



Veterans Housing and Homelessness Prevention Program
Supportive Housing - Services Model
March 23, 2015

Prior to the release of the Veterans Housing and Homelessness Prevention (VHHP) Program, CSH convened a workgroup to explore service model options that can be utilized to support tenants in the supportive housing projects created through this new capital funding source. Comprised of representatives from the United States Department of Veterans Affairs (VA) as well as housing and service providers that serve veterans, the workgroup looked at existing VA and community resources to create sustainable models to meet the needs of the future tenants.

VHHP Program

Proposition 41, the Veterans Housing and Homelessness Prevention Bond Act of 2014 approved by California voters on June 3, 2014, authorizes \$600 million in state general obligation bonds to fund the development of affordable multifamily rental, Supportive and Transitional housing for veterans and their families through the Veteran Housing and Homeless Prevention (VHHP) Program. On February 20, 2015, the California Department of Housing and Community Development (HCD), in collaboration with the California Housing Finance Agency (CalHFA) and California Department of Veterans Affairs (CalVet), announced the availability of approximately \$75 million in funding through a competitive Notice of Funding Availability (NOFA).

The VHHP primary program goals, as included in the governing statute AB 639 and Proposition 41, include:

- Provide for the acquisition, construction, rehabilitation, and preservation of affordable multifamily Supportive Housing, affordable Transitional Housing, affordable rental housing or related facilities for veterans and their families to allow veterans to access and maintain housing stability;
- Establish and implement programs that focus on veterans at-risk for homelessness or experiencing temporary or chronic homelessness;
- Ensure at least 50 percent of funds awarded will provide housing to veteran households with extremely low-incomes. At least 60 percent of units will target extremely low-income households and shall be Supportive Housing; and
- Prioritize projects that combine housing and supportive services, including, but not limited to job training, mental health and drug treatment, case management, care coordination, and physical rehabilitation.

In order to help achieve the goal of housing veterans with the greatest need, the VHHP NOFA prioritizes projects that restrict at least 25 percent of the Assisted Units as supportive housing, as defined by the Program Guidelines. Projects that further target supportive housing units to veterans experiencing chronic homelessness, and then veterans with a disability experiencing homelessness, will receive additional consideration in scoring, with points maximized when targeted units are 50 percent of total VHHP Program-assisted units.

Further, as included in the VHHP Program Guidelines, released on February 18, 2015, the Program loans may have two tranches, a base tranche and an operating reserve offset tranche. The base tranche covers development budget gaps, excluding reserves that cover scheduled long-term operating deficits or supportive services. However, the second tranche, the operating reserve offset tranche, "covers development budget gaps which result from utilizing funds other than Program funds to capitalize a long-term operating reserve used solely to defray scheduled operating deficits for Assisted Supportive Housing Units restricted to Chronically Homeless Veterans or Veterans who are Homeless with a Disability (and not deficits in supportive services funding, beyond services coordination)". It is available only if the project includes such an operating reserve.

Providing Services to Veterans Experiencing Homelessness

Based on the most recent PIT count numbers, over 12,000 California veterans experienced homelessness on any given night in 2014. Although the individual veterans experiencing homelessness may be similar to non-veterans experiencing homelessness in some regards, service providers must understand the unique challenges faced by veterans and how to effectively address their mental and physical health, housing, and employment needs. This includes an understanding of the military experience, trauma, and other areas of particular relevance to veterans that are not shared by non-veterans. In addition, providers should have an understanding of the range of services and benefits available to veterans as well as an ability to assist veterans to access the full range of benefits and services available to them.

Although this paper is not able to address all of the various issues, we encourage those interested in developing supportive housing for veterans to familiarize themselves with the unique issues, challenges, demographics and subpopulation differences encountered in providing services to the wider veteran population. Issues include: military cultural competency, such as understanding the impact of serving in different branches of the military, as well as serving during different service eras; issues related to traumatic brain injury (TBI) and post-traumatic stress disorder (PTSD); serving female veterans and veterans with families; and also outreach and engagement of veterans who are wary of accessing services.

Service Models

In order to assist communities to prepare for this opportunity to develop supportive housing, it was important to design models to meet the needs of all veterans, regardless of discharge status, who are experiencing chronic homelessness. Furthermore, the VHHP Program Guidelines require that a minimum of ten percent of assisted units shall be prioritized for occupancy by veterans who are ineligible for VA healthcare and/or HUD-VASH. Therefore the workgroup looked at different rental subsidies and supportive services available in order to create models that would support all veterans, regardless of discharge status. Below is a summary of the types of rentals subsidies and services available by the different military service discharge type.

Discharge Status	Rental Subsidy	Case Management/ Service Coordination	Healthcare/ Mental Health	Other (Wellness, Eviction Prevention, QA)
Honorable / General	HUD-VASH Sec 8 PBV	VA & VASH- Contracted Agencies/ HCHV SSVF (9mos CTI)*	H-PACT / VA	VA / Philanthropy
Other Than Honorable (OTH)	Sec 8 PBV	SSVF (9mos CTI) Operating Revenue	FQHC DMH	Philanthropy
Dishonorable	Sec 8 PBV	DMH (VALOR)/ Operating Revenue	FQHC DMH	Philanthropy

*Cannot be utilized in combination with HUD-VASH assistance.

Rental Subsidies

In order to provide supportive housing to all veterans, the workgroup recommends mixing rental subsidy types within VHHP developments.

In most cases, veterans with an honorable or general discharge status are eligible to receive HUD-VASH rental subsidies. The federal government's Housing and Urban Development-Veterans Affairs Supportive Housing (HUD-VASH) Program is a collaborative program between HUD and VA where eligible homeless veterans receive a Housing Choice rental voucher from HUD, paired with VA providing case management and supportive services to sustain housing stability and recovery from physical and mental health problems, substance use disorders, and functional concerns contributing to or resulting from homelessness. HUD-VASH subscribes to the principles of the "Housing First" model of care. Housing First is a best practice model that has demonstrated that rapidly moving individuals into housing, and then wrapping supportive services around them as needed, helps homeless individuals exit from homelessness, remain stable in housing, and thus improves the client's ability and motivation to engage in treatment strategies. Program goals include housing stability while promoting maximum veteran recovery and independence in the community for the veteran and the veteran's family. Priority is given to those experiencing chronic homelessness. Veterans must be VA healthcare eligible to receive the permanent housing subsidy.

For veterans with an other-than-honorable (OTH) discharge status as well as for those with a dishonorable discharge status, project-based Housing Choice Section 8 can be utilized. Project-based vouchers are a component of a public housing agencies (PHAs) housing choice voucher program. A PHA can attach up to 20 percent of its voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set-aside a portion of the units in an existing development.

In addition, the VHHP program loans allow for an operating reserve offset tranche that can be drawn upon to cover an operating deficit in supportive housing projects. The operating reserve offset tranche is only available for assisted supportive housing units restricted to chronically homeless veterans or veterans who are homeless with a disability. The amount cannot exceed \$140,000 per supportive housing unit, and will need to last for a period not less than 17 years and not more than 20 years.

Supportive Services

For veterans with an honorable or general discharge status, who are VA healthcare eligible, the workgroup recommends a service model that relies primarily upon existing VA services. Along with the services paired with the HUD-VASH operating subsidy, as described above, the VA also contracts with local non-profit service providers to provide case management services to veterans under the HUD-VASH program as well.

In addition, the VA has programs such as the Homeless Patient Aligned Care Teams (H-PACT) that provide a coordinated "medical home" specifically tailored to the needs of homeless veterans. At selected VA facilities, veterans are assigned to an H-PACT care team that includes a primary care provider, nurse, social worker, homeless program staff and others who provide medical care, mental health services, case management, housing and social services assistance. The teams provide and coordinate the health care the veteran may need while assisting them in obtaining and staying in permanent housing.

Another VA program that provides case management and other services to veterans experiencing chronic homelessness is the Health Care for Homeless Veterans (HCHV) program. The central goal of HCHV programs is to reduce homelessness among veterans by engaging and connecting homeless veterans with health care and other needed services. HCHV programs provide outreach, case management and HCHV Contract Residential Services ensuring that chronically homeless Veterans, especially those with serious mental health diagnoses and/or substance use disorders, can be placed in VA or community-based programs that provide quality housing and services that meet the needs of these special populations.

For veterans with an honorable or general discharge status as well as those with an other-than-honorable discharge status, the workgroup recommends leveraging the Supportive Services for Veteran Families (SSVF) Program. The SSVF program provides flexible, time-limited supportive

services and financial assistance with the goal of achieving housing stability and preventing the return to homelessness. The workgroup proposed model envisions more intensive services to help support and stabilize the tenant during their first year of residency with a transition to greater community based service support thereafter. Please note that the SSVF service model described below cannot be utilized for veterans receiving HUD-VASH assistance.

Utilizing SSVF for CTI

During the first year, tenants often require a higher level of services to support their transition into housing and to strengthen linkages to the community. This transitional period is one in which people often have difficulty re-establishing themselves in stable living arrangements with access to needed supports.

Critical Time Intervention (CTI) is an empirically supported, time-limited case management model designed to support people with barriers to stability, such as mental illness, following discharge from hospitals, shelters, prisons and other institutions as well as from other periods of instability, such as living on the streets.

The principal goal of CTI is to prevent recurrent homelessness and other adverse outcomes during the period following placement into the community from shelters, hospitals, and other institutions. It does this in two main ways: by strengthening the individual's long-term ties to services, family, and friends; and by providing emotional and practical support during the critical time of transition. The first phase focuses on providing intensive support and assessing the resources that exist for the transition of care to community providers. The final phase of CTI focuses on completing the transfer of care to the community resources that will provide long-term support to the client. This focused, time-limited assistance approach, provided during the critical period of the first 9 to 12 months, has achieved enduring positive impacts.

Given the time-limited nature of SSVF, it is ideally suited for the provision of the CTI model. Funded by the United States Department of Veterans Affairs (VA), the SSVF program provides supportive services to very low-income Veterans households in or transitioning to permanent housing. Funds are granted to non-profit organizations that provide services to homeless Veterans. Veterans experiencing, or at imminent risk of homelessness, with any discharge status, other than dishonorable, are eligible to receive services under the SSVF program.

SSVF regulations prioritize services to those who are currently homeless, and reflect SSVF's emphasis on short-term, crisis intervention. However, the program has been utilized in cities such as New Orleans and Phoenix to provide CTI services. Ideally veterans should be referred to SSVF providers prior to placement so they would still be classified as homeless. Also, after veteran households are placed, they would still need to be re-certified for eligibility every 90 days. As long as it can be determined that "but for" the SSVF assistance, this veteran/veteran family would fall back into homelessness and the grantee can document this "but for" criteria,

they could remain enrolled. For many of these recently placed households, particularly those who have been chronically homeless or have significant health or mental health needs, SSVF grantees should be able to re-certify this need for at least one additional 90 day period. Agencies currently SSVF funds can request a contract amendment to include CTI services as part of their scope of work under their contract.

After the first year, as residents achieve greater stability and long-term supports to the residents have been established through community resources, the level and intensity of services provided on-site diminishes.

For those who are not eligible for VA healthcare benefits, a combination of community services with project generated operating revenue and private funding can create a sustainable model. On-going service coordination can be funded from operating revenue which can be derived from project-based Section 8 rental vouchers and utilization of the operating reserve offset tranche. The use of vouchers provides access to a higher level of revenues that can be used to fund services at the site level. This is a critical funding source as it assures that the project will have services funding so long as the vouchers are in place. Additionally, VHHP supportive service coordination costs can be paid as a project operating expense up to a specified maximum dependent upon the population served. Through this means, it is quite feasible for a project to fund a full time supportive service coordination position.

In addition, community resources that can provide long-term support to the client, including healthcare and mental health services, are available from public systems. This includes health services through Federally Qualified Health Centers (FQHCs). FQHC's are Medicaid-funded, neighborhood-based health service providers that are charged to serve underserved persons in their targeted area and much provide more than primary health care services, including behavioral health, nutritional counseling and some case management. Additionally, veterans who are not VA healthcare eligible, may be Medi-Cal eligible and receive services through Managed Care Organizations.

Mental health services are provided through the Department of Mental Health. DMH's Full Service Partnership (FSP) programs are designed for individuals who have been diagnosed with a severe mental illness and would benefit from an intensive service program. Partnerships embrace client driven services and supports with each client choosing services based on individual needs. Unique to FSP programs are a low staff to client ratio, a 24/7 crisis availability and a team approach that is a partnership between mental health staff and consumers.

Additionally, the Projects for Assistance in Transition from Homelessness (PATH) program is available in many communities. The program is administered by the Center for Mental Health Services, a component of the Substance Abuse and Mental Health Services Administration (SAMHSA), which is one of eight Public Health Service agencies within the U.S. Department of

Health and Human Services. PATH provides services, including case management, to people with serious mental illness, including those with co-occurring substance use disorders, who are experiencing homelessness or at imminent risk of becoming homeless.

Many counties also have programs targeted to veterans who cannot access VA health benefits for various reasons. In Los Angeles, one such program is DMH's VALOR program, which provides case management and mental health services to veterans with mental illness and who are homeless, is available to support veterans placed into supportive housing.

