

Veterans Housing and Homelessness Prevention Program



Program Implementation Detail

The VHHP Program Guidelines

The VHHP Program is implemented through Program Guidelines. These Guidelines have been modified since the Program was first implemented, as a result of stakeholder feedback and to provide focus, clarifications and program improvements as needed. The flexibility to amend the Program Guidelines after each round of funding provides a mechanism for continual program improvement to ensure program goals are met.

The VHHP Program Guidelines include the following features, among others:

- **Housing First** – VHHP reflects California’s Housing First policy with low barriers to entry, no prohibition of or eviction due to alcohol or drug use, services offered but not mandated, and no prerequisites or conditions beyond those expected of a typical renter.
- **Incentivizing Veterans Units** – VHHP funding provides an incentive for developers to build units for veterans with disabilities who are experiencing homelessness, and to offer the appropriate services for those veterans.
- **Permanent Supportive Housing** – VHHP dedicates a significant proportion of funding to permanent supportive housing for veterans experiencing chronic homelessness and those with an extremely low-income (30% Area Median Income).
- **Supportive Services** – VHHP heavily emphasizes a strong supportive services component that includes case management, linkages to Veterans Administration programs and health care, advocacy for benefits and discharge upgrades, employment services, and peer support, among others.
- **Inclusion of all Veterans** – VHHP makes housing available to all eligible veterans regardless of discharge status.
- **Contracting with Disabled Veterans** – VHHP requires that Disabled Veteran Business Enterprises receive subcontracts for at least 5% of construction costs.

Types of Housing Funded

VHHP funds are available to develop the following types of housing:

- **Affordable Housing** – supporting veterans who are at-risk of homelessness with income limits up to 60% Area Median Income.
- **Supportive Housing** – for veterans experiencing homelessness, combining permanent housing with intensive services, such as mental health, health care and life skills.

- **Transitional Housing** – for veterans experiencing homelessness who need time-limited housing assistance until they can sustain housing stability on their own.

Types of Supportive Services Made Accessible to Residents

The VHHP Program includes a minimum threshold of services mandated to be offered to residents, but encourages and incentivizes enhanced services. The types of services offered may include the following:

Minimum Services Required

- Case Management w/Individual Service Plans
- Benefits counseling and advocacy
- Mental health care
- Physical health care
- Substance use services
- (If transitional housing) Permanent housing placement service

Enhanced Services

- Employment services
- Education services
- Financial counseling
- Linkages to outplacements
- Representative payees
- Peer support and advocacy
- Legal assistance
- On-site medication management
- Parenting education (for families)
- Attendant care
- Social and recreational activities
- Life skills training

Notices of Funding Availability

Funding for the VHHP Program is made available through a Notice of Funding Availability (NOFA). Three rounds of funding, totalling \$238.3 million, have been completed to date. For the Round 3 NOFA, released in December 2016:

- A total of \$75 million was made available.
- The maximum loan amount was \$10 million per project.
- A total of 28 applications were received for approximately \$130 million.
- 15 projects were awarded a total of \$71,409,669.

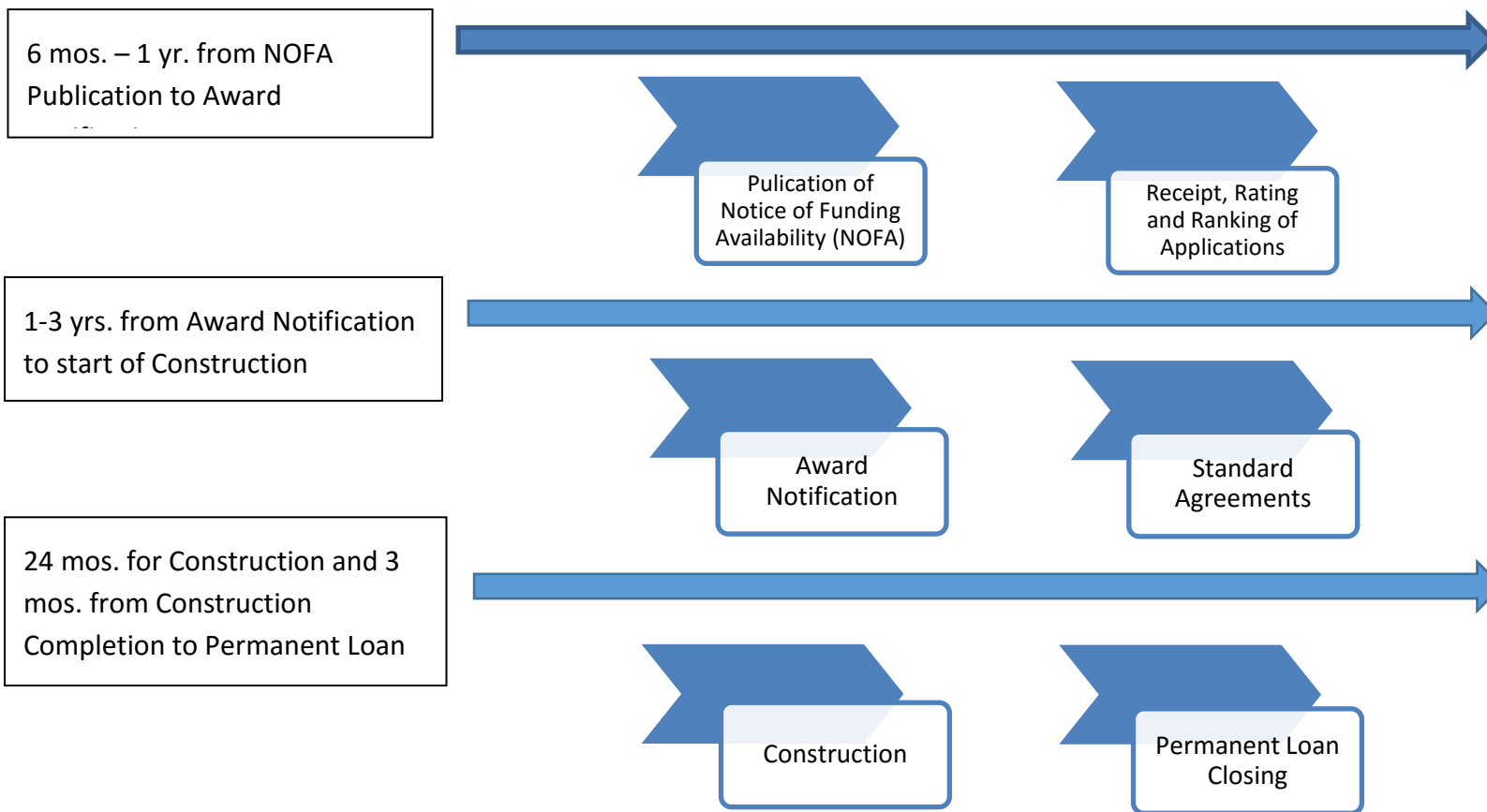
A NOFA for Round 4 VHHP funding will be released in April 2018.

Project Development Monitoring Process

Once funding awards have been made, the Department of Housing and Community Development (HCD) provides close monitoring during the project development and construction phases. Contact with project developers typically occurs monthly, and development milestones are tracked and reviewed regularly. Among other milestones, timeliness of the completion of the Standard Agreements, completion of funding and tax credit allocations, and construction closing dates are considered. The chart on the following page summarizes the VHHP project development process from publication of the NOFA through permanent loan closing.

VHHP Project Development Process Monitoring Milestones

HCD development team members provide support and outreach via workshops, one on one project review and technical assistance prior to the application submission. The development milestones are reinforced through the close monitoring of the progress of projects in the pipeline. After awards are made, program staff reach out to developers and project sponsors on a minimum of a monthly basis. They customarily look for the timeliness of the execution of the standard agreements, completion of their funding and tax credit allocations, construction closing, and impediments to project completion.



VHHP Program Improvements

As noted above, the VHHP Program Guidelines have been modified to refine the program over the past three years. One focus of these changes has been to increase the awarding of funds to projects that are truly “shovel-ready” so that construction can be completed in a timely manner. Other changes focus on streamlining and improving the application process and making the supportive services requirements more robust.

The Guideline and application changes anticipated for Round 4 of VHHP funding include:

- Incentivizing the use of 4% Tax Credits – as a more reliable, less impacted funding mechanism than 9% Tax Credits
- Aligning with the new Uniform Multifamily Regulations that went into effect on November 15, 2017
- Incentivizing readiness – by increasing the scoring points to reward developers who have permanent financing in place
- Encouraging an increased leveraging of outside funding sources
- Incentivizing Transit Oriented Development –through a point incentive
- Verifying quality veteran-centric supportive services – by creating a review and verification process to ensure the qualifications and experience of providers

Project Development in Additional Communities

In addition to the program changes listed above, Round 4 will focus on encouraging applications from projects in non-urban areas of the state. The goal is to increase capacity and address housing needs of veterans in communities outside the major metropolitan areas of the state.

Activities designed to expand the reach of VHHP funding include:

- Providing Technical Assistance to potential developers in non-urban areas
- Conducting Needs Analysis to identify underserved communities in non-urban areas
- Implementing a pilot program for underserved communities identified in the Needs Analysis
- Enhancing a coordinated outreach strategy utilizing CalVet facilities and a coordinated HCD/CalVet team
- Collaborating on inter-departmental application workshops
- Exploring ways to integrate complementary funding programs such as Affordable Housing Sustainable Communities and No Place Like Home

Serving Vulnerable Veteran Populations

One additional area of focus in Round 4 funding is to ensure the supportive services components included in projects are culturally sensitive and serve the needs of veterans who

are women, single parents, or victims of domestic violence. The Supportive Services Plan application is being revised to do the following:

- Require more detail on the service delivery model and providers of services
- Provide additional clarity through policies and procedures that will be adopted by providers
- Ensure the safety and security of vulnerable individuals through commitment to use best practices in service provision
- Communicate more clearly expectations for components of enhanced services

For additional information about the VHHP program, please contact the following program staff:

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