRHA and there is an available PBV unit that is not exclusively made available to VASH families, the FCRHA may offer to refer the family to the owner if allowable under the selection policy for that project, and the owner and FCRHA may amend the HAP contract to designate the PBV unit as a VASH PBV unit.

The FCRHA and owner may agree to amend a PBV HAP contract to redesignate a regular PBV unit as a unit specifically designated for VASH families so long as the PHA first consults with the VAMC or DSP. Additionally, the FCRHA and owner may agree to amend a PBV HAP contract to redesignate a unit specifically designated for VASH families as a regular PBV unit, so long as the unit is not funded through a VASH PBV set-aside award and is eligible for regular PBV (i.e., the unit is not on the grounds of a medical facility and the unit is eligible under the PHA's program and project caps).

Policies for VASH PBV units will generally follow FCRHA policies for the standard PBV program as listed in Chapter 17, with the exception of the policies listed below.

### **Ineligible Units**

Unlike in the regular PBV program, the PHA may opt to select an occupied unit or admit a family to a unit if such unit is made exclusively available to VASH families if the PBV project is either on the grounds of a VA facility or there are VASH supportive services provided on-site at the project.

### **Termination of Assistance**

A VASH family's PBV assistance must be terminated for failure to participate in case management when required by the VA. However, the PHA may allow the veteran family to receive a regular (non-VASH) tenant-based voucher or PBV unit instead of the family's assistance being terminated. In this case, the PHA may:

- Substitute the family's unit on the PBV HAP contract for another unit (the PHA may, in conjunction with such substitution, add the original unit to the PBV HAP contract with a non-VASH voucher if it is possible to do so;
- Remove the unit from the PBV HAP contract so the family may remain with tenant-based assistance, if the family and the owner agree to use the tenant-based voucher in the unit; or
- Change the unit's status in the PBV HAP contract from a unit exclusively made available for VASH to a regular PBV unit, if doing so is allowable under program rules.

If the PHA will not allow the veteran to receive a regular (non-VASH) tenant-based voucher or PBV unit instead of the family's assistance being terminated, then upon notification by the VA of the family's failure to participate in VA-required case management, the PHA must provide the family a reasonable period of time (as established by the PHA) to vacate the unit.

#### FCRHA Policy

If the family fails to participate in case management when required by the VA, the PHA will terminate the family's assistance. The family will have 120 calendar days to vacate the unit. The PHA will terminate assistance to the family at the earlier of (1) the time the family vacates or (2) the expiration of the 120-day period. If the family fails to vacate the unit within the established time, the owner may evict the family. If the owner does not evict the family, the PHA will remove the unit from the HAP contract or amend the HAP contract to substitute a different unit in the project if the project is partially assisted. The

PHA may add the removed unit back onto the HAP contract after the ineligible family vacates the property.

### **Moves**

If a VASH family is eligible to move from its PBV unit after a year of PBV assistance, the FCRHA will generally follow policies in Chapter 17. However, if there is no VASH tenant-based voucher available at the time the family requests to move, the FCRHA's actions depend on whether the family still requires case management.

- The PHA may require a family that still requires case management to wait for a VASH tenant-based voucher for a period not to exceed 180 days. If a HUD-VASH tenant-based voucher is still not available after 180 days, the family must be allowed to move using its VASH voucher as tenant-based assistance. Alternatively, the PHA may allow the family to move using its VASH voucher as tenant-based assistance without having to meet this 180-day waiting period. In either case, the PHA may either amend the PBV HAP contract to replace the assistance in the PBV unit with one of its regular vouchers if the unit is eligible for a regular PBV or the PHA and owner may agree to temporarily remove the unit from the HAP contract.
- If a VASH veteran has been determined to no longer require case management, the PHA must allow the family to move with the first available tenant-based voucher. If no VASH voucher is immediately available, the PHA may not require the family to wait for a VASH voucher to become available.

### **Wrong-Sized or Accessible Units**

If the FCRHA determines that a VASH family is occupying a wrong-size PBV unit or a PBV unit with accessibility features that the family does not require and the PBV unit is needed by a family that requires the accessibility features, the FCRHA must notify the family and the owner within 30 calendar days of the FCRHA's determination. The FCRHA's offer of continued housing assistance (that must be made within 60 calendar days of the FCRHA's determination) must be in the form of either a VASH tenant-based voucher or another VASH PBV unit. If no VASH assistance is available for the FCRHA to offer within 60 calendar days of the FCRHA's determination, the FCRHA must remove the wrong-sized or accessible unit from the HAP contract to make VASH voucher assistance available to the family.

### **Contract Terminations**

The regulation at 24 CFR 983.206(b), which covers the required provision of tenant-based assistance and requires that the family may elect to use its tenant-based assistance to remain in the same project when a PBV HAP contract terminates or expires, does not apply to families issued a HUD-VASH tenant-based voucher under this circumstance. The FCRHA may use another voucher to add the unit removed under this alternative requirement to the HAP contract after the family vacates the property, in accordance with 24 CFR 983.207(b).

### **Rents**



Contract rents may not be different based on whether the unit is a VASH PBV unit or a non-VASH PBV unit. In determining the rent to owner for the PBV project, if the cap on the amount of rent to owner under 24 CFR 983.301(b)(1) is lower for non-HUD-VASH units than it is for the HUD-VASH units (e.g., the PHA has established a HUD-VASH exception payment standard and there is either no exception payment standard or a lower exception payment standard for the regular HCV program for the area in question), that lower cap is applicable when setting the rent to owner for the PBV units in the project, including the HUD-VASH units.

### **Removing Units from the HAP Contract for Ineligible Families**

The FCRHA and owner may also agree to temporarily remove a unit from the HAP contract in cases where a HUD-VASH eligible veteran has been identified by the VA as appropriate for a VASH PBV unit, but the veteran is not income eligible to receive voucher assistance or may not be selected for the PBV unit because the family's TTP exceeds the gross rent of the unit. Although the family would not be a program participant in the housing portion of the VASH program in such a case, the family would still benefit from the project's location on the grounds of a VA facility or from the VASH supportive services on-site at the project, while the VASH voucher would be available to assist another VASH family. The FCRHA and owner may agree to add a VASH voucher back onto the PBV HAP contract if the family's income subsequently decreased to the point that there would be a HAP or when the family vacates the unit.

### **Zero HAP Families**

Under normal PBV requirements, the FCRHA may select an occupied unit to be included under a PBV HAP contract only if the unit's occupants are eligible for assistance under 24 CFR 982.201, and the TTP for the family is less than the gross rent for the unit. Furthermore, in selecting a family for an available PBV unit, typically the FCRHA must determine the TTP for the family is less than the gross rent, meaning that the unit will be eligible for a monthly HAP. However, if the PBV project is either on the grounds of a VA facility or there are HUD-VASH supportive services provided onsite at the project, the FCRHA may opt to select a unit occupied by a zero HAP VASH eligible family or admit a zero HAP VASH family to a unit if such unit is made exclusively available to VASH families. Until such time that the VASH family's TTP falls below the gross rent, the family is responsible for paying the entire rent to owner in addition to being responsible for paying all tenant-supplied utilities. During any period that the family's TTP falls below the gross rent, normal PBV requirements apply.

Further, under normally applicable rules, units occupied by families whose incomes have increased during their tenancy resulting in their TTP equaling the gross rent (zero HAP) must be removed from the HAP contract 180 calendar days following the last housing assistance payment to the owner on the family's behalf. These regulations do not apply to zero HAP families admitted to the PBV project under this waiver and alternative requirement because there is no last housing assistance payment that would trigger the unit removal date of 180 calendar days. As an alternative requirement, PHAs have the option of removing the unit in which the zero HAP family resides from the HAP contract, but no earlier than 180 days from the start of the family PBV tenancy. If the FCRHA exercises this option, the family may not be required to

move from the unit as a consequence and continues to receive the VASH supportive services. If the project is fully assisted, the FCRHA may reinstate the unit removed to the HAP contract after the family either vacates the unit or their income decreases to the point that there would be a HAP. If the project is partially assisted, the FCRHA may substitute a different unit for the unit removed from the HAP contract when the first eligible substitute unit becomes available. Alternatively, the FCRHA may choose to simply leave the unit on the HAP contract while the zero HAP family continues to reside there.

### **Proposal/Project Selection**

PBV proposal and/or project selection for VASH must follow all regular proposal and/or project selection regulations, with one exception. HUD permits noncompetitive selection of one or more PBV projects with units made exclusively available to VASH families on the site of a VA facility. Note that the method of project selection must comply with all other requirements under 24 CFR 983.51, including that the PHA must notify the public of its intent to noncompetitively select one or more projects for PBV assistance through its 5-Year Plan and to ensure any project selection is consistent with its HCV Administrative Plan.

### **Failure to Participate in Case Management [FR Notice 8/13/24]**

Upon notification by the VAMC or DSP of the family's failure to participate, without good cause, in case management, the FCRHA must provide the family a reasonable time period to vacate the unit. The FCRHA must terminate assistance to the family at the earlier of either the time the family vacates or the expiration of the reasonable time period given to vacate.

#### FCRHA Policy

Upon notification by the VAMC or DSP that a VASH PBV family has failed to participate in case management without good cause, the FCRHA will provide written notice of termination of assistance to the family and the owner within 10 business days. The family will be given 60 days from the date of the notice to move out of the unit.

The FCRHA may make exceptions to this 60 calendar-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

If the family fails to vacate the unit within the established time, the owner may evict the family. If the owner does not evict the family, the FCRHA must remove the unit from the HAP contract or amend the HAP contract to substitute a different unit in the project if the project is partially assisted. The FCRHA may add the removed unit to the HAP contract after the ineligible family vacates the property.

### **Moves [HUD-VASH Qs and As, FR Notice 8/13/24]**

When a VASH PBV family is eligible to move from its PBV unit in accordance with Section 17-VIII.C. of this policy, but there is no other comparable tenant-based rental assistance, the following procedures must be implemented:

- If a VASH tenant-based voucher is not available at the time the family wants (and is eligible) to move, the FCRHA may require a family who still requires case management to wait for a VASH tenant-based voucher for a period not to exceed 180 calendar days;
- If a VASH tenant-based voucher is still not available after that period, the family must be allowed to move with its VASH voucher. Alternatively, the FCRHA may allow the family to move with its VASH voucher without having to meet this 180 calendar-day period. In either case, the FCRHA is required to replace the assistance in the PBV unit with one of its regular vouchers, unless the FCRHA and owner agree to temporarily remove the unit from the HAP contract; and
- If a VASH veteran is determined to no longer require case management, the FCRHA must allow the family to move with the first available tenant-based voucher if no VASH voucher is immediately available and cannot require the family to wait for a VASH voucher to become available.

DRAFT

### **PART III: MAINSTREAM VOUCHER PROGRAM**

#### **19-III.A. PROGRAM OVERVIEW [Notice PIH 2020-01 and Notice PIH 2024-30]**

Mainstream vouchers assist non-elderly persons living with disabilities and their families (particularly those transitioning out of institutions or at serious risk of institutionalization) in the form of either project-based or tenant-based voucher assistance.

The Mainstream voucher program, (previously referred to as the Mainstream 5-Year program or the Section 811 voucher program) was originally authorized under the National Affordable Housing Act of 1990. Mainstream vouchers operated separately from the regular HCV program until the passage of the Frank Melville Supportive Housing Investment Act of 2010. Funding for Mainstream voucher renewals and administrative fees was first made available in 2012. In 2017 and 2019, incremental vouchers were made available for the first time since the Melville Act (in addition to renewals and administrative fees), and PHAs were invited to apply for a competitive award of Mainstream vouchers under the FY17 and FY19 NOFAs. In 2020, Notice PIH 2020-22 provided an opportunity for any PHA administering an HCV program to apply for Mainstream vouchers noncompetitively, while Notice PIH 2020-09 authorized an increase in Mainstream voucher units and budget authority for those PHAs already awarded Mainstream vouchers under the FY17 and FY19 NOFAs.

Funding and reporting for Mainstream vouchers is separate from the HCV program. Funds for Mainstream vouchers may be recaptured and reallocated if the PHA does not comply with all program requirements or fails to maintain a utilization rate of 80 percent for the PHA's Mainstream vouchers.

The Consolidated Appropriations Act, 2024 (Public Law 118-42) authorized HUD to establish waivers and alternative requirements for Mainstream Vouchers related to the administration of waiting lists, local preferences, and the initial term and extensions of tenant-based vouchers. HUD is not permitted to waive requirements related to tenant rights and protections, rent setting, fair housing, nondiscrimination, labor standards, and the environment.

#### **19-III.B. ELIGIBLE POPULATION [Notice PIH 2020-01 and Notice PIH 2020-22]**

All Mainstream vouchers must be used to serve non-elderly persons living with disabilities and their families, defined as any family that includes a person living with disabilities who is at least 18 years old and not yet 62 years old as of the effective date of the initial HAP contract. The eligible disabled household member does not need to be the head of household.

The definition of person living with disabilities for purposes of Mainstream vouchers is the statutory definition under section 3(b)(3)(E) of the 1937 Act, which is the same as is used for allowances and deductions in the HCV program and is provided in Exhibit 3-1 of this policy. Existing families receiving Mainstream vouchers, where the eligible family member is now age 62 or older, will not "age out" of the program as long as the family was eligible on the day it was first assisted under a HAP contract.

The FCRHA may not implement eligibility screening criteria for Mainstream vouchers that is different from that of the regular HCV program.

### **19-III.C. PARTNERSHIP AND SUPPORTIVE SERVICES [Notice PIH 2020-01]**

PHAs are encouraged but not required to establish formal and informal partnerships with a variety of organizations that assist persons living with disabilities to help ensure eligible participants find and maintain stable housing.

#### FCRHA Policy

The FCRHA has established partnerships with the following state and local agencies to identify families who meet the Mainstream criteria and can provide supportive services once a Mainstream voucher has been administered:

- DFS
- Virginia Department of Behavioral Health and Developmental Services
- Fairfax-Falls Church Community Services Board
- ENDependence Center of Northern Virginia
- Fairfax County Office to Prevent and End Homelessness

### **19-III.D. WAITING LIST ADMINISTRATION [Notice PIH 2024-30]**

For Mainstream vouchers, HUD has waived 24 CFR 982.204(f), which requires one waiting list for the HCV program and allows PHA the discretion to operate a Mainstream voucher waiting list that is separate from the general HCV waiting list. This is optional.

If the PHA chooses to create a separate Mainstream waiting list, the PHA must notify families on the HCV waiting list of the separate Mainstream waiting list and provide an opportunity for families on the HCV list to be placed on the Mainstream list.

If the PHA does not pursue the optional waiver to maintain a separate Mainstream waiting list, the PHA must still ensure program access for individuals with disabilities.

Upon turnover, vouchers must be provided to Mainstream-eligible families.

#### FCRHA Policy

The FCRHA will not operate a separate Mainstream waiting list. When vouchers are available, the FCRHA will pull the first Mainstream-eligible family from its tenant-based waiting list. All FCRHA policies on opening, closing, and updating the waiting list in Chapter 4 apply to the Mainstream program.

### **19-III.E. PREFERENCES [Notice PIH 2024-30]**

While PHAs may establish local preferences based on local housing needs and priorities in accordance with 24 CFR 982.207(a), HCV regulations do not permit PHAs to establish separate preferences for Mainstream voucher applicants. HUD waived 24 CFR 982.207(a)(1) and allows PHAs to establish separate preferences for Mainstream voucher applicants. However, PHAs may not apply a residency preference to Mainstream voucher applicants.

PHAs with outstanding Olmstead-related litigation or enforcement activities, as well as those undertaking affirmative Olmstead planning and implementation efforts, who wish to establish preferences that target individuals with specific disabilities must request HUD approval. The process for requesting approval for a remedial preference targeting individuals with specific disabilities is outlined in Notice PIH 2012-31.

Regardless of whether a PHA chooses to adopt separate Mainstream voucher preferences, if the PHA claimed points for a preference in a NOFA application for Mainstream vouchers, the PHA must adopt a preference for at least one of the targeted groups identified in the NOFO. PHAs may choose to apply NOFO preferences to the entire HCV waiting list or only to Mainstream voucher applicants as a separate Mainstream voucher preference.

PHAs may use either date and time of application or a drawing or other random choice technique in selecting families from the Mainstream waiting list among applicants with the same preference status in accordance with the PHA's administrative plan.

FCRHA Policy

The FCRHA claimed a preference for a targeted group as part of an application for Mainstream vouchers under a NOFO. Reference Section 4-III.C. for the FCRHA's policy on preferences.

**19-III.F. VOUCHER ISSUANCE**

**Initial Search Term [Notice PIH 2024-30]**

For Mainstream vouchers, HUD waived 24 CFR 982.303(a), which requires an initial search term of at least 60 days, and established an alternative requirement that the initial search term for a Mainstream voucher be at least 120 days. The initial 120-day term also applies when a family chooses to move to a new unit with continued assistance inside or outside the PHA's jurisdiction. When issuing a Mainstream voucher, the PHA also must provide a current listing of available accessible units known to the PHA and, if necessary, otherwise assist the family in identifying an accessible unit.

FCRHA Policy

The initial voucher term for all Mainstream vouchers, including those issued when a family wishes to exercise portability, will be 120 calendar days.

**Voucher Extension [Notice PIH 2024-30]**

The PHA's administrative plan must describe the PHA's policies for granting extensions to the initial 120-day voucher term and provide clear instructions to families on the procedures for requesting an extension. If a family requires additional time, the PHA is required to provide an extension as a reasonable accommodation.

PHAs must adopt an extension policy for Mainstream vouchers that includes the following:

- Each extension must be for a minimum of 90 days;
- The PHA must approve the first extension request, regardless of how the request is made (written or verbal) or when it is made, as long as the request is made on or before the expiration date of the voucher and is consistent with applicable requirements (subsequent requests should be processed in accordance with the PHA's administrative plan); and
- The PHA must, on at least one occasion after voucher issuance, notify the family prior to the expiration of the initial term to remind them of the expiration date, the process for requesting an extension, and to inquire if the family is in need of assistance with their housing search.

As part of its search extension policy, the PHA may not restrict a first extension approval to certain circumstances or require documentation from applicants. For all extension requests, a written or verbal request is sufficient. In providing notice to families of the expiration date and extension request process, PHAs must ensure effective communication with persons with disabilities, including those with vision, hearing, speech, intellectual or other developmental disabilities, or any other communication-related disabilities. PHAs must approve all extensions made as a reasonable accommodation, and PHAs must provide this information during the family briefing.

FCRHA Policy

Families may request an extension, either orally or in writing, at any time prior to the expiration of the family's voucher. All requests for extensions will automatically be granted for a period of 120 calendar days without the requirement for the family to provide documentation or meet certain circumstances.

**19-III.G. PORTABILITY [Notice PIH 2020-01 and Mainstream Voucher Basics Webinar, 10/15/20]**

Mainstream voucher participants are eligible for portability under standard portability rules and all FCRHA policies regarding portability in Chapter 10, Part II apply to Mainstream families. The following special considerations for Mainstream vouchers apply under portability:

- If the receiving PHA has a Mainstream voucher available, the participant may remain a Mainstream participant.
  - If the receiving PHA chooses to bill the initial PHA, then the voucher will remain a Mainstream voucher.
  - If the receiving PHA chooses to absorb the voucher, the voucher will be considered a regular voucher, or a Mainstream voucher if the receiving PHA has a Mainstream

voucher available, and the Mainstream voucher at the initial PHA will be freed up to lease to another Mainstream-eligible family.

- If the receiving PHA does not have a Mainstream voucher available, the participant may receive a regular voucher.

#### **19-III.H. PROJECT-BASING MAINSTREAM VOUCHERS [FY19 Mainstream Voucher NOFA Q&A]**

The FCRHA may project-base Mainstream vouchers in accordance with all applicable PBV regulations and FCRHA policies in Chapter 17. PHAs are responsible for ensuring that, in addition to complying with project-based voucher program requirements, the project complies with all applicable federal nondiscrimination and civil rights statutes and requirements. This includes, but is not limited to, Section 504 of the Rehabilitation Act (Section 504), Titles II or III of the Americans with Disabilities (ADA), and the Fair Housing Act and their implementing regulations at 24 CFR Part 8; 28 CFR Parts 35 and 36; and 24 CFR Part 100. Mainstream vouchers are subject to the PBV program percentage limitation discussed in Section 17-I.A.

DRAFT



## PART IV: NON-ELDERLY DISABLED (NED) VOUCHERS

### 19-IV.A. PROGRAM OVERVIEW [Notice PIH 2013-19]

NED vouchers help non-elderly disabled families lease suitable, accessible, and affordable housing in the private market. Aside from separate funding appropriations and serving a specific population, NED vouchers follow the same program requirements as standard vouchers. The FCRHA does not have special authority to treat families that receive a NED voucher differently from other applicants and participants.

Some NED vouchers are awarded to PHAs through competitive NOFAs. The NOFA for FY2009 Rental Assistance for NED made incremental funding available for two categories of NED families:

- **Category 1** vouchers enable non-elderly persons or families living with disabilities to access affordable housing on the private market.
- **Category 2** vouchers enable non-elderly persons living with disabilities currently residing in nursing homes or other healthcare institutions to transition into the community. PHAs with NED Category 2 vouchers were required to partner with a state Medicaid or health agency or the state Money Follows the Person (MFP) Demonstration agency.

Since 1997, HCVs for NED families have been also awarded under various special purpose HCV programs: Rental Assistance for Non-Elderly Persons with Disabilities in Support of Designated Housing Plans (Designated Housing), Rental Assistance for Non-Elderly Persons with Disabilities Related to Certain Types of Section 8 Project-Based Developments (Certain Developments), One-Year Mainstream Housing Opportunities for Persons with Disabilities, and the Project Access Pilot Program (formerly Access Housing 2000).

- **Designated Housing** vouchers enable non-elderly disabled families, who would have been eligible for a public housing unit if occupancy of the unit or entire project had not been restricted to elderly families only through an approved Designated Housing Plan, to receive rental assistance. These vouchers may also assist non-elderly disabled families living in a designated unit/project/building to move from that project if they so choose. The family does not have to be listed on the FCRHA's voucher waiting list. Instead, they may be admitted to the program as a special admission. Once the impacted families have been served, the FCRHA may begin issuing these vouchers to non-elderly disabled families from their HCV waiting list. Upon turnover, these vouchers must be issued to non-elderly disabled families from the FCRHA's HCV waiting list.
- **Certain Developments** vouchers enable non-elderly families having a person living with disabilities, who do not currently receive housing assistance in certain developments where owners establish preferences for, or restrict occupancy to, elderly families, to obtain affordable housing. These non-elderly families with a disabled person do not need to be listed on the FCRHA's HCV waiting list in order to be offered and receive housing choice voucher rental assistance. It is sufficient that these families' names are on the waiting list for a covered development at the time their names are provided to the FCRHA by the owner. Once the impacted families have been served, the FCRHA may begin issuing these vouchers

to non-elderly disabled families from their HCV waiting list. Upon turnover, these vouchers must be issued to non-elderly disabled families from the FCRHA's HCV waiting list.

- **One-Year Mainstream Housing Opportunities for Persons with Disabilities (One-Year Mainstream) vouchers** enable non-elderly disabled families on the FCRHA's waiting list to receive a voucher. After initial leasing, turnover vouchers must be issued to non-elderly disabled families from the FCRHA's voucher waiting list.

## **19-IV.B. ELIGIBLE POPULATION**

### **General Requirements [Notice PIH 2013-19]**

Only eligible families whose head of household, spouse, or cohead is non-elderly (under age 62) and disabled may receive a NED voucher. Families with only a minor child with a disability are not eligible.

In cases where the qualifying household member now qualifies as elderly due to the passage of time since the family received the NED voucher, existing NED participant families do not "age out," as the family was eligible on the day it was first assisted under a housing assistance payments (HAP) contract.

The definition of person living with disabilities for purposes of NED vouchers is the statutory definition under Section 3(b)(3)(E) of the 1937 Act, which is the same as is used for allowances and deductions in the HCV program and is provided in Exhibit 3-1 of this policy. The FCRHA may not implement eligibility screening criteria for NED vouchers that is different from that of the regular HCV program.

### **NED Category 2 [Notice PIH 2013-19 and NED Category 2 FAQs]**

In addition to being eligible for the FCRHA's regular HCV program and a non-elderly person with a disability, in order to receive a Category 2 voucher, the family's head, spouse, cohead, or sole member must be transitioning from a nursing home or other healthcare institution and provided services needed to live independently in the community.

Nursing homes or other healthcare institutions may include intermediate care facilities and specialized institutions that care for those with intellectual disabilities, developmentally disabled, or mentally ill, but do not include board and care facilities (e.g., adult homes, adult day care, adult congregate living).

The FCRHA cannot limit who can apply to just those persons referred or approved by a Money Follows the Person (MFP) Demonstration agency or state health agency. Other individuals could be placed on the waiting list if they can show, with confirmation by an independent agency or organization that routinely provides such services (this can be the MFP or partnering agency, but need not be), that the transitioning individual will be provided with all necessary services, including care or case management.

For each Category 2 family, there must be documentation (e.g., a copy of a referral letter from the partnering or referring agency) in the tenant file identifying the institution where the family lived at the time of voucher issuance.

### **19-IV.C. WAITING LIST**

#### **General Requirements [Notice PIH 2013-19]**

Families must be selected for NED vouchers from the FCRHA's waiting list in accordance with all applicable regulations and FCRHA policies in Chapter 4. Regardless of the number of NED families the FCRHA is required to serve, the next family on the waiting list must be served. Further, the FCRHA may not skip over NED-eligible families on the waiting list because the FCRHA is serving the required number of NED families.

#### **NED Category 2 Referrals [NED Category 2 FAQs]**

For NED Category 2 families, the partnering agency may make referrals of eligible families to the PHA for placement on the waiting list. The PHA will then select these families from the waiting list for voucher issuance. Because language in the NOFA established that vouchers awarded under the NOFA must only serve non-elderly disabled families transitioning from institutions, the PHA does not need to establish a preference in order to serve these families ahead of other families on the PHA's waiting list.

PHAs must accept applications from people living outside their jurisdictions or from people being referred from other Medicaid or MFP service agencies in their state.

If the PHA's waiting list is closed, the PHA must reopen its waiting list to accept referrals from its partnering agency. When opening the waiting list, PHAs must advertise in accordance with 24 CFR 982.206 and PHA policies in Section 4-II.C. In addition, the PHA must ensure that individuals living in eligible institutions are aware when the PHA opens its waiting list by reaching out to social service agencies, nursing homes, intermediate care facilities and specialized institutions in the local service area.

#### **Reissuance of Turnover Vouchers [Notice PIH 2013-19]**

All NED turnover vouchers must be reissued to the next NED family on the PHA's waiting list with the following exception: A Category 2 voucher must be issued to another Category 2 family upon turnover if a Category 2 family is on the PHA's waiting list. If there are no Category 2 families on the PHA's waiting list, the PHA must contact its partnering agency as well as conduct outreach through appropriate social service agencies and qualifying institutions to identify potentially eligible individuals. Only after all means of outreach have been taken to reach Category 2 families can the PHA reissue the voucher to another Category 2 NED family on the PHA's waiting list. Any subsequent turnover of that voucher must again be used for a Category 2 family on the PHA's waiting list, and the PHA is under the same obligation to conduct outreach to Category 2 families if no such families are on the PHA's waiting list.

For PHAs that received both Category 1 and Category 2 vouchers, if at any time the PHA is serving fewer Category 2 families than the number of Category 2 HCVs awarded under the NOFA, when a Category 2 family applies to the waiting list and is found eligible, the PHA must issue the next NED voucher to that family. HUD monitors the initial leasing and reissuance of Category 2 HCVs. These vouchers may be recaptured and reassigned if not leased properly and in a timely manner.

All NED vouchers should be affirmatively marketed to a diverse population of NED-eligible families to attract protected classes least likely to apply. If at any time following the turnover of a NED HCV a PHA believes it is not practicable to assist NED families, the PHA must contact HUD.

#### **19-IV.D. LEASE UP [Notice PIH 2013-19]**

##### **Briefings**

In addition to providing families with a disabled person a list of accessible units known to the PHA, HUD encourages, but does not require, PHAs to provide additional resources to NED families as part of the briefing.

##### **Voucher Term**

While the FCRHA is not required to establish different policies for the initial term of the voucher for NED vouchers, HUD has encouraged PHAs with NED vouchers to be generous in establishing reasonable initial search terms and subsequent extensions for families with a disabled person.

##### FCRHA Policy

All NED vouchers will have an initial term of 120 calendar days.

The family must submit a Request for Tenancy Approval and proposed lease within the 120 calendar-day period unless the PHA grants an extension.

The FCRHA may grant additional extensions of up to 30-60 calendar day increments for any reason, not just those listed in the policy in Section 5-II.E, with the maximum search time being limited to 240 calendar days.

All other FCRHA policies on extensions and suspension of vouchers in Section 5-II.E. will apply.

### **Special Housing Types [Notice PIH 2013-19 and NED Category 2 FAQs]**

In general, a PHA is not required to permit families to use any of the special housing types and may limit the number of families using such housing. However, the FCRHA must permit the use of a special housing type if doing so provides a reasonable accommodation so that the program is readily accessible to and usable by a person living with disabilities.

Such special housing types include single room occupancy housing, congregate housing, group homes, shared housing, cooperative housing, and manufactured homes when the family owns the home and leases the manufactured home space.

Persons living with disabilities transitioning out of institutional settings may choose housing in the community that is in a group or shared environment or where some additional assistance for daily living is provided for them on site. Under HUD regulations, group homes and shared housing are considered special housing types and are not excluded as an eligible housing type in the HCV program. Assisted living facilities are also considered eligible housing under the normal HCV program rules, as long as the costs for meals and other supportive services are not included in the housing assistance payments (HAP) made by the FCRHA to the owner, and as long as the person does not need continual medical or nursing care.

### **19-IV.E. PORTABILITY [NED Category 2 FAQs]**

NED voucher participants are eligible for portability under standard portability rules and all FCRHA policies regarding portability in Chapter 10, Part II apply to NED families. However, the FCRHA may, but is not required to, allow applicant NED families to move under portability, even if the family did not have legal residency in the initial FCRHA's jurisdiction when they applied.

#### FCRHA Policy

If neither the head of household nor the spouse or cohead of a NED applicant family had a domicile (legal residence) in the FCRHA's jurisdiction at the time that the family's initial application for assistance was submitted, the family must lease a unit within the initial FCRHA's jurisdiction for at least 12 months before requesting portability.

The FCRHA will consider exceptions to this policy for purposes of reasonable accommodation reference Chapter 2) or reasons related to domestic violence, dating violence, sexual assault, stalking, or human trafficking.