



Breaking New Ground

Valor House

Building a Housing Partnership for
Homeless Veterans in Missoula, MT

Prepared for:
Governor's Housing Conference
Hampton, VA
November 2008





Valor House





In the beginning

- VA Capital & Per Diem Grant
 - Montana given priority as one of seven states with no Capital & Per Diem Grant
 - Two weeks to secure a site, plan supportive services, write grant
 - NOT recommended!





Three elements to grant

- Capital grant pays for 65% of acquisition/development cost
- Per diem grant for each night of stay by eligible vet
- Service Center referrals for vets not residing in building





The Players

- **Missoula Housing Authority**
 - Development experience, voucher administration, and property management
- **Poverello Center – homeless shelter**
 - Experience working with homeless vets
 - Per diem program in place at shelter
- **Veterans Advisory Group**
 - Input on building design & programming
- **VA Liaison**
 - Grant administration and planning assistance





Funding sources

- Construction
 - VA Capital Grant (65%)
 - MHA Development Fund
 - Created through 2002 sale of 45 public housing units
 - Northwestern Energy grant
 - Energy efficiency measures
 - Donations
 - Furnishings



Construction budget

Uses		
Land		\$343,852
Construction		\$1,167,131
Soft costs		\$124,017
Total Uses		\$1,678,090
Sources		
VA		\$989,364
MHA Development Fund		\$637,507
NorthWestern Energy		\$36,007
Fund raising		\$15,212
Total Sources		\$1,678,090





A new concept

- We proposed full one-bedroom apartments with communal spaces
 - Many per diem residences are dorm style with some communal facilities – short term transitional
 - This would be interim step between short term and permanent housing
 - Year-long lease to provide stability





A unique combination

- Combine VA per diem with HUD project-based voucher subsidy
 - VA per diem grant
 - 24 hour supportive services
 - PBVs from MHA's tenant-based program
 - Building operations & voucher administration
 - Per diem programs we researched typically had other sources of funding – state, local resources or substantial annual donations
 - None of these sources are available in Montana





A unique combination

- Other advantages of using PBVs
 - Vets could enroll in Family Self-Sufficiency Program and build escrow accounts
 - Eligible for tenant-based voucher after one year to transition to more permanent housing



Community process



- Original site was an existing downtown apartment building across the street from Poverello Center –
 - acquisition/rehab





A BIG problem

- Downtown merchants vigorously opposed
- Non-profit community upset at not being included in planning process
 - Our reminder that we had only two weeks to write grant was not persuasive ☹️



A new site

- Site moved away from downtown, but closer to VA's satellite medical facility
- Second application submitted to move site & develop as new construction





Library



TV/Movie Room





Apartment kitchen





Project Based Voucher process

- Issued RFP for PBVs – 2005
 - Second RFP issued by MHA (first in 2004)
 - Educational meetings held for Board and housing developers to define, demonstrate how they could be used, benefits provided for new and existing projects
 - HUD approval of RFP
 - 25 vouchers for existing housing
 - 5 vouchers for new construction





PBV process

- Vouchers awarded:
 - 17 existing to Valor House
 - Eligible for 100% project-basing because of intensive supportive services program attached
 - 5 new construction to Union Place
 - Private tax credit developer
 - Subsidy layering review after award of vouchers





Another problem

- Site change created conflict with VA over site of Service Center
 - In both applications Poverello Center was to be Service Center site
 - Existing per diem program
 - One of the main points of entry for homeless vets in Missoula
 - VA would not allow Service Center at Pov – had to be on-site at Valor House





And yet another problem

- Member of Veterans Advisory Group and VA Liaison concerned about combining per diem and PBV
 - Ultimately determined by HUD and VA that it is permissible 😊
 - PBV for building operations
 - VA Per diem for supportive services





Supportive services

- Vets who qualify for disability get medical & mental health services from VA
- MHA contracts with Poverello for other 24 hour staffing, supportive services, and runs service center at Valor.





Supportive services

- Health stabilization
- Obtaining VA or other benefits
- Family reunification
- Basic skills (cooking, sewing, budgeting)
- Improving skills, education and/or training for employment
- Socialization & reintegration into community
- Preparing for move to private market housing, either rental or homeownership
- IDA accounts to supplement FSS escrows, or for those who cannot work





Lessons learned

- Reach out to neighborhood and other social service agencies early in process
 - An informed community is a happy community – and you may save a lot of time and energy
 - You will be expected to partner with other agencies to ensure appropriate case management





Lessons learned

- Your grant application becomes your contract with VA
 - Except when they decide it's not – as with the location of Service Center!
- Plan your supportive services program carefully - changing it may be difficult
- Use flexible language that allows you to test and tweak your program





Flexible language

- Example: if you say you have a zero tolerance building there is no second chance for vet who falls off wagon unless you submit a Change in Scope to the VA for approval.





Lessons learned

- **Make friends with your VA liaison!**
 - “Your program is only as good as your liaison”
 - Liaison has authority for decision-making and interpretation of regulations
 - Determines per diem program eligibility, approves passes, monitors case files, participates in inspections, removes people from program for non-compliance
 - Determines your compliance with grant!





Liaison

- Our 1st liaison was grant administrator as well as VA case manager
 - Inherent conflict of interest created
 - e.g. As case manager, liaison received reports of drug sales on property, but could not tell us from whom or who was suspected of selling because of privacy issues
 - As grant administrator warned us that this was in violation of our grant and VA could suspend our per diem payments





Lessons learned

- Choose your service provider carefully
 - Service provider is named in grant and scoring is, in part, determined by the experience of the service provider (and/or you) in working with homeless vets
 - The VA probably will not be receptive to a change in service provider unless there are egregious violations of your contract – and they must be documented





Lessons learned

- Have tracking mechanisms in place
- VA relies heavily on statistical data
- You will be expected to track and document target numbers identified in your grant application





Statistics

- 100% will perform daily volunteer work around facility and grounds
- 90% will investigate opportunities for disability/VA/SSI benefits if appropriate
- 70% will seek job training or volunteer opportunities in community
- 50% who obtain employment will keep job for at least six months
- 10% will take job training, consumer credit counseling or educational courses





Lessons learned

- Be aware there may be conflicts between state or other regulations and VA regulations
 - Who has jurisdiction?
 - e.g. VA may expect non-compliant resident to be evicted immediately – this is typical in many per diem programs – but you have a lease
 - e.g. MHA has contract with service provider, but if MHA determines provider is not meeting contractual obligations, VA may have different expectations and determine they are. You must have VA permission to change your service provider from whoever you named in your grant.





Lessons learned

- Case manager is critical to success of program
 - Liaison will look to case manager for recommendations on admissions, passes, removal from program, etc.
 - Vets leave program rather than work with someone they don't trust, perceive to be disrespectful or discriminatory, or with whom they feel they cannot build relationship





Lessons learned

- Define separation of responsibility between case manager & property manager early and often
 - VA's most frequent contact will be with case manager, but if you contract for services, VA contract responsibility is yours.
 - Program compliance is purview of case management
 - Lease compliance and building issues are purview of owner/property manager





Formerly homeless

- 59 vets served since Valor House opened in September 2005
 - 8 transitioned to permanent MHA assisted housing
- Family Self-Sufficiency
 - 8 vets currently enrolled
 - Escrow accounts range from \$33 - \$416/mo
 - 1 graduate with escrow over \$1000
 - 1 current resident about to become home-owner





What about VASH?

- Montana awarded 35 VASH vouchers
- Administered through the State of MT
- 5-10 will be allocated to Missoula
- Natural progression from Valor to VASH
- Vets ready to leave before 1-year wait for tenant-based voucher is up can move with assistance sooner
- VASH vets will be encouraged to participate in Valor's social, education & training programs





What about VASH?

- Great opportunity to partner with State and VA to house as many homeless vets as possible
 - We are considering applying for another Capital grant for lot adjacent to Valor if it would be eligible for project-based VASH vouchers.
 - VA has indicated they want 2- and 3-bedroom units to house families





National Housing Trust Fund

- Funded by Fannie Mae & Freddie Mac
- Grants to states will start in 2010
- Minimum of \$3 million state allocation
- 10% for administration
- Up to 10% for first-time homeownership
 - Up to 50% AMI
- 80% for rental housing production, preservation, rehab & operating
 - 75% must benefit 30% AMI & below
 - 25% for 30.1 – 50% AMI





Neighborhood Stabilization Program

- Montana to receive 19.6 million
- To benefit households up to 120% AMI
- 25% reserved for purchase of abandoned/foreclosed properties used to house families at 50% AMI and below
- Purchase, rehabilitate, demolish, redevelop abandoned and foreclosed properties





Only 120,000 left to house

- VA estimates over 140,000 homeless vets
 - 1st allocation of \$75 million for VASH will house approx. 10,000 vets
 - 2nd anticipated allocation of \$75 million will house another 10,000 vets
 - Valor House provides 17 apartments for formerly homeless vets in Missoula.
 - Other permanent housing programs?

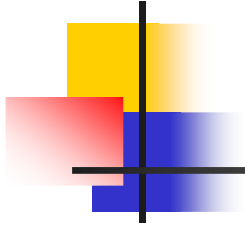




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