

Purpose

The purpose of the Veterans Housing and Homelessness Prevention Program (VHHP) is to provide financing for the acquisition, construction, rehabilitation and preservation of affordable multifamily housing for veterans and their families. Funding is to assist in the creation of permanent supportive housing and transitional housing, with a focus on Veterans at-risk for homelessness or experiencing temporary or chronic homelessness.

Background

In 2008, California voters approved Proposition 12, the Veteran's Bond Act of 2008, authorizing \$900B in general obligation bonds to help veterans purchase single family homes, farms and mobile homes through the CalVet Home Loan Program.

In 2013, AB 639 (Chapter 727, Statutes of 2013, Pérez) restructured the Veteran's Bond Act of 2008 authorizing \$600M in existing bond authority to fund multifamily housing for Veterans. With the approval of Proposition 41 by California voters on June 3, 2014; HCD, in collaboration with CalHFA and CalVet, adopted and released its final program guidelines on February 18, 2015 pursuant to AB 639 (Chapter 727, Statutes of 2013, Pérez).

NOFA Funding Amount

- Approximately \$545M will be made available over a period of several years.
- \$75M is available under an initial Notice of Funding Availability (NOFA) that was announced on February 20, 2015.
 - The NOFA will be in effect until the **application due date of April 27, 2015**.

Application Process

- The VHHP guidelines govern the 2015 VHHP Notice of Funding Availability (NOFA), the NOFA is scheduled to be released soon.
- Minimum required score will be specified in upcoming NOFA.
 - 100 for projects including Supportive Housing
 - 80 for projects with Transitional Housing, but not Supportive Housing
 - 50 for other projects
- Awards may be adjusted to meet the following geographic distribution objectives, to the extent there are applications from the identified regions that meet all Program eligibility requirements and score above the minimum required score:
 - *Awarding not less than 31 percent of the total amount awarded to projects located in Los Angeles County.*

**Funds remaining after satisfying the geographic distribution objectives set forth by the guidelines will be awarded without regard to project location.

Application Categories

- Category 1: With Supportive or Transitional Housing – 133 Maximum Points
- Category 2: Without Supportive or Transitional Housing – 105 Maximum Points

Application Selection Criteria

- 1) Development Team Experience – 33 points maximum
- 2) Supportive Housing – 25 points maximum
- 3) Supportive Services Plan – 20 points maximum for projects that include Supportive Housing or Transitional Housing, and 10 points maximum for other projects
- 4) Leverage of Development Funding – 15 points maximum
- 5) Leverage of Rental or Operating Subsidies – 20 points maximum
- 6) Readiness to Proceed – 15 points maximum
- 7) Confirmation of Local Need – 5 points maximum

Target Group & Occupancy Restrictions

- At least 45% of assisted units must include extremely low-income Veterans, with rents not exceeding the 30% of the 30% of Area Median Income (AMI), calculated in accordance with TCAC regulations and procedures.



- All assisted units require households to include one or more Veterans not exceeding 60% of the Area Median Income at the time of move-in (initial occupancy).
- If a Veteran who qualified a household for occupancy moves out, and household members remain, the unit is to be considered an assisted unit, unless the following applies:
 - The qualifying Veteran's occupancy was for less than three months, or
 - There is evidence that the Veteran's occupancy was intended to be for a short duration.
- Occupancy of units designated as Supportive Housing or Transitional Housing are to be further restricted to households that include Veterans who are homeless, homeless with a disability, or chronically homeless.
- Any occupancy restrictions based on conditions of separation from military service are subject to HCD approval as follows:
 - Projects may only restrict occupancy to Veterans who separated from military service under certain conditions (e.g. under other than dishonorable conditions), or who qualify for VA health care, when required by a public agency funding source.
 - In any case, a minimum of ten percent of assisted units are to be prioritized for occupancy by Veterans who are ineligible for VA health care and/or HUD-VASH.
- Occupancy requirements are to apply for the full term of the program loan.¹

Program Requirements & Use of Cash Flow

- Projects are to employ Housing First practices.²
- Management and services practices emphasize tenant retention and offer flexibility and services to prevent and resolve lease violations and evictions. Transitional Housing units are to follow Housing First property management and services practices.
- For 2015, supportive service coordination costs paid as a project operating expense shall not exceed the following amounts:
 - 1) \$4,000 per unit per year for Supportive Housing units restricted to Veterans who are chronically homeless.
 - 2) \$3,000 per unit per year for Supportive Housing units restricted to Veterans with a disability experiencing homelessness.
 - 3) \$1,300 per unit per year for units restricted to extremely low income households, but not to Veterans who are chronically homeless or Veterans with a disability experiencing homelessness.
 - 4) \$750 per unit per year for other units.

These maximum amounts shall be increased each year after 2015 at the rate of two percent per year.

Tenant Selection

- Potential tenants shall not be rejected based on the type of their military service discharge, unless specifically required by a public agency funding source for the project.
- For Supportive Housing and Transitional Housing, tenants are to be selected using the local coordinated access system (Coordinated Entry System – for L.A. County).
- For projects without Supportive Housing or Transitional Housing, projects are to coordinate directly and accept referrals from SSVF and other programs that serve high need Veterans.

VHHP NOFA Workshop

- VHHP NOFA Workshop is scheduled for **Tuesday, March 10, 2015**.

¹ In the event that it is determined that there are no longer sufficient Veterans eligible for one or more categories of households eligible for Supportive Housing or Transitional Housing, based on evidence from the local Continuum of Care, the VA, the local Point-in-Time count of persons experiencing homelessness, and similar sources, HCD may adjust the occupancy requirements for these units, but only to the minimum extent required for project feasibility, and not sooner than five years from the date of program loan closing.

² Tenant selection practices promote the acceptance of applicants regardless of sobriety or use of substances, completion of treatment; applicants are not rejected on the basis of poor credit or financial history; supportive services are flexible and voluntary.