Health and Housing Strategy for Virginians with Serious Mental Illness:
A Report to the General Assembly

Submitted by Department of Housing and Community Development – January 2022

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Executive Summary

In 2017, the General Assembly requested the Department of Housing and Community Development (DHCD) work with state agencies and other stakeholders to develop and implement strategies to expand PSH for individuals with SMI. Permanent Supportive Housing (PSH) is an evidence-based practice that meets the housing preferences of many individuals with serious mental illness (SMI) and demonstrates positive outcomes such as reduced hospitalizations and homelessness, increased housing stability, and improved behavioral and physical health. This fourth report to the General Assembly provides the state's 2021 accomplishments as well as recommendations to continue to expand PSH to meet the long-term 5,000-unit need for PSH.

In order to enhance cross agency collaboration, the PSH Steering Committee was formed, which is composed of representatives from multiple state agencies. For a full list of the agencies and steering committee members, please see Appendix B. The PSH Steering Committee has five goals to continue to expand PSH:

- Goal #1 - Increase Services and Supports to Assist Individuals with SMI to Gain Access to and Maintain Supportive Housing
- Goal #2 - Provide Capital Subsidies to Expand PSH
- Goal #3 - Increase Rental Assistance to make Units Affordable
- Goal #4 - Increase PSH through Preferential Access to Existing Affordable Housing Programs
- Goal #5 - Strategies to Increase PSH through Enhancing System Capacity

The Committee developed a three-year Action Plan with 57 specific strategies and action items to reach these goals. The Interagency Leadership Team (ILT) approved the Action Plan. The Lead state agencies designated for the strategies provide regular updates that will be shared with the Housing Virginians with SMI Strategy Group.

Working collaboratively, the state agencies that comprise the PSH Steering Committee made significant progress towards meeting each of these goals. Highlights of the FY 21 accomplishments include:

Success Towards Overall Goal of 5,000 PSH Units: As of Fiscal Year 2021, the state has developed 1,746 or 31 percent of the approximately 5,000 PSH units needed. This includes

- 1,557 PSH SMI units funded by state general funds appropriated to DBHDS,
- 120 Auxiliary Grant in Supportive Housing (AGSH) units, and
- 69 leveraged HUD Mainstream vouchers.

DBHDS PSH SMI Program Outcomes: Outcomes for the 1,129 individual participants in the PSH SMI program, who were housed between February 6, 2016 and February 29, 2020 include:

- One hundred seventy-four individuals were discharged from a state behavioral health hospital into DBHDS PSH, and overall, 263 individuals in PSH had a state hospital admission in the year before move-in.
- PSH providers are effectively prioritizing individuals with extensive histories of homelessness and repeated, long-term use of institutional care before move-in.
- Eighty-seven percent of individuals served in PSH remained stably housed for at least one year.
- Only 7 percent of those served have been discharged to an institutional setting or higher level of care.
- State hospital utilization decreased 76 percent the year after PSH move-in, resulting in avoided costs of $12.2 million.

***VH Leasing Preference*:** In order to have a more significant impact, VH modified its CY19 Qualified Allocation Plan to require that every development awarded 9% LIHTC as well as 4% tax credit funding provide a PSH leasing preference for 10 percent of its units. In 2021, this resulted in tax credit awards for 173 preference units; 1,730 total units through the 9% and 251 preference units; 2,501 total units through the 4% program.

Virginia Housing Trust Fund (VHTF): For the 2020-2021 program year, DHCD received two-times the amount requested in 2019-2020, increasing from $3.1 million requested to $6.4 million requested. Historic increases made to the VHTF during the Special Session of the 2020 General Assembly allowed a total of 37 projects to be funded. The selected projects resulted in 102 targeted community efforts to reduce homelessness, including 15 rapid re-housing (RRH) projects, 12 permanent supportive housing (PSH) projects, nine innovative and pilot projects to serve older adults and unaccompanied youth ages 18-24 and two projects for the pre-development of permanent supportive housing. These projects are currently being implemented. In FY20 and FY21, DHCD's homeless reduction grants served 477 households in the rapid rehousing program and 382 households in permanent supportive housing programs.

In addition to those households served by the homelessness reduction grants, the VHTF also funded 25 projects in FY20 and FY21 that will produce and estimated 383 permanent supportive housing units. Among the VHTF allocation, $500,000 will be allocated for PSH predevelopment grants, supporting the development of future PSH units.

Mainstream Voucher Program: With the support of the state agencies, local Virginia Public Housing Agencies leveraged 1,071 federally-funded vouchers to serve non-elderly people with disabilities who are homeless, institutionalized, at risk of either condition, or who will move on from a PSH/Rapid Rehousing program

***Building and Transforming Coverage, Services, and Supports for a Healthier Virginia Waiver*:** CMS approved Virginia's High Needs Support benefit, which DMAS now expects to implement on July 1, 2024, will provide critical housing and employment support services to the

Commonwealth's high need Medicaid members, to address the social and environmental needs that impact health, wellbeing, and medical expenditures.

It is important to note that the state agencies that comprise the PSH Steering Committee were able to not only safely operate but continued to expand PSH programs for people with SMI and other vulnerable populations during the COVID-19 pandemic. This is a testament to the agencies' collaborative relationships as well as the deep commitment of the staff.

Meeting the long-term need for PSH will require the continued support of leadership and the commitment of state and local public and private entities to make rental units available and affordable, to target those units to individuals in the state's priority populations, and to provide readily accessible supportive services through the ongoing development of systems capacity and sustainable funding strategies.

Annual Report on Housing Strategies for the Seriously Mentally Ill

The following report complies with 2021 Budget Bill (Special Session I) language Item 113--Commerce and Trade – Department of Housing and Community Development

"H. The Department of Housing and Community Development (DHCD) shall develop and implement strategies, that may include potential Medicaid financing, for housing individuals with serious mental illness. DHCD shall include other agencies in the development of such strategies including the Virginia Housing Development Authority, Department of Behavioral Health and Developmental Services, Department for Aging and Rehabilitative Services, Department of Medical Assistance Services, and Department of Social Services. The Department shall also include stakeholders whose constituents have an interest in expanding supportive housing for people with serious mental illness, including the National Alliance on Mental Illness Virginia, the Virginia Housing Alliance and the Virginia Sheriff's Association. An annual report on such strategies and the progress on implementation shall be provided to the Chairmen of the House Appropriations and Senate Finance Committees by the first day of each General Assembly Regular Session."

Background

General Assembly Request

Item 108 (H) of Chapter 836 of the 2017 Acts of Assembly (also known as the budget bill) charged the Department of Housing and Community Development (DHCD) with developing and implementing strategies to increase permanent supportive housing (PSH) for individuals with serious mental illness (SMI). The General Assembly budget language indicated that strategies could potentially include Medicaid financing and directed DHCD to include other agencies in the development of strategies, naming Virginia Housing (VH), Department of Behavioral Health and Developmental Services (DBHDS), Department for Aging and Rehabilitative Services (DARS), Department of Medical Assistance Services (DMAS), and Department of Social Services (DSS) (Item 108 H). Direction for this effort has been provided on two levels – through the Interagency Leadership Team (ILT), comprised of heads of the agencies described above and through the Permanent Supportive Housing (PSH) Steering Committee comprised of program directors and managers of the same agencies.

Further, the General Assembly required DHCD to include stakeholders whose constituents have an interest in expanding supportive housing for individuals with SMI, naming the National Alliance on Mental Illness Virginia, the Virginia Housing Alliance and the Virginia Sheriff's Association. Finally, the budget language required DHCD to provide an annual report on such strategies and the progress on implementation to the Chairmen of the House Appropriations and Senate Finance Committees. This report is the fourth DHCD report to the General Assembly in response to its charge to develop PSH strategies. The 2018-2021 reports can be found here:

- https://rga.lis.virginia.gov/Published/2018/RD12
- https://rga.lis.virginia.gov/Published/2019/RD100
- https://rga.lis.virginia.gov/Published/2020/RD10
- https://rga.lis.virginia.gov/Published/2021/RD50/PDF

Permanent Supportive Housing

What is PSH?

The U.S. Substance Abuse and Mental Health Services Administration (SAMHSA) describes PSH as "decent, safe, and affordable community-based housing that provides tenants with the rights of tenancy under state and local landlord tenant laws and is linked to voluntary and flexible supports and services designed to meet tenants' needs and preferences.[1]" PSH is affordable rental housing that may be scattered site or single site. Support services are available to tenants but not required and PSH is not a treatment setting. PSH is a cross-system approach that requires tactical use of resources.

Housing must be safe, decent and affordable. Housing affordability is a critical issue for states working to comply with Americans with Disabilities Act of 1990, as amended (ADA) requirements because most individuals with significant disabilities rely primarily on federal Supplemental Security Income (SSI) payments that average only 20 percent of median income nationally. Nowhere in the U.S. can a person with a disability on SSI afford housing at the Fair Market Rate[2]. Affordability is created with capital to write down the cost of acquisition, development or rehabilitation of housing and rental or operating assistance to ensure tenants pay only what they can afford for rent. The tenant's limited income also means it is difficult to save for payment of a security deposit, utility hook-ups or furnishings and tenants often need assistance with these one-time costs as well.

Services are essential to assist individuals with SMI in gaining access to and transitioning to housing, and for successfully sustaining PSH. PSH programs generally provide tenancy supports to help individuals maintain successful tenancies and connect tenants with community-based organizations for health care, mental health, substance abuse (mental health and substance abuse hereafter collectively referred to as behavioral health) and other services. States have options for how to deliver and fund PSH services. It is critical to ensure services are readily available when needed and available for a long as the individual wants and needs them.

System Supports are essential, to serve as the "glue" that makes PSH work. The delivery of housing and services requires the collaboration of systems that use different language, rely on different funding sources and have different measures of accountability. Collaboration and strategic planning at multiple levels including the state, regional, and local are critical to the development and management of system supports. Each system's roles and responsibilities

[1] SAMHSA (2010). Permanent Supportive Housing Evidence-Based Practices (EBP) Kit. PowerPoint Presentation. Retrieved from http://store.samhsa.gov/product/SMA10-4510

[2] Technical Assistance Collaborative. (nd) Priced Out. Retrieved from http://www.tacinc.org/knowledge-resources/priced-out-v2/

need to be clear and accountable at the planning stage to ensure the needed collaboration and communication is functional when programs are ready for implementation.

An Evidence-Based Practice

SAMHSA has identified PSH as an evidence-based practice (EBP) for individuals with SMI. Research has shown the cost-effectiveness of the PSH model, particularly for people with extensive or complex needs such as those with co-occurring mental health and substance use disorder conditions who often experience homelessness, or who are frequent users of costly institutional and emergency care[3]. Research has also demonstrated positive impacts of PSH on housing stability, health, and behavioral health[4]. In one review of existing research studies, a consistent finding emerged that the "provision of housing had a strong, positive effect in promoting housing stability and reducing homelessness."[5]

Other federal agencies, including the Department of Housing and Urban Development (HUD), the Center for Medicare and Medicaid Services (CMS), the Department of Justice (DOJ), and the US Interagency Council on Homelessness (USICH) recognize PSH as a best practice. HUD and CMS for example, have programs or projects in place to promote PSH. HUD has provided funds annually to Continuums of Care serving chronically homeless individuals – the vast majority of whom have SMI - to expand PSH. As costs for institutional settings have grown, and alternative service approaches emerged, CMS recognized and promoted options for states to shift, when appropriate, the care of individuals in nursing facilities and intermediate care facilities for individuals with intellectual disabilities (ICF-IIDs) to more inclusive and less costly community-based alternatives. Initiatives such as Money Follows the Person and the Balancing Incentive Program, as well as Home and Community-Based Services (HCBS) Waivers became popular tools to assist states in reducing reliance on institutional settings. In January 2014, CMS put in place the HCBS Waiver "Settings Rule" that provided strong incentives for state Medicaid agencies and their Mental Health and Intellectual/Developmental Disabilities counterparts to develop and promote integrated community-based housing for individuals with disabilities. In June 2015, CMS issued an Informational Bulletin clarifying that while Medicaid cannot pay for

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[3] Culhane, D. P. et al. (2002). Public service reductions associated with placement of homeless persons with severe mental illness in supportive housing. *Housing Policy Debate*, *13*(1):107–163

Larimer, M. E. (2009). Health care and public service use and costs before and after provision of housing for chronically homeless persons with severe alcohol problems. *The Journal of the American Medical Association 301*(13):1349
Chalmers McLaughlin, T. (2010). Using common themes: Cost-effectiveness of permanent supported housing for people with mental illness. *Research on Social Work Practice*, *21*(4):404–411.

[4] Rog, D. et al. (2014). Permanent supportive housing: Assessing the evidence. *Psychiatric Services 65*(3):287-294

Padgett, et al. (2011). Substance use outcomes among homeless clients with serious mental illness: Comparing Housing First with Treatment First programs. *Community Mental Health Journal 47*(2):227–232.
Wolitski et al. (2009). Randomized trial of the effects of housing assistance on the health and risk behaviors of homeless and unstably housed people living with HIV. *AIDS and Behavior 14*(3):493–503.

[5] Rog, D. et al. (2013). Permanent supportive housing: Assessing the evidence. *Psychiatric Services 65*(3):290.

room and board, the program can assist states with coverage of certain housing-related activities and services.[6] The bulletin was intended to assist states in designing Medicaid benefits, and to clarify the circumstances under which Medicaid reimburses for certain housing-related activities, with the goal of promoting community integration for individuals with disabilities, older adults needing long-term services and supports (LTSS), and those experiencing chronic homelessness.

Prioritizing the housing needs of individuals with disabilities who are institutionalized or homeless is not only the most cost-effective strategy for states and the federal government, it is also a requirement of the ADA. States are increasingly moving toward expansion of PSH within their housing and services continuums because of its alignment with the ADA's integration mandate, as well as with housing preferences and choices for many individuals with SMI in particular. This is especially true where lack of availability or lack of access to such options, due in part to a history of reliance on congregate or institutional settings, seriously limits the housing choices of individuals with disabilities.

Why is a PSH Housing and Services Strategy Important for Virginia?

PSH can be a valuable tool to help the Commonwealth of Virginia address a number of public policy challenges. First, Virginia has implemented Medicaid expansion, affording access to health care for up to 400,000 low-income qualifying Virginia residents. Based on other states' experiences, it is estimated that as many as 35 percent of these individuals will have significant chronic physical and behavioral health conditions that have previously been un-treated or under-treated due to their lack of coverage. Many of these individuals are likely to be unstably housed, adding to the myriad of needs to be addressed to improve their health. In addition to the array of support services now available to them through Medicaid, PSH can help by improving housing stability, leading to more effective use of healthcare services for this newly covered population.

Development of a housing and services strategy for individuals with SMI is also important to the Commonwealth because it will facilitate the timely discharge of individuals from state psychiatric beds and prevent returns to inpatient care. Virginia is experiencing a census crisis in its state hospitals due to "bed of last resort" legislation, which has left those hospitals shouldering a disproportionate share of temporary detention order admissions. Lack of affordable housing with robust supportive services is a commonly cited barrier to discharge. PSH is widely recognized as a critical resource to assist states with ensuring individuals are supported in the least restrictive setting, as required by the Olmstead decision, and with reducing the use of costly inpatient care.

[6] Center for Medicaid and Chip Services. (June 2015). Coverage of Housing-Related Activities and Services for Individuals with Disabilities. Retrieved from https://www.medicaid.gov/federal-policy-guidance/downloads/cib-06-26-2015.pdf

PSH can help the subpopulation of people with SMI exit homelessness more quickly and successfully. Due to the COVID-19 pandemic, CoCs were extended waivers to modify their Point-In-Time Count procedures. To ensure the safety of those engaged in conducting the count, communities were able to opt out of collecting data that required face-to-face interviews. Due to the limited involvement of volunteers to prevent the spread of COVID-19, the 2021 PIT count numbers may be inaccurate in depicting the full number of individuals experiencing homelessness. As illustrated in Figure 1 below, between CY2010 and CY2021 overall homelessness in Virginia has decreased 34 percent. As illustrated in Figure 2 below, in the 2021 PIT count, there were 4,496 adults experiencing homelessness. Of these adults, 26% were chronically homeless, six percent were veterans, 14% were survivors of domestic violence, 14% had a substance use disorder, and 26% has a serious mental illness.

Figure 1

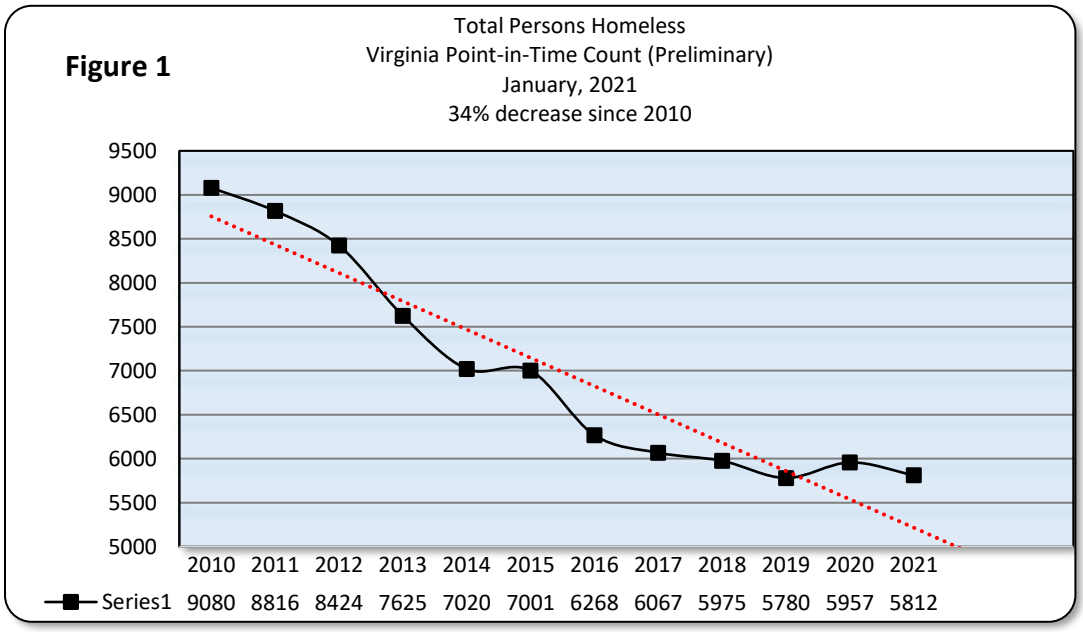
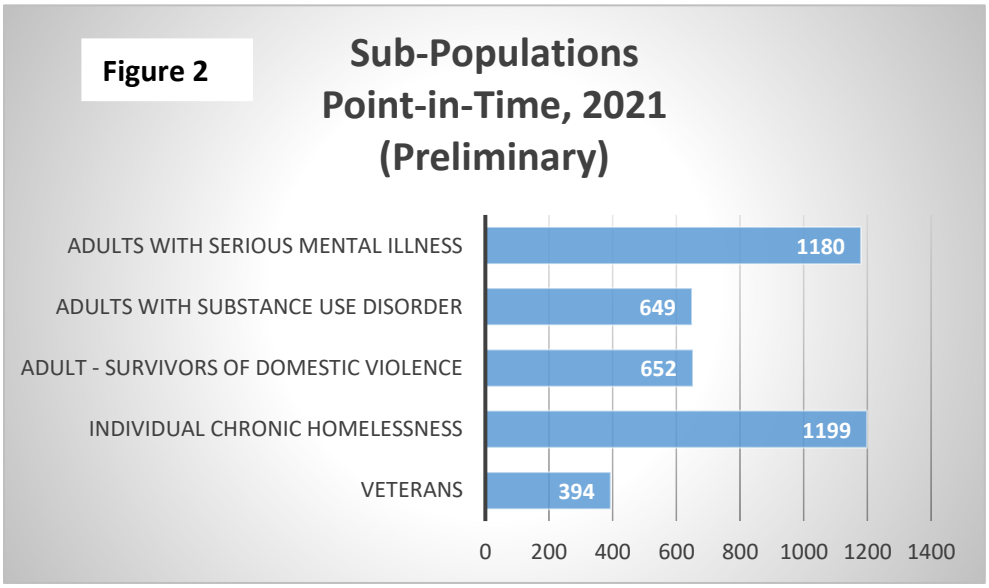


Figure 2



Virginia's criminal justice system would also benefit considerably from additional PSH capacity. For justice system-involved individuals with SMI, and co-occurring substance use disorders (SUD), housing is critical for successful re-entry into the community and sustained recovery over time. Without safe, affordable housing and appropriate community supports, individuals with behavioral health disorders are less likely to remain in recovery and more likely to come back into contact with the criminal justice system, become re-incarcerated, or even hospitalized.

Item 394 (J), Chapter 854 of the 2019 Acts of Assembly continued funding for the Jail Mental Health Pilot Program. The Act required the pilot sites to report quarterly performance data, to include the provision of appropriate services to jail mental health pilot participants after release, and the number of inmates re-arrested or re-incarcerated within 90 days after release.

Initial recidivism findings were provided from five of the six participating jails in the FY20 report. The data, while significantly limited, revealed that 18% of the program inmates returned to jail within 90 days after release, and 82% did not return within that time frame. Some projects shared examples of successful re-entry by program participants, attributing these successes to individuals rebuilding support systems, obtaining housing and employment, getting needed medication and restoring benefits. Overall, provision of aftercare services improved. Notably, in contrast to FY2019, the number of inmates who were provided housing post release reportedly increased from the first quarter of FY2020 to the fourth quarter of FY2020. However, the FY20 Report indicated that "finding safe and affordable housing for program participants….was a major difficulty in FY2019, and continued to challenge staff throughout FY2020."[7] The report emphasized that obtaining housing, among other supports, is essential to successful re-entry and reducing recidivism.

Assessing Cost Avoidance

A housing and services strategy is also important because national and state data suggest that PSH results in some public cost avoidance.

Opportunities for Cost Avoidance for Virginia as a Result of Increased PSH Data Reflecting the National Experience

Studies demonstrate that providing PSH can help achieve significant savings by reducing avoidable emergency department (ED) visits, hospitalizations, readmissions, and other health care costs – particularly when the assistance is targeted to the most high-cost and highly vulnerable Medicaid beneficiaries experiencing homelessness.[8] Combining affordable housing

[7] Virginia Department of Criminal Justice Services. (January 2021). https://rga.lis.virginia.gov/Published/2021/RD68/PDF
[8] See The Commonwealth Fund (2014) *In Focus: Using Housing to Improve Health and Reduce the Cost of Caring for the Homeless*. Retrieved from http://www.commonwealthfund.org/publications/newsletters/quality-matters/2014/october-november/in-focus and http://aspe.hhs.gov/daltcp/reports/2011/ChrHomlr.pdf

with intensive services, including help finding housing, working with a landlord, accessing physical and behavioral health care, and finding employment, for a high-needs group saved an average of $6,000 a year per person in health care: 23 percent fewer days in hospitals, 33 percent fewer ED visits, and 42 percent fewer days in nursing homes.[9]

Data Reflecting Virginia Experiences

Virginia has also conducted evaluations of its own PSH programs and generated findings consistent with national research. DBHDS has been operating PSH for adults with serious mental illness with targeted state general funds since 2016.

Before moving into DBHDS PSH, individuals have had long histories of homelessness as well as crisis contacts and institutional care resulting in multi-system involvement, poor outcomes, and failed interventions. After move-in into DBHDS PSH, individuals experienced dramatically improved housing stability and reduced utilization of inpatient care.

Outcomes for the 1,129 individual participants in the PSH SMI program, who were housed between February 6, 2016 and February 29, 2020 include:

- One hundred seventy-four individuals were discharged from a state behavioral health hospital into DBHDS PSH, and overall, 263 individuals in PSH had a state hospital admission in the year before move-in.
- PSH providers are effectively prioritizing individuals with extensive histories of homelessness and repeated, long-term use of institutional care before move-in.
- Eighty-seven percent of individuals served in PSH remained stably housed.
- Only 7 percent of those served have been discharged to an institutional setting or higher level of care.
- State hospital utilization decreased 76 percent the year after PSH move-in, resulting in avoided costs of $12.2 million.

Of note, updated outcome data will be available in the spring of 2022.

The 2018 Mental Illness in Jails Report analyzed data on the 27,044 individuals incarcerated in Virginia's jails in June 2018. Nearly twenty percent were known or suspected to have a mental illness. Further, 10.42 percent of inmates had an SMI. The reported percentage of inmates with SMI has increased nearly 74 percent since 2011. Jails also identified 875 inmates who were homeless, 377 of whom had a mental illness and 277 of whom had a mental illness and co-occurring substance use disorder. Fiscal Year 2018 jail behavioral health costs were reported at $23.2 million for the jails that responded to the Compensation Board's survey.

[9] Parekh, A & Krustick, C. (November 2017) Building the Case: Low-Income Housing Tax Credits and Health, Bipartisan Policy Center.

Estimates of PSH Need for Virginians with SMI

The benefits of PSH have been recognized by the General Assembly and Governor Northam. In 2017, the General Assembly requested the Department of Housing and Community Development (DHCD) work with state agencies and other stakeholders to develop and implement strategies to expand PSH for individuals with SMI. By including the High Needs Support Benefit, which includes supportive housing as well as supportive employment, as part of Virginia's Medicaid expansion, the General Assembly acknowledged the important role PSH does and can play for Virginian's with disabilities, including SMI.

In November 2018, Governor Ralph Northam issued Executive Order 25, recognizing Virginia's unmet housing needs and highlighting the need for PSH as one of his three top priorities. At the request of the Deeds Commission, DBHDS assessed the number of adults with serious mental illness who need PSH to address extreme crises such as long-term homelessness, institutionalization, and frequent use of emergency services and criminal justice interventions. DBHDS's assessment established a need for 5,000 PSH units. This is consistent with Executive Order 25 and is supported by the Administration's Housing and Supportive Services Interagency Leadership Team (ILT).

Table 1 illustrates how DBHDS arrived at the need for estimated 5,000 additional PSH units for Virginians with SMI. It is important to note that while many individuals with SMI would benefit from PSH, DBHDS' estimate of need below includes only those who need PSH to address extreme crises such as long-term homelessness, institutionalization, and frequent use of emergency services and criminal justice interventions.

Table 1: DBHDS Estimates of Need for PSH for Persons with SMI

Current Status of Individual	Number of Persons with SMI	Data Source
Homeless	516[10]	The State of PSH in Virginia, 2015 (Virginia Housing Alliance)
Jail	1,056	Mental Illness in Jails Report (Virginia Compensation Board, 2015)
Assisted Living Facility	824	Auxiliary Grant payments to localities (2016 Estimate of SMI based on AG recipients

[10] The 2017 PIT for the State of Virginia (combined data from all Virginia Continua of Care) is 611 persons in shelters and 251 unsheltered persons for a total of 862 homeless individuals with SMI.

Current Status of Individual	Number of Persons with SMI	Data Source
		in one month as provided by DARS)
Unstably Housed - Top 20 percent highest utilizers of crisis and emergency services	2,684 (including 464 individuals with a state psychiatric facility stay)	Community Services Board (CSB) CCS_3 data submissions (DBHDS, 2016)

PSH as of Fiscal Year 2021

As of the end of FY21, approximately 1,746 or 31 percent of the approximately 5,000 PSH units needed were developed. This includes

- 1,557 PSH SMI units
- 120 Auxiliary Grant in Supportive Housing (AGSH) units
- 69 leveraged Mainstream vouchers

Note that the 5,000-unit estimate of need is based on 2016 data that has not yet been updated to reflect the impact of PSH investment or changes in the population of individuals with SMI in need of PSH.

Progress and Accomplishments

As described above, since the submission of the 2021 report to the General Assembly, DHCD has been working with its state partners and the Housing People with SMI Strategy Group comprised of stakeholders to implement the report recommendations. PSH expansion requires the identification of new or redirected resources for supports and housing as well as systemic infrastructure such as staffing, policies and procedures. Together, these all must align for successful expansion.

PSH Services and Supports - Accomplishments

Services are essential to assist individuals with SMI in gaining access to and transitioning to housing, and for successfully sustaining PSH. PSH programs generally provide tenancy supports to help individuals maintain successful tenancies and connect tenants with community-based organizations for health care, mental health, substance abuse (mental health and substance abuse hereafter collectively referred to as behavioral health) and other services. Like many other states, Virginia has historically covered housing acquisition and tenancy supports for individuals with behavioral health disorders using state funds, more specifically through continued investment of state general funds in DBHDS' PSH program.

While most of the DBHDS PSH program funds are directed to long-term rental assistance, more than thirty percent of these funds have been used for housing stabilization services, one-time client assistance, or staff time to administer the rental assistance. Following CMS Guidance to explore the use of Medicaid Authority to cover certain housing related-services and supports, Virginia determined it was in the state's interest to seek Medicaid coverage for many of these state-funded services, freeing up state dollars to fund additional rental assistance.

On June 7, 2018, Governor Northam signed Chapter 2 of the 2018 Acts of Assembly (2018 Appropriations Act) directing DMAS to submit a Medicaid Section 1115 Demonstration Waiver seeking federal approval for new Medicaid program features "designed to empower individuals to improve their health and well-being…," including a housing supports benefit.

Housing Support Benefit in the Medicaid 1115 Demonstration Waiver

On July 9, 2019, CMS approved Virginia's High Needs Support benefit. The High Needs Supports (HNS) program, which DMAS now expects to implement on July 1, 2024, will provide critical housing and employment support services to the Commonwealth's high need Medicaid members, to address the social and environmental needs that impact health, wellbeing, and medical expenditures.

DMAS has continued to work with CMS to finalize the standard terms and conditions and continues to engage Managed Care Organizations (MCOs), sister agencies and other stakeholders to operationalize aspects of the benefit. DMAS utilized input from a Town Hall

meeting to inform the initial implementation and operational planning, stakeholder workgroups, and provider trainings for the year.

In January 2021, CMS issued guidance to state health officials on addressing social determinants of health including housing. The guidance acknowledged that an understanding of the social, economic, and environmental factors that affect the health outcomes of Medicaid populations can be an integral component of states' efforts to realign incentives, reduce costs, and advance value-based care in their health systems. Several of the principles outlined in the letter were incorporated by DMAS in to this year's activities to advance the HNS program's design:

1. Services must be provided to Medicaid beneficiaries based on individual assessments of need, rather than take a one size-fits-all approach
2. Medicaid is the payer of last resort that aligns with other programs and fills gaps where appropriate. Accordingly, states must assess all available public and private funding streams, including Medicaid, to cover assistance with unmet social needs.
3. States should ensure that services provided to address SDOH are limited to those expected to meet the beneficiary's needs in the most economic and efficient manner possible and are of high-quality.

DMAS held several state-to-state meetings to learn more about Medicaid-funded supportive housing programs. Washington State's Health Care Authority launched the Foundational Community Supports program, which is also funded through a Medicaid 1115 Demonstration program. Their initial evaluation report found that the program's supportive housing services helped people transition or begin to transition out of homelessness or housing instability. In addition, the program showed promising reductions in emergency room visits and hospitalizations for people enrolled in supportive housing. Finally, the people who enrolled in their supportive employment services, which is also part of Virginia's program, found employment at a higher rate, earned more money, and worked more hours. [11] To continue the state-to-state engagement, Virginia applied and was awarded two technical assistance grants that included state-to-state peer learning opportunities.

State Medicaid Learning Collaborative

In November 2020, CMS selected Virginia to participate in the State Medicaid Learning Collaborative Advancing housing-related supports for individuals with a Substance Use Disorder (SUD). This project included several selected Medicaid agencies interested in advancing housing-related supports for individuals with a Substance Use Disorder (SUD) to advance the

[11] Washington State Health Care Authority. (February 2020). Primary Evaluation Report Findings Are In: Foundational Community Supports Program Work. Retrieved from https://www.hca.wa.gov/assets/program/fcs-preliminary-report-one-pager.pdf.

goals of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act). The program goals included developing and expanding the knowledge base and capacity of state Medicaid agencies to implement and strengthen strategies for providing housing-related supports and care coordination under Medicaid for individuals with substance use disorders (SUD), facilitating peer-to-peer learning across states, and strengthening critical partnerships between state Medicaid, behavioral health, and housing agencies through shared learning and the opportunity for action planning and/or strategy implementation.

Virginia's interagency team developed and implemented several project goals, which continue to enhance both housing services and the partnership needed to coordinate across state agencies to advance SDOH in accordance with the CMS-issued guidance:

- Determine opportunities to add diverse and inclusive perspectives and imbed racial equity in to governance structures.
- Begin an analysis of housing programs, both housing-related services and affordable housing, to identify the array of housing programs available in Virginia
- Create a draft plan to increase housing options for individuals with a SUD

The Collaborative team included individuals with lived experience to help further the state's efforts to address the housing needs of individual with substance use disorders. Training for and outreach to providers of SUD was identified as two opportunities and led to the development of a housing training. DMAS in partnership with DHCD held two training sessions with SUD providers on accessing housing resources and how to work with Continuums of Care to address the needs of individuals at risk of or experiencing homelessness.

The team also held a listening session with stakeholders from the various stakeholders working with individuals with SUD including two local hospitals, the CSB, the Greater Richmond CoC, private behavioral health providers, and representatives from the state agencies on the team and the Department of Corrections. The session identified points of intersection that require further stakeholder listening sessions including hospital discharges, coordination between behavioral health providers and the CoCs, and crisis intervention teams at the CSBs. The housing training has been provided to the crisis intervention teams at the CSBs and further engagement is anticipated. In addition, a webinar was held in July to enhance the connection between the MCOs and CoCs to partner

By the end of the project in August 2021, the Collaborative team determined that Virginia's ability to increase housing options for individuals with a SUD is largely driven by two factors: funding available in Virginia and understanding how individuals access programs through the service delivery system that will administers the funding. With the infusion of the American Rescue Plan's (ARA) investment in housing for individuals experiencing homelessness, Virginia can plan longer term to ensure the service delivery system is able to make best use of available funds that are administered with a common goal and consistent strategy across our agencies.

Given the complexity of the funding and service delivery system, the team recommended that the Governor's Coordinating Council on Housing and Homelessness expand to include vulnerable populations, which would allow for more holistic focus on health outcomes. In addition, the team provided a roadmap for a housing and health strategy that barriers and opportunities braided funding at the state level in order to streamline operations and reduce the time individuals and providers spend searching for available housing resources and ensuring services are available.

Interim Strategies Using Existing Medicaid Services and Authorities

In FY21, DBHDS increased the number of individuals served by existing providers and established additional PSH providers in Horizon Behavioral Health, Highlands, and New River Valley CSB catchments. In addition, DBHDS Office of Community Housing partnered with Region Ten CSB to contract with national experts on PSH fidelity to provide training and technical assistance (TA) to DBHDS PSH providers across the state to ensure implementation of high fidelity PSH that demonstrates positive outcomes and maximizes the use of resources. Focus areas for TA will include an examination of best practices in ensuring racial equity, state hospital care transition planning, ending homelessness and reducing incarcerations.

Continued Work on Behavioral Health Enhancement

Behavioral Health Enhancement (also known as Project BRAVO: Behavioral Health Redesign for Access, Value and Outcomes) is an interagency implementation between the Department of Medical Assistance Services (DMAS) and DBHDS that strives for systems alignment in developing an evidence-based, trauma-informed, person-centered and prevention-oriented array of services for the Medicaid-funded behavioral health system. Project BRAVO's preliminary goal is to address the Commonwealth's psychiatric bed crisis by is implementing new, enhanced services that provide effective diversion and step-down options for emergency room visits and admission into inpatient psychiatric hospitals and offers both diversion and step-down resources. The services selected for implementation have demonstrated success towards these goals in other states and include partial hospitalization programs (PHP), intensive outpatient services(IOP), Assertive Community Treatment (ACT), Multisystemic Therapy (MST), Functional Family Therapy (FFT) and a set of crisis services consistent with the Crisis NOW model (mobile crisis response, community based stabilization, 23 hour observation, residential crisis stabilization units). While the funding for Project BRAVO was initially on hold due to the Coronavirus pandemic, funding in the amount of $24,343,875 was re-allotted in the 2021 special session of the General Assembly. The first set of services (PHP, IOP, ACT) went live on July 1, 2021 and the second set of services (MST, FFT and the crisis services) go live on December 1, 2021.

Non-Medicaid Supportive Housing Services

Medicaid Expansion has afforded many more individuals with behavioral health disorders access to healthcare coverage, however there will continue to be some Virginians who may not

qualify for the Building and Transforming Coverage, Services, and Supports for a Healthier Virginia (previously referred to as "COMPASS ") Waiver Housing Support benefit. The PSH Steering Committee continued to identify and focus on increasing other key resources that can be used to support individuals with SMI in accessing and sustaining successful independent living.

Expansion of PSH Supports through DBHDS PSH Program

Almost all of the growth in individuals with SMI served in PSH has been made possible through continued investment of state general funds in DBHDS' PSH program.

Almost all of the growth in individuals with SMI served in PSH has been made possible through continued investment of state general funds in DBHDS' PSH program. The $17.2 million invested in FY20 is expected to serve at least 1,200 individuals. DBHDS has already awarded funding to twenty agencies (19 CSBs and one non-profit), including 5 new providers in FY20. To date, individuals use state-funded rental assistance to secure rental housing available on the private market.

While most DBHDS PSH funds are directed to long-term rental assistance, more than thirty percent of these funds continue to be used for housing stabilization services, one-time client assistance, or staff time to administer the rental assistance. Given that the 1115 demonstration waiver has been approved, as the Medicaid High Needs Support benefits are phased in, many of these currently state-funded supports may be reimbursable under the waiver.

Table 2: PSH SMI Slots by Region FY21

PROVIDER	DBHDS PSH	AGSH	Leveraged Vouchers	Total Units
ARLINGTON	70			70
BLUE RIDGE	115	40		155
CHESAPEAKE	15		10	25
DANVILLE	42			42
HAMPTON	134			134
HENRICO	45			45
HORIZON	30			30
HARRISONBURG -ROCKINGHAM	45		25	70
HIGHLANDS	15	15		30
MT ROGERS	60	45	4	109
NEW RIVER	25	5		30
NORFOLK	161		10	171
NORTHWSTRN	67			67
PATHWAY HOMES	138			138
PIEDMONT*	3	8		11

DISTRICT 19	60			60
RAPP AREA	50			50
RAPP-RAP	40		20	60
REGION TEN	95			95
RICHMOND	152			152
SOUTHSIDE*	13	7		20
VA BEACH	122			122
VALLEY	60			60
TOTAL	**1,557**	**120**	**69**	**1,746**

DBHDS PSH Funds Ensure Safety of People with SMI Who Are Homeless or in State Hospitals During COVID-19

DBHDS provided guidance to community service boards (CSBs) about the use of PSH funds to implement short-term housing interventions for individuals with SMI who were homeless or in state hospitals during COVID-19. Between March 2020 and October 2021, ten CSBs assisted 455 individuals with SMI with securing non-congregate shelter while they worked on a permanent housing plan. By October 2021, 216 individuals had moved from shelter into homes of their own. These CSBs were required to coordinate with their local CoC and state hospitals to ensure that COVID-19 housing activities were coordinated and responsive to these vulnerable community members.

Expansion of PSH Supports through State Housing Trust Fund

The code of Virginia indicates that up to 20 percent of the Virginia Housing Trust Fund (VHTF) may be used for competitive grants to help reduce homelessness through Homeless Reduction Grants. For FY21 this percent was increased to up to 40 percent to allow for flexibility in responding to the COVID-19 pandemic. These grants may be used to provide temporary rental assistance not to exceed one year, housing stabilization services in supportive housing for chronically homeless households, and predevelopment assistance to support long-term housing opportunities for individuals experiencing homelessness and those populations overrepresented in homelessness including individuals with serious mental illness and individuals with intellection or developmental disabilities. Because these grants rely on annual state appropriations, there is some concern that providers are reluctant to request funding for on-going services.

With increased VHTF funding in the FY20 and FY21 budgets, DHCD was able to expand the number of PSH projects awarded funds in 2020 and 2021. DHCD received over $6.4 million in request for the Homeless Reduction grants which was nearly twice the amount requested in the year prior. DHCD awarded $6.4 million through 37 projects for Homeless Reduction grants. The selected projects resulted in 102 targeted community efforts to reduce homelessness, including 15 rapid re-housing (RRH) projects, 12 permanent supportive housing (PSH) projects, nine innovative and pilot projects to serve older adults and unaccompanied youth ages 18-24

and two projects for the pre-development of permanent supportive housing. These projects are currently being implemented. DHCD developed and issued an FY22 Request for Proposals in August 2021, and selected grantees with the goal of at least 50 persons to be served, with a percentage of the households presenting with SMI. In CY 21, DHCD's homeless reduction grants served 644 households in the rapid rehousing programs, 288 households in permanent supportive housing programs and 266 households through youth and older adults innovation projects.

Commonwealth Ensures Safety of People Experiencing Homelessness with SMI During COVID-19

On April 3, 2020 Governor Ralph Northam announced $2.5 million in emergency funding to shelter Virginia's statewide homeless population during the COVID-19 pandemic. The emergency funding was distributed through the same process DHCD uses to distribute funds to address homelessness across the state. This funding was used for hotel and motel vouchers, case management, food, cleaning supplies, and medical transportation. Along with the funding from the commonwealth, Federal Emergency Management Agency (FEMA) agreed to reimburse non-congregate sheltering support to individuals and families experiencing homelessness who were 65 and older, or have pre-existing conditions, or have been exposed to COVID-19 and need to be quarantined, or have tested positive for COVID-19. In addition to the initial funding provided, DHCD received $6.3 million in funding to continue to assist the vulnerable populations described. The total $8.8 million is part of the CARES Act COVID Relief Fund allocated to the Commonwealth of Virginia.

At the onset of the pandemic, DHCD's Homeless and Special Needs Housing (HSNH) team contacted every funded agency, community partner, and the leaders of the Continuum of Care and local planning groups to determine immediate needs to address the health and safety of persons in their programs, staff, and volunteers. Short and long term plans were created to ensure the emergency funding would focus on assisting three priority groups: 1. Persons who were currently experiencing unsheltered homelessness; 2. Persons who were in shelters that required them to be outside during the day; and 3. Persons who needed to be isolated because social distancing at the shelter was difficult and they were at greater risk which included being age 65+, having underlying health conditions, testing positive for COVID-19 or symptomatic, or having contact with someone who tested positive for COVID-19.

Homeless Service Providers quickly pivoted to focus on the aforementioned priority groups. Providers strengthened relationships with local hotel/motel providers, initiated new partnerships and worked with restaurants to ensure that meals would be provided to persons in the non-congregate shelters. The restaurant partnerships assisted locally owned businesses during the economic downturn due to the pandemic and ensured persons received hot meals while following stay at home orders.

As the pandemic continued to persist throughout the commonwealth, it was evident to state leadership that additional steps needed to be taken to ensure that there was a permanent resolution to address the needs of individuals who were experiencing housing instability and homelessness. Interagency Leadership Team convened the Permanent Supportive Housing Steering Committee, which is comprised of members from multiple state agencies who have a vested interest in increasing the housing stock dedicated to permanent supportive housing across the commonwealth.

Virginia Department of Veterans Services

Virginia has long made it a priority to reduce the number of Veterans' experiencing homelessness, targeting resources to reduce chronic homelessness since 2013. These efforts have proven successful, reducing Veterans' homelessness by 63 percent from 2010 to 2021[12], with a similar reduction in chronic homelessness; there was a 12 percent reduction from 2020 to 2021.

The Virginia Department of Veterans Services (DVS) attributes its success to aligning services and housing resources, both internal to the department as well as external partners:

- DVS, through the Virginia Veteran and Family Support (VVFS) Program, employs approximately 43 Resources Specialists statewide that serve as navigators to assist Veterans in need of services. These include those with SMI in connecting to Continua of Care (CoCs), PSH programs, and BH services in addition to connecting to Support Services for Veterans and their Families (SSVF) program and HUD-VA Supportive Housing (SH) programs. Some Resource Specialists coordinate regularly with Community Service Boards, strengthening their ability to connect veterans with needed services and supports.
- DVS also administers the DVS Homeless Veterans Fund through donations provided by the Veteran Service Foundation. These funds assist in covering "gap" expenses such as security deposits for homeless veterans and prevention resources (rent arrears, utility assistance, etc.) for previously chronically homeless veterans.
- Fifteen PHAs and the VH have a total of 1,600 Veterans Affairs Supportive Housing (VASH) vouchers.

Capital Investment in PSH - Accomplishments

Given low vacancy rates and strong demand for rental housing across much of the state, it will be difficult to scale up PSH without new production of PSH units. At the state level, there are two capital programs that are primarily responsible for new affordable rental production that

[12] Unofficial HUD data as of November 2021 and some CoCs did not collect veteran status in the 2021 Point in Time count.

benefit people with SMI - the Affordable and Special Needs Housing (ASNH) and the Low Income Housing Tax Credit (LIHTC) programs.

Expansion of PSH through DHCD's Affordable and Special Needs Housing Program

With the Affordable and Special Needs Housing (ASNH) program, developers can apply to access any of the five funding sources through a single competitive application process: the federal HOME Investment Partnerships Program (HOME), the federal National Housing Trust Fust (NHTF), the Virginia Housing Trust Fund (VHTF), Housing Innovations in Energy Efficiency (HIEE), and the state funded PSH program. Combining the funds into one proposal process makes requesting funds significantly easier for developers, especially smaller, nonprofit developers who are more likely to be seeking these sources.

The Biennium Budget for 2020-2022 allocated $70,000,000 in the first year and $55,000,000 in the second year to fund activities through the Virginia Housing Trust Fund (VHTF). This is an increase from the 2018-2020 Biennium Budget, which allocated $11,000,000 for the first year and $14,000,000 for the second year to support the activities of the VHTF. Of note, approximately $28.2 million of the 2020-2021 allocation was appropriated to the Virginia Rent and Mortgage Relief Program, now known as the Virginia Rent Relief Program (RRP).

During FY 21, at least 60 percent of the VHTF was used for short, medium, and long-term loans to reduce the cost of homeownership and rental housing; and up to 40 percent of the VHTF may be used to provide grants for targeted efforts to reduce homelessness. Historic investments to the trust fund resulted in over a 60% increase in the number of PSH units that will be created in 2020-2021 compared to 2019-2020.

Table 3: PSH Funded by Virginia Housing Trust Fund 2013-2021

Year	Number PSH Projects	Number PSH Units
2013-2014	6	203
2015-2016	8	373
2016-2017	6	346
2017-2018	4	75
2018-2019	10	347
2019-2020	9	140
2020-2021	25	383
Total	**68**	**1867**

Expansion of PSH through VH's Low Income Housing Tax Credit Program

The LIHTC program is considered the driver of affordable rental housing production (as well as rehabilitation) across the country. This is also the case in Virginia. Since VH's inception in 1972, the organization has financed nearly 160,000 rental units.

Since 2015, VH has committed to assisting DBHDS in meeting its housing goals for people with intellectual and/or developmental disabilities under the state's settlement agreement with the U.S. Department of Justice (DOJ). This commitment has resulted in LIHTC allocations to projects in which owners committed a marketing preference for the Settlement Agreement population.

As discussed in previous reports to the General Assembly, VH reviewed the need for PSH for people with SMI and other populations. In order to have a more significant impact, VH modified its CY19 Qualified Allocation Plan to require that every development awarded 9% LIHTC as well as 4% tax credit funding provide a PSH leasing preference for 10 percent of its units. In 2021, this resulted in tax credit awards for 173 preference units; 1,730 total units through the 9% and 251 preference units; 2,501 total units through the 4% program.

The 29 properties funded in the 2021 competitive tax credit round will produce approximately 173 units required to provide the leasing preference.[1][2] The 29 funded properties include forward funded deals from innovation, new construction and ASNH.[2]; this is close to the estimated annual 200 units anticipated in the last report to the General Assembly. Another 18 properties receiving 4 percent credits will be producing an additional 251 anticipated units.

In CY22, VH estimates 200 units with a leasing preference will be created through the 9% tax credit program, and estimate another 250 will be created through the 4 percent tax credit program.

Rental Assistance for PSH - Accomplishments

Rental assistance is critical to ensure PSH can serve people with disabilities who are extremely low-income (ELI), including people with disabilities whose sole source of income might be SSI. Beginning in January 2021, an individual whose sole income is SSI will receive $794 per month. The FY21 HUD Fair Market Rents for an efficiency unit range from $528 per month in Martinsville and other rural areas to $1,513 in the Arlington and Alexandria. Whether 66 percent of an individual's income in rural Virginia or 191 percent in the metropolitan area, these rents are unaffordable without state or federal rental assistance.

Expansion of PSH through DBHDS PSH Program

As described above, almost all of the new PSH units for individuals with SMI have been created through continued investment of state general funds in DBHDS' PSH through its rental assistance component. The $20 million invested in FY20 is expected to serve approximately 1,400 individuals in PSH. An additional $5 million in State and Local Fiscal Recovery Funds from

the American Rescue Plan Act was appropriated to DBHDS in the recent Special Session. As directed from Chapter 1 of the 2021 Acts of Assembly, Special Session II Appropriations Act language, these funds will be used for a range of strategies to expand PSH to address the state hospital census crisis in Northern Virginia.

Expansion of PSH Supports through the Auxiliary Grant Program

Virginia's Auxiliary Grant (AG) Program is an income supplement for recipients of Supplemental Security Income (SSI) and certain other aged, blind, or disabled individuals residing in an assisted living facility (ALF), in an adult foster care (AFC) home, or in a supportive housing (SH) setting through a licensed service provider that is approved by DBHDS and certified by DARS.

Supportive housing was added as an approved setting to the AG Program in 2016 and emergency regulations for the new setting were issued in 2017, followed by final regulations in 2019. In the AG Program, SH is defined as "a residential setting with access to supportive services for an AG recipient in which tenancy … is provided or facilitated by a provider licensed to provide mental health community support services, intensive community treatment, programs of assertive community treatment, supportive in-home services, or supervised living residential services..." In July 2019[13], the General Assembly made modifications to the AG program intended to enhance use of the AG Program for PSH. As a result of the legislative change, eligibility for AGSH no longer requires the individual to first be an ALF resident. The legislation also increased the number of allowable PSH participants from 60 to 90 effective July 1, 2019, and since there were 30 persons on the AGSH waiting list as of October 1, 2020, the AGSH program cap increased again, from 90 to 120 persons.

DBHDS is identified in Virginia Code as the agency responsible for monitoring AGSH providers. DBHDS has entered into AGSH provider agreements with Mt. Rogers CSB, Blue Ridge Behavioral Healthcare, Southside CSB, Piedmont CSB, Highlands CSB, and New River Valley CSB. Seventy-four (74) individuals were housed through AGSH during this reporting period.

Table 4: AGSH Program and PSH SMI Program Providers

Provider	AGSH	PSH	Date Est.	Provider	AGSH	PSH	Date Est.
Arlington		✓	FY 2016	Norfolk		✓	FY 2016
Blue Ridge	✓	✓	FY 2018	Northwestern		✓	FY 2020
Chesapeake		✓	FY 2020	Pathway Homes		✓	FY 2016

[13] C.657 and C.658 of the 2019 Acts of the Assembly.

				(Alexandria, Fairfax, Prince William)			
Danville-Pittsylvania	✓	✓	FY 2018	Piedmont	✓	✓	FY 2020
District 19		✓	FY 2018	Rappahannock - Rapidan		✓	FY 2018
Hampton-Newport News		✓	FY 2016	Rappahannock Area		✓	FY 2020
Harrisonburg-Rockingham		✓		Region Ten		✓	FY 2018
Henrico		✓	FY 2018	Richmond BHA		✓	FY 2017
Highlands	✓	✓	FY 2021	Southside	✓	✓	FY 2020
Horizon		✓	FY 2021	Valley		✓	FY 2019
Mt. Rogers	✓	✓	FY 2018	Virginia Beach		✓	FY 2017
New River Valley	✓	✓	FY 2021				

Expansion of PSH through the Mainstream Program and Building Relationships with PHAs

The Steering Committee has used the Mainstream Voucher program as an opportunity to both bring new rental assistance resources into the Commonwealth and also build relationships with Public Housing Agencies (PHAs) to expand PSH and access to affordable housing resources in other ways.

The Mainstream Voucher program is a subset of the federal Housing Choice Voucher (HCV) program in which eligible participants must be very low-income households that include as least one person with a disability ages 18-62. On the last few Consolidated Appropriations Bills, Congress provided a total of $500 million for Mainstream Vouchers. When HUD issued the first NOFA, not only were these vouchers specifically for non-elderly people with disabilities, but they were targeted to some of the specific populations the state agencies were targeting for PSH, people with disabilities living in institutional settings, at risk of institutionalization, homeless or at risk of homelessness. The second HUD Mainstream NOFA added a fifth target

population: people with disabilities ready to “move-on” from rapid rehousing or permanent supportive housing (thus freeing up those units for people with more intensive support needs).

In order to encourage Virginia PHAs to respond to HUD NOFAs for these funds, the PSH Steering Committee held a number of outreach and engagement events over the last two years, including an in-person event pre-COVID. This event was attended by over 70 PHAs, cities, nonprofit housing and CSBs. The ILT offered a support letter to those PHAs that would commit to serving the state’s target populations; nine PHAs requested and were provided with such a letter.

These outreach efforts were successful. As indicated in Table 5 below, 14 housing agencies were awarded 1,071 Mainstream Vouchers in the first two NOFAs.

In September, HUD issued a Notice providing an opportunity for PHAs to apply noncompetitively for additional funds. Awards were made on a rolling basis; as of this report, four VA PHAs had been awarded an additional $1.8 million for this program including Virginia Housing.

In December 2019, the PSH Steering Committee held an in-person meeting to support PHAs as they begin to implement their programs. The feedback on the program was positive, but this activity was interrupted by the rise of COVID-19. In June, the PSH Steering Committee formed a PHA Outreach Subcommittee to continue to build relationships with the local PHAs and to encourage these vouchers to be targeted to the Commonwealth’s priority populations. The Subcommittee invited all PHAs with Mainstream vouchers to a focus group meeting to identify ways the state agencies could support the PHAs. Based on those results, the Subcommittee have formed a collaboration with several PHAs. One of the items identified for this collaboration post-COVID is landlord engagement.

Table 5 Mainstream Awards

PHA Name	2017/2018 Awards	2019 Awards	Total Awards	30 % Boost	Combined Total
Danville Redevelopment & Housing Authority	41	100	141	42	183
Roanoke Redevelopment & Housing Authority	40	30	70	21	91
Chesapeake Redevelopment & Housing Authority	40	0	40	12	52
Lynchburg Redevelopment & Housing Authority	0	30	30	9	39
Harrisonburg Redevelopment & Housing Authority	25	50	75	23	98
Hampton Redevelopment & Housing Authority	0	50	50	15	65
Fairfax County Redevelopment & Hsg Authority	55	41	96	29	125
Arlington County Dept of Human Services	40	0	40	12	52
County of Albemarle/Office of Housing	0	15	15	5	20
Va. Beach Dept. of Hsg & Neighborhood Pres.	0	60	60	18	78
James City County Office of Hsg & Comm Dev	0	20	20	6	26
People Inc. of Southwest Virginia	24	24	48	14	62
Prince William County Office of HCD	0	60	60	18	78
Virginia Housing Development Authority	79	0	79	24	103
Total	**344**	**480**	**824**	**247**	**1071**

Enhancing System Capacity - Accomplishments

While affordable housing, tenancy supports and community-based services are critical to expanding PSH for individuals with SMI, even these resources are not sufficient to ensure an expanded PSH system will be successful. State and local/regional structural systems supports are key to ensuring an effective PSH system, one that provides a fidelity-based service, targets the state's priority populations, fills units in a timely manner and maintains owner confidence by addressing tenant issues that arise.

PSH Tracking and Metrics

During 2021, the PSH Steering Committee put into place several frameworks to track activities and outcomes related to the steering committee work.

Action Plan

In 2019, the PSH Steering Committee developed a detailed, 19-page Action Plan with goals, strategies and action steps to achieve the goals, agency responsibilities and timeframes. The Action Plan is provided in Appendix A. In 2020 and 2021, the PSH Steering Committee continued to focus on the following five goals identified in the plan:

- Goal #1 - Increase Services and Supports to Assist Individuals with SMI to Gain Access to and Maintain Supportive Housing
- Goal #2 - Provide Capital Subsidies to Expand PSH
- Goal #3 - Increase Rental Assistance to make Units Affordable
- Goal #4 - Increase PSH through Preferential Access to Existing Affordable Housing Programs
- Goal #5 - Strategies to Increase PSH through Enhancing System Capacity

The PSH Steering Committee is actively developing an action plan for CY22-CY24.

Executive Order 25 Metrics

As described above, in November 2018, Executive Order 25 was issued, identifying the need for PSH as one of three top housing priorities. DBHDS's conducted an assessment of need for PSH; the assessment established a need for 5,000 PSH units. The PSH Steering Committee developed a comprehensive plan to put as many PSH units in place as efficiently as possible. This thoughtful, realistic plan relies on a combination of new federal and state funding for both capital and rental assistance as well as strategies to redirect or prioritize existing resources for the target population. The ILT voted its support for the plan, and state agency budget requests have aligned with plan goals.

State Level Systems

DHCD continued to work with its partners made a number of enhancements to strengthen PSH systems at the state level.

The state agencies and VH continued to revise an existing MOU to reflect new activities of the PSH Steering Committee including the leasing preference in tax credit units. DBHDS and VH also designed and began to implement a referral protocol for the units with leasing preferences that became available in 2020.

To further the shared vision, Virginia applied and was accepted for the 2021-2023 Housing & Health Institute led by the National Academy for State Health Policy, which supports a cohort of states to break down silos and strengthen services and supports to help low-income and vulnerable populations become and remain successfully housed. Virginia launched an interagency team and project to address three core areas: financial modeling for supportive housing, data sharing, and capacity building.

The two-year project will ensure the interagency state efforts maximize Medicaid funding and create sustainable financial models for supportive housing. Financial modeling will ensure the agencies can maximize the use of federal funding available at the state and local level. Financial modeling across several programs and agencies will allow for long-term planning to ensure the housing needs of vulnerable Virginians can be addressed.

The team is leveraging the Homeless Data Integration Project (HDIP) to match Medicaid and CSB data with HMIS to identify individuals accessing multiple systems and support operations that will reduce the cost of accessing support services and housing resources. The data will support an analysis to measure the return on investment to further incentivize investments in housing from managed care organizations and philanthropic entities.

Virginia HHI's capacity building goal aims to align outcomes across the partnering state agencies to ensure consistency for providers and allow for training initiatives to support the needs of homeless service providers, CSBs and private behavioral health providers. The team will work with local and regional stakeholders throughout the project to identify and support targeted capacity building needs.

Local/Regional Level Systems

The PSH Steering Committee conducted a housing system crosswalk analysis to identify the federal, state and local funding streams and operations that are critical to supportive housing. The team identified 18 housing -related programs, seven rental assistance programs, seven rental unit production programs, nine critical behavioral health services, and four points of entry that make up the housing and service delivery systems in Virginia. This analysis was critical to identifying opportunities to partner with local and regional systems and align with the funding made available through ARPA. The committee is actively working to support partnerships between CoCs, PHAs, CSBs, and MCOs.

Notably, the Emergency Housing Voucher (EHV) program has been made available through the American Rescue Plan Act (ARPA). Through EHV, HUD is providing over 1000 housing choice

vouchers to local Public Housing Authorities (PHAs) in Virginia, in order to assist individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability. While the EHV are not specifically targeted to individuals with SMI, a great percentage of persons experiencing homelessness experience a co-occurring SMI.

National best practice webinars for the Emergency Housing Vouchers (EHVs) identified the role of MCOs as a critical component for ensuring individuals who are in Medicaid are supported in their own homes. To further this in Virginia, DMAS hosted a webinar for the CoCs and their PHA partners to meet the six MCOs and learn more about the model of care and robust network of behavioral health providers available to support the application for EHVs as well as the utilization of the vouchers that are targeted to vulnerable individuals. Several MCOs have developed and maintained partnerships with both the CoCs and PHAs to support Members' path to housing stability.

DBHDS's PSH program has demonstrated the importance of local/regional housing specialists in developing and maintaining tenant-landlord relationships and ensuring their region has as an effective system in place to identify interested, eligible applicants and to assist these individuals to locate and apply for housing, including making requests as needed for reasonable accommodations. Currently, all regions have some housing specialist capacity – however limited. DBHDS has continued to expand local PSH Program Housing Specialists to ensure all consumers in DBHDS PSH-funded programs have access to this service.

In March of 2021, DHCD held four virtual input sessions to secure community input into the VHTF as well as HUD's Consolidated Plan's Annual Action Plan, which covers the Community Development Block Grant, HOME and the National Housing Trust Fund.

Alignment with other State Activity

During CY19, the PSH Steering Committee continued working to align PSH funding, policies and systems across partner agencies.

Evictions

While the issue of evictions is not included in the scope of this effort, some of those individuals who get evicted are people with serious mental illness. During the 2020 Special Session, Governor Northam and the General Assembly allocated an initial $3.3 million for DHCD to design and implement the Virginia Eviction Reduction Pilot (VERP) which began implementation in the spring of 2021. DHCD conducted a competitive application process in winter 2021 and awarded more than $2.6 million in grants to four grantees serving the counties of Lee, Scott, Wise, Gloucester, James City, Matthews, and York, as well as the cities of Norton, Richmond, Norfolk, Hampton, Newport News, Poquoson, and Williamsburg. Notably, a portion of the 2021

allocations were set aside for planning grants for priority localities not selected as an awardee of the pilot. The planning grants were designed to aid localities and nonprofits to better understand eviction preventions needs and to build local capacity to mitigate evictions. In spring 2021, DHCD conducted another competitive process for the planning grants and ultimately awarded six grantees who serve 17 localities across Virginia.

A second year of funding for the pilot was awarded by Governor Northam and the General Assembly during the 2021 session. At the time of this report, DHCD was soliciting and reviewing applications for the second round of funding. An evaluation of the program will be provided to the General Assembly following the conclusion of the pilot.

Governor's Coordinating Council on Homelessness

The Governor's Coordinating Council on Homelessness (GCCH), co-chaired by the Secretary of Commerce and Trade and the Secretary of Health and Human Resources, is focused on ending homelessness in the Commonwealth of Virginia. Due to COVID-19, the GCCH delayed meeting during the 2020 calendar year. In October of 2021, the GCCH held its first meeting since the pandemic during which the council agreed to expand the scope of the council to include housing for vulnerable populations. The expansion of the scope, which involves the restructuring of the existing committee structure, will allow the council to further identify housing solutions for those individuals at risk of or experiencing homelessness. Appendix D includes additional information regarding these committees and their coordination. As previously noted, individuals with serious mental illness are at higher risks of housing instability and homelessness. Recent Point-in-Time count data revealed that individuals with SMI comprise Virginia's largest homeless subpopulation. According to Point-in-Time count data, the number of adults experiencing homelessness with a serious mental illness in 2021 increased by ~15% between 2020 and 2021. The Governor's Coordinating Council on Homelessness and Housing Vulnerable Populations will coordinate with the PSH Steering Committee to improve access to housing solutions, including permanent supportive housing, for vulnerable populations.

Olmstead Strategic Plan

Olmstead Strategic Plan has been updated to support partner requests to HUD for preferences in HCV or public housing (PH) for persons with SMI as part of voluntary affirmative Olmstead planning and implementation efforts. In 2020, the Governor signed one Executive Order (E.O.) and one Executive Directive (E.D.) -- E.O. 47 and E.D. 6 -- re-committing the Commonwealth to community integration as envisioned by the Olmstead v. L.C. decision.

Discharge Planning for Successful Reentry

The General Assembly continues to fund a number of different initiatives whose goals are to facilitate reentry of people with psychiatric disabilities from jail including the Department of Criminal Justice Service's Jail Mental Health pilot program and the DBHDS grant funded Forensic Discharge Planning (FDP) programs. FDP programs focus on the early identification of

individuals with SMI, and provide a range of case management services to individuals being released to the community - FDPs provide services during an individual's period of incarceration, and for a minimum of 30 days post-release. Currently, there are nine programs in local and regional jails across the state. These programs are providing FDP services in fourteen facilities by fifteen CSBs. Since program inception in FY19, FDP programs have enrolled a total of 1,666 individuals for services. DBHDS funded five additional FDP programs in FY22 in Richmond, Virginia Beach, Prince William, Staunton, and Henrico. Annual Reports with additional information regarding program services and outcomes are available for FY19 and FY20, and FY21 is expected to be completed in January 2022.

CARES Act Energy Assistance

In 2020, the Virginia Department of Social Services (VDSS) received CARES Act funds to supplement the Low-Income Home Energy Assistance Program (LIHEAP) to ensure households impacted by COVID-19 could address their immediate energy costs include energy debt accumulated during the pandemic. In June, VDSS issued a one-time supplemental payment of $100 to households who received assistance during the most recent heating season (FY20). The VDSS also established a new standalone program, Virginia COVID19 Energy Assistance Program, to provide heating/cooling utility payment assistance to households who did not qualify for Energy Assistance in 2020 and have a heating or cooling expense.

Strategies for Continued Progress

Even with the significant accomplishments over the last year, people with SMI continue to live on the streets and in shelters and languish in jails and other institutions for lack of PSH. In order to scale up the housing component of PSH, the following three elements are key:

- **Effective, reliable housing supports**: Many affordable housing providers are willing to discuss the possibility of PSH preferences or projects when reliable services are made available to help ensure lease compliance. While already discussed above, we cannot over-emphasize the importance of support services as the state's best selling point to engage housing agencies.
- **Increased capital funding**: Lack of rental housing stock and/or tight markets have inhibited use of vouchers both in rural parts of VA as well as high cost areas such as Northern Virginia. Significant capital investment in affordable housing stock generally and PSH specifically is as critical, if not more so than rental assistance at this time.
- **Increased rental assistance:** Project-based rental assistance is needed to ensure new place-based PSH is affordable to people with SMI who are extremely low-income (ELI). Tenant-based rental assistance is needed because time to acquire and construct or rehabilitate affordable rental housing can be lengthy, and rental markets are more accessible in some parts of the state – and are likely to become more accessible with increased development.

Outlined below are the strategies the PSH Steering Committee members will utilize in the coming year to continue to secure the necessary capital and rental assistance from a variety of existing and new state and local resources.

Strategies to Continue to Expand PSH Housing Supports

Operationalize the High Needs Support Benefit

Continue Stakeholder Engagement in the Design and Development of the Housing Supports Benefit

DMAS expects to continue seeking and utilizing feedback from stakeholders to inform future implementation and operational planning of the HNS benefit. Not only will engaging stakeholders provide a better product, it will also garner stakeholders' support for implementing the services.

Strengthen Provider Capacity to Deliver the Housing Supports Benefit

With implementation of the HNS benefit MCOs will be required to contract with a network of housing and employment supports provider entities, and will need to leverage existing providers in the community that are experienced and qualified to address the health-related needs of the population. Many of these providers may be new to the Medicaid program. In preparation for implementation, DMAS will focus on engagement with potential providers and training efforts to strengthen their ability to not only provide high quality supportive housing services but also to successfully enroll and bill as Medicaid providers. The HNS benefit also includes employment supports, which can be leveraged along with the supportive housing services to ensure individuals in need of housing also have employment opportunities.

DMAS will continue to provide training and engagement with current and potential providers to strengthen the provider network's capacity to deliver housing services. DMAS developed a tool to identify interested providers along with specific training needs. A provider input session on the HNS benefit identified additional interested providers as well training needs. Additional trainings will occur in collaboration with the state agency partners through the development of a supportive housing training curriculum and certification program that the agencies will all utilize to align outcome measures for housing related programs.

Realizing the optimal impact of the HNS housing benefit

The agency members of the PSH Steering Committee have spent the past several years working together to increase availability of affordable housing options with support services for individuals with disabilities in Virginia. However, a number of challenges exist and will need to be overcome to realize the *optimal* impact of the HNS supportive housing benefit.

Differences in Priority Populations

DBHDS, DMAS, DVS and DHCD share common goals across similar target populations, including individuals with SMI and/or SUD who are homeless or unstably housed. Yet, there are

differences within each agency for who truly "rises to the top" of the priority list and matched with housing-related and other supports. DMAS and the MCOs may be more likely to prioritize individuals for the HNS benefit who are high utilizers of costly Medicaid services such as emergency Department visits or community inpatient bed days, while DBHDS and the local CSBs may prioritize individuals who are leaving state hospitals or are highly visible in their communities but who do not use costly Medicaid services for rental assistance.

Multiple pathways to accessing housing

Each system has designated staff/points of responsibility to assist their target populations with identifying the need for and accessing housing and support services. MCOs conduct Health Risk Assessments, CSBs conduct discharge planning and housing assessments and CoCs apply a vulnerability assessment and use Coordinated Entry for federal and state homeless resources. Each of these processes may result in identification of individuals in need of the HNS benefit and RA, yet they may be disconnected and can result in inefficient use of resources and duplication of efforts across agencies. The agencies should review program administration functions to determine opportunities to further align and share costs in order to serve more individuals.

Roles of local housing and services agencies

While the state agencies have provided considerable leadership in creating a vision for affordable housing for individuals with disabilities in Virginia, that vision must be shared in every region to achieve intended outcomes. Individuals with disabilities may have difficulty accessing rental housing through Public Housing Authorities, local developers and private landlords, regardless of the HNS benefit. Continued outreach and partnership with these key local and regional actors is critical to success.

Lack of sufficient affordable housing

In many areas of Virginia, especially in areas with the greatest concentration of Medicaid members, there is an inadequate supply of affordable housing units or rental assistance. The HNS benefit will only be helpful to individuals who are able to access affordable housing resources in communities where they choose to live.

Limitations of Rental Assistance

Availability of the HNS benefit must align with affordable housing resources to be most impactful. Currently, most long-term rental assistance is targeted to individuals with SMI and/or SUD through the DBHDS PSH program's network of local administrators. Individuals who do not meet the eligibility criteria or prioritization for that program have little access to long-term rental assistance other than the Housing Choice Voucher Program. Individuals in most communities in Virginia experience lengthy wait times for access to Housing Choice vouchers, which limits this funding source as a solution.

While it's important to recognize these challenges, it is also important to acknowledge that there are opportunities to address them.

Develop a strategy for "braiding" various housing support and housing resources

DMAS, DBHDS, DVS and DHCD as well as other agencies and system partners, will need to establish agreed-upon strategies to intentionally align the HNS supportive housing benefit with non-Medicaid housing resources and vice versa. As discussed previously, the agencies share target populations, but may have different priorities for their program's limited resources. Braiding the HNS benefit with rental assistance and other needed services and supports will help even the most vulnerable populations to be more stably housed and ensure a cost effective approach that makes the best use of public funding.

Encourage and Incent MCOs to Invest in Housing

Virginia has a number of Managed Care Organizations (MCOs) that are known nationally for their interest and investment in supporting high risk/high need individuals in stable housing including United Healthcare, Magellan and Anthem. The MCOs will likely want to prioritize the HNS benefit to high risk/hi cost members and may be more willing to invest in affordable housing that will meet the needs of this population. DMAS regularly engages with the MCOs who are already contractually required to "develop programs and establish partnerships to address social factors that affect health outcomes, also called social determinants of health (SDOH), which contribute significantly to the cost of care and the Member's health care experience." DMAS provides technical assistance to encourage the MCOs to build or enhance partnerships with the regional homeless systems as well as the CSBs. DMAS will continue to continue the HNS training series as well as identify pilot projects to house high-cost members by partnering with the regional homeless systems across the state.

Tie Resources to Outcomes

Identifying agreed upon outcome measures across the agencies will help to assure that both the HNS benefit and housing resources are being utilized most efficiently and effectively. While the agencies may have different measures used to assess the desired outcomes for their programs and populations served, the following measures could serve as a beginning point and be expanded to include others as well:

- Reduced Homelessness
- Cost savings
- Increased Efficiencies across state agencies

The agencies will need to continue efforts to resolve issues related to data sharing in order to assess these outcomes. DMAS is working with DHCD on a data matching project to connect Medicaid data with HMIS data, which will allow the state to better understand the individuals that are prioritized and eligible for the HNS supportive housing benefit.

Behavioral Health Enhancements

Since Behavioral Health Enhancement funding was realloted, DMAS continues to convene stakeholder workgroups to continue the planning and implementation of behavioral health services. Ongoing planning focuses on Systems changes; a state plan amendment, revised regulations and Medicaid manual updates; and providing education and training opportunities for stakeholders. Once a plan to move forward is established, DMAS will engage with CMS to pave the way for an 1115 SMI demonstration waiver application.

Strategies to Expand Capital and Rental Assistance for PSH

Outlined below are the strategies the PSH Steering Committee members will utilize in the coming year to continue to secure the necessary capital and rental assistance from a variety of existing and new state and local resources.

Strategies to Increase Capital Investment in PSH

VH Low Income Housing Tax Credit Program

As discussed earlier in this report, low vacancy rates and strong demand for rental housing across much of the state make it challenging to scale up PSH and reach the 5,000 goal without production of new PSH units. VH's 9 percent and 4 percent tax credit programs are some of the primary tools developers rely on for the production of new affordable rental housing.

As described above, beginning with the FY19 Qualified Allocation Plan (QAP), VH has committed that all 9 percent and 4 percent tax credit projects will be required to provide a leasing preference for PSH in 10 percent of units. No specific target population is named. Rather, VH has linked the leasing preference to populations covered by the Memorandum of Understanding (MOU) entered into by the state agencies represented on the PSH Steering Committee. Such an arrangement will allow the state to modify its target populations as needs may change over the project's compliance period. This also means the state agencies and departments serving each target population must collaborate to develop a protocol for referral to these housing units; the development of a referral protocol is discussed further below.

In CY22, VH estimates 200 units with a leasing preference will be created through the 9% tax credit program.

Virginia Housing Trust Fund

The VHTF impacts PSH growth in two ways. First, services and pre-development costs for PSH targeted to persons at risk of or experiencing chronic homelessness are funded through a competition for no more than 20 percent of the VHTF allocation, with the 2020-2021 year at 40 percent equaling $15,868,800. Second, the majority of the remaining funds are combined with federal HOME, National Housing Trust Fund, and Housing Innovations in Energy Efficiency funds

to make up the Affordable and Special Needs Housing (ASNH) program competition. The limited allocation of funds is shared between homebuyer and rental projects, with rental projects making up approximately 90 percent of the allocated funds. Of the 40 projects awarded VHTF in FY 2020-21, twenty-five projects set aside an estimated 383 permanent supportive housing units. The PSH units are specifically targeted for individuals with disabilities, serious mental illness, and/or chronically homeless. Notably, a growing amount of research has revealed the bi-directional relationship between the prevalence of severe mental illness and homelessness. According to a recent study published in 2020, studies have shown that between 25-30% of persons experiencing homelessness have a severe mental illness such as schizophrenia.[14]

Historical investment in the VHTF has allowed for increased development in both affordable and permanent supportive housing units. However, there remains great need for additional PSH and affordable housing units.

Behavioral Health and Developmental Services (BHDS) Trust Fund

Virginia has a special non-reverting fund called the Behavioral Health and Developmental Services Trust Fund. This Trust Fund consists of the net proceeds from the sale of vacant buildings and land held by DBHDS and any General Assembly appropriations to the fund. The DBHDS Commissioner administers this Trust Fund. Among other approved uses, current Virginia code allows for these funds to be used for financing of "appropriate community housing, for the purpose of transitioning individuals with intellectual disability from state training centers to community-based care." Trust Fund monies have been used for a range of community-based services, primarily for individuals in the DOJ Settlement Agreement population. DBHDS is pursuing a code change to expand the populations eligible to be served in community housing financed by the Trust Fund.

Enhance Housing Development Capacity

Increased resources alone may not be sufficient, however, to scale up PSH. DHCD staff indicated that competition for affordable housing resources is fierce and that some of the mission-driven developers who might consider PSH development do not have the capacity to produce projects that are always competitive.

Developed by VH, the “Fundamentals of Affordable Housing Development” class is a two-day workshop designed to walk housing and community development professionals through the development process and best practices. These best practices include but are not limited to organizational and developer capacity, asset mapping, intervention strategies, plan development, key partnerships, homeownership financing and qualifications, rental financing and compliance, and evaluation. The class includes hands-on activities including community

[14] Padgett, D. (October 2020). “Homelessness, Housing Instability and Mental Health: Making the Connections.” *BJPsych Bulle*tin 44(5), 197-201.

design activities and development pro-forma work. This course is intended for beginner and mid-level professionals in the field of housing planning and/or development.

Strategies to Secure Local Capital for PSH

Thirty localities in Virginia receive an allocation of CDBG and/or HOME funds directly from HUD; some of these communities also provide local general funds for affordable housing development. Many PSH projects require multiple sources of grants or deferred payment loans to make a project affordable. Local HOME or CDBG funding is often one of these sources. Piecing together funding for projects can be challenging. If DBHDS is able to make additional capital, rental assistance and/or supports available[15] for projects under consideration, the developer and local funders are likely to be much more receptive to creating projects.

DBHDS is working with a statewide CSB PSH Capacity Development Team to increase CSB activity on the Action Plan items involving local partners. Rappahannock Area CSB has contracted with Technical Assistance Collaborative (TAC) to support CSBs to pursue local strategies to increase PSH. DBHDS will also continue to work with individual communities where there is the possibility of leveraging local funding for PSH for individuals with SMI.

DBHDS also continues to participate in DHCD's statewide input sessions to provide education to local governments on the need for PSH and the PSH resources available through the state for communities interested in PSH development.

Strategies to Increase Rental Assistance for PSH

DBHDS PSH SMI Program

Continuing to grow this demonstrated successful program will be an essential component to meeting the need for 5,000 PSH units and receiving all the benefits that accrue to PSH programs including moving people from institutionalization and homelessness into housing and avoiding associated costs. A continued increase in the PSH SMI program will be especially important as the VH LIHTC units come on-line every year; the majority of these units will not have project-based funding and will need rental assistance to be affordable to clients.

DBHDS will also continue to explore project-basing some portion of the PSH program. Project-basing has a number of advantages including long term access to high cost area such as Northern Virginia and better access to housing for persons with criminal backgrounds or poor tenancy histories.

[15] Either directly or through CSBs or another local entity.

Section 811 Project Rental Assistance (PRA) Program

In February 2020, VH responded to a HUD PRA NOFA providing project-based rental assistance funding to state housing agencies. Funds are available to be used as project-based rental assistance for housing units integrated within multifamily properties that are set-aside for extremely low-income persons with disabilities who are eligible for community-based long-term care services and supports provided under a State Medicaid Program or other comparable long-term services program. VH worked closely with the PSH Steering Committee members in developing the proposal. VH received notice on November 30, 2020 from HUD that unused funds from another program have been shifted and the VH application has been funded. The $6,976,504 award will provide rental assistance for approximately 90-150 units. The 811 Cooperative Agreement was sent to Virginia Housing in October, 2021 and work to implement the program has begun.

Mainstream Housing Choice Voucher (HCV) Program

As described above, in the first round, the state was successful in securing over 1,000 Mainstream vouchers for people with any disability including people with SMI. In September, HUD issued PIH Notice 2020-22 providing PHAs with an opportunity to apply for the remaining Mainstream Voucher funds through a non-competitive process provided by the CARES Act. PHAs can apply for funds through the end of the calendar year. In November, a first round of awards was announced and included $1.8 million for four PHAs in Virginia including VH. These are likely results of the extensive outreach and engagement by the PSH Steering Committee. It is hoped additional awards will be announced for VA PHAs.

Auxiliary Grant Supportive Housing (AGSH) Program

As described above, the state has expanded the number of AGSH providers. Seventy-four individuals were served through AGSH in FY21.

At the beginning of SFY 2022, a 10% rate increase took effect. This increase should provide much needed financial support to AG providers, and is offset by balances in the AG program. An increase to the AG rate benefits individuals in the AGSH program by improving housing affordability and potentially increasing the number of communities that can use the AGSH.

Continuums of Care Rental Assistance

There are 16 Continuums of Care (CoCs) across the state, including 15 independent CoCs and 12 local planning groups (LPGs) of the Balance of State CoC. CoCs and LPGs are tasked with creating effective community-wide emergency crisis response systems that will ensure homelessness is rare, brief, and non-recurring. This requires the coordination of federal, state, local, and private funding. CoCs will be encouraged to apply for specialized resources for PSH when available from HUD. Many CoCs in Virginia have developed PSH programs available to people who are experiencing homelessness – generally chronic homelessness – through their CoC Coordinated Entry System.

Strategies to Increase PSH through Existing Affordable Housing Programs

The production of new units and bringing new rental assistance resources into the state are the preferred strategies for expanding PSH for Virginians with SMI. However, given limitations on state and federal budgets, and the length of time for new production, increasing access to existing affordable housing resources is also an important strategy to meet the state's need for 5,000 PSH units for individuals with SMI.

Public Housing Agency Resources

There are 41 PHAs in Virginia. Of these, two administer only public housing units, 13 administer only vouchers, and 26 administer both the HCV and public housing programs. The PHAs in Virginia administer over 52,200 HCVs[16] and own and operate a total of 17,897 units of federally funded public housing[17]. PHA resources are generally made available to eligible applicants on a first-come, first-served basis but are allowed to use preferences or priorities to serve local needs or public policy priorities, as long as these are nondiscriminatory. For example, PHAs are allowed to offer preferences for people who are homeless, people with disabilities (broadly defined) and people who are institutionalized. According to the Center for Budget and Policy Priorities, 17 percent of federal rental assistance (largely housing choice vouchers but also public housing and HUD-Assisted developments) goes to single adults in Virginia who have disabilities, compared to the national average of 19 percent.

Per federal regulation (24 CFR Part 982), PHAs may not direct their resources towards people with specific disabilities, such as ID/DD and SMI, except in accordance with HUD guidance and as a HUD approved remedial preference.[18] However, with sufficient marketing and outreach by CSBs, people with SMI can be well represented in any applicant pool that targets people who are homeless or who are coming from institutions, both general preferences acceptable to HUD.

Project-basing HCV offers DBHDS a unique opportunity to target federal funding for PSH for people with SMI. The regulations covering the project-based component of the HCV program (24 CFR Part 983), allow PHAs to target resources to persons needing certain services including disability-specific services. DBHDS should consider identifying PHAs already project-basing or interested in project-basing this resource and reach out to these agencies to determine whether there are opportunities to develop PSH for people with SMI. For PHAs with low leasing rates, project-basing vouchers can offer a way to improve leasing rates.

[16] This estimate does not include the newly awarded Mainstream Vouchers.
[17] Data from the state's IAP Housing Assessment (March 2018).
[18] HUD currently limits disability-specific preferences to HUD-approved remedial actions. According to HUD, such remedial actions must be provided in response to" Olmstead-related litigation or enforcement, including a settlement agreement, court order or consent decree, or in response to a public entity's documented, voluntary affirmative Olmstead planning and implementation efforts." https://www.hud.gov/sites/documents/PIH2012-31.PDF

HUD Assisted Housing Resources

There are over 22,000 units of HUD-assisted housing in Virginia that have a project-based subsidy allowing the tenant to pay only 30 percent of their income for rent. In 2013, HUD determined that it was permissible for these owners to provide a homeless or move-on preference[19]. There has been some effort in Virginia to interest owners in implementing this preference with limited success but this approach has several challenges. Most notably, housing entities may not provide a preference for a particular type of disability, so waitlist preferences for individuals with SMI would not be permitted without a HUD waiver. As a result, this strategy has not received much attention, especially in light of the growth of state funding for PSH. The PSH Steering Committee will re-examine this strategy in the SMI Housing Action Plan for 2022.

Strategies to Increase PSH through Enhancing System Capacity

As described above, state and local/regional structural systems supports are key to ensuring an effective PSH system, one that provides a fidelity-based service, targets the state's priority populations, fills units in a timely manner and maintains owner confidence by addressing tenant issues that arise.

PSH Inventory

The PSH Steering Committee has identified a strategy for developing a comprehensive PSH inventory. An inventory would list existing properties that operate as supportive housing, their owners, number of units, special populations served, and other key features. Such an inventory would better permit the state to assess provider capacity and to identify existing PSH resources that might assist with meeting the state's priorities.

Finalize Shared Referral Protocol

Under the DOJ Settlement Agreement, referrals of persons with Intellectual/Developmental Disabilities (I/DD) to PSH resources are made through the DBHDS Central Office, but referrals of people with SMI are made at the local level through CSBs. The expanded target population for units developed through DHCD or VH's tax credit programs will require additional coordination on referrals. The PSH Steering Committee continues to work on finalizing a referral protocol.

Continue PSH Alignment with Related Activities

The state has a number of initiatives that have some overlapping goals and strategies. The PSH Steering Committee will continue to align efforts to house people with SMI with efforts to house people with I/DD and people who are experiencing chronic homelessness. Each of these populations has an advisory or coordinating body overseeing or guiding the work. The PSH

[19] https://www.hudexchange.info/news/hud-releases-resources-on-homeless-preferences-for-multifamily-property-owners-and-agents/

Steering Committee will also seek to coordinate with eviction prevention efforts and general affordable housing development activities.

Leadership Key to PSH Strategy

As described above, there are many opportunities to leverage supports, capital, and rental assistance resources to expand PSH for Virginians with SMI. No single state or federal resource will help Virginia meet the need for 5,000 PSH units. Scaling up PSH will require coordinating multiple housing and service funding mechanisms at both the state and local levels. Continued leadership is necessary to ensure state agencies collaborate effectively. Leadership will be necessary at key points such as calling for owners to step up to serve the state's most vulnerable populations while guaranteeing that the state will provide supports to tenants and be available to owners when issues arise. Since the start of this process, the ILT as well as the PSH Steering Committee have provided such leadership. However, such leadership must be sustained over the multi-year period in which resources must be identified, programs and projects developed and then occupied by the target populations.

On November 15, 2018, Executive Order 25 was issued establishing housing policy priorities to enhance the quality, availability and affordability of housing in the Commonwealth of Virginia. Permanent supportive housing was one of the three policy initiatives called out in the Executive Order. Continued investment will move the commonwealth forward in meeting goals of providing supports to individuals with SMI and more cost savings to the state. It is this leadership at the highest levels of the Executive Branch combined with leadership from the General Assembly that will provide the tools and continue the momentum to ensure the state can address the supportive housing needs of people with serious mental illness, ending homelessness and institutionalization, helping these residents of Virginia to lead stable, independent lives in their community of choice as well as saving the commonwealth scarce financial resources.

Appendices

Appendix A Action Plan

Goal #1 - Increase Services and Supports to Assist Individuals with SMI to Gain Access to and Maintain Supportive Housing						
<u>Strategy 1.1</u>: Obtain CMS approval of a supportive housing benefit as part of the renewal of Virginia's 1115 Demonstration Waiver						
Action	**Lead Agency(s)**	**Others Involved**	**CY19 Goal**	**CY20 Goal**	**CY21 Goal**	**Resources $$$**
1.1.1 Respond to CMS concerns as necessary to obtain waiver approval	DMAS		None	Obtain CMS approval of SH and SE benefits	Begin phase-in of benefits within at least one region	
1.1.2 Engage stakeholders in the design and development of the Supportive Housing (SH) benefit	DMAS	DBHDS	Begin to identify key stakeholders	Convene stakeholder meetings to gain input on benefit implementation	Continue stakeholder sessions to gain input on benefits implementation	
1.1.3 Issue service definitions, Member eligibility criteria, provider eligibility criteria, rates	DMAS	DMAS/MCOs	None	MCOs, providers receive necessary guidance for service provision/payment	Providers enroll to provide SH benefits	
1.1.4 Align DBHDS, DMAS and other outcome measures to assess the impact of the Supportive Housing benefit	DMAS	DBHDS	Begin identification of outcome measures possibly including: • State hospital bed days • Local inpatient bed days • # days incarcerated • Medicaid costs • CSB data: community services, PSH-SMI service costs • CoC data	Rates are determined for outcome measures, if applicable, and Medicaid expenditures 6-12 months prior to supportive housing to establish baseline	Outcomes are assessed 6-12 months after placement in supportive housing	

1.1.5 DMAS works with partners to establish implementation schedule.	DMAS	DBHDS VH DHCD MCOs	None	If applicable, region(s) identified for initial phase-in where SH expansion is anticipated and/or there are strong service providers	Phase-in of SH continues until SH is implemented statewide	
1.1.6 Explore opportunity to create new provider type(s) and credentialing process for housing transition and housing support services	DMAS	DBHDS	Continue exploration of services and provider opportunities to include research from other states	New Medicaid provider type established for housing transition and/or housing sustaining services that reflects the needed skills and expertise and providers are credentialed	SH providers are enrolled/credentialed to support individuals with SMI in successful Transition/SH tenancy	
1.1.7 Assess provider capacity to deliver SH benefit services	DMAS	DMAS/MCOs DBHDS	None	Assess current provider pool for new services Develop training and provider enrollment process	Region(s) for phase-in have sufficient providers to deliver SH benefit to high need, high risk members	
1.1.8 Engage MCOs in promoting and supporting access to the SH benefit. Encourage MCOs to support housing transition and housing sustaining services	DMAS	DBHDS	• Educate MCOs as to state's SH plans • Provide MCOs with data for need in their area and how state would like to see need addressed	• MCOs begin to support high risk/high need members with SMI in need of housing through SH benefit, if available • Develop quality measures. • Assess measures	• Assess results of MCO targeting. • Evaluate MCO efforts in addition to support high risk/high need members with SMI in need of housing through PSH benefit.	

Strategy 1.2: Maximize use of existing Medicaid services and authorities to fund housing transition and housing sustaining services until SH benefit is available						
Action	**Lead Agency(s)**	**Others** Involved	**CY19 Goal**	**CY20 Goal**	**CY21 Goal**	**Resources $$$**
1.2.1 Community mental health services are strengthened, to incorporate evidence-based practice per BH Redesign	DMAS	DBHDS	DMAS issues report on BH Redesign and planning process.	• Providers begin to receive training in evidence-based practices	Providers continue to receive training in evidence-based practices	
1.2.2 Provide clarification to identify the roles and responsibilities of existing Medicaid services related to housing transition and support services	DBHDS	DMAS	Jointly issue information to providers on how existing Medicaid services can be used to provide Housing Transition and Sustaining Services to individuals with SMI	• Agencies provide CMHRS to support individuals w/ SMI in attaining and sustaining tenancy in PSH • Determine how to measure impact of agency efforts	Agencies provide CMHRS to support individuals w/ SMI in attaining and sustaining tenancy in PSH	DBHDS staff
1.2.3 Provide staff training to support appropriate delivery of services	DBHDS	DMAS	Pending identification of funds, trainings developed	Regional trainings offered for staff, clarifying their roles and responsibilities in providing housing transition and support services	Training is repeated at least annually	DBHDS staff
1.2.4 Address emerging need for additional service provider capacity	DMAS/ MCOs	DBHDS	None	Identify and address needed provider capacity	CSBs/provider communities are identified for targeted service expansion/development	
1.2.5 Monitor to ensure the provision of the full array of	DMAS	DMAS/ MCOs	Care Coordinators (CCs) will routinely	CCs will routinely monitor individuals	Individuals with SMI in CCC+ will receive	CSBs

housing supports across multiple staff/providers			monitor individuals with SMI in CCC+ for access to housing transition and sustaining supports seamlessly to meet their individual needs	with SMI in CCC+ for access to housing transition and sustaining supports seamlessly to meet	the full array of services and supports to meet their individual needs to access and successfully sustain housing, if eligible	Private providers MCOs
1.2.6 Individuals are transitioned to a non-Medicaid funding source if CMHRS are still wanted/needed but determined to no longer be "medically necessary."	DMAS/MCOs	DBHDS	• Understand current process of transitioning individuals who are no longer eligible for Medicaid funded supports • Individuals with SMI receive housing supports as long as the supports are needed to sustain successful tenancy in PSH	• Develop a best practice process for transitioning individuals to a non-Medicaid source • Individuals with SMI receive housing support services as long as the services are needed to sustain successful tenancy in PSH	Individuals with SMI receive housing support services as long as the services are needed to sustain successful tenancy in PSH	
1.2.7 Provide resources to care coordinators to identify members with housing need and make initial referral to address. DMAS to establish policy, process and then train staff	DMAS DBHDS		• Begin to develop policy, procedure and training that may require MCOs to assess members' housing status at least annually	• Incorporate training or resource information so this is part of general CC training. • Monitor and assess implementation	Provide on-going training	

			• Implement policy and training	of policy and procedures. • Make adjustments as needed		
1.2.8 Explore with MCOs the role of Health Homes/Behavioral Health Homes to promote access to supportive housing and to sustain successful tenancy for hi need/hi cost members.	DMAS	MCOs DBHDS	• Identify at least 1 MCO willing to test BH Health Home implementing housing supports • Assess potential rates or payments	Explore the opportunity to implement a pilot project testing/ evaluating the impact of a BH HH on housing stability and healthcare service utilization and costs		
<u>Strategy 1.3</u>: Explore non-Medicaid options for funding housing transition and housing sustaining services						
Action	**Lead Agency(s)**	**Others Involved**	**CY19 Goal**	**CY20 Goal**	**CY21 Goal**	**Resources $$$**
1.3.1 Continue to include support services in PSH as an eligible activity for the Homeless Reduction Grants portion of the Housing Trust Fund (HTF) (up to 20%).	DHCD		• Develop and issue a Request for Proposal • Select grantees. At least 50 persons served, some of whom will have SMI. • Explore SMI data collection as part of required reporting	• Develop and issue FY21 Request for Proposal • Select grantees • At least 83 persons served, some whom will have SMI. • Projects implemented.	• Develop and issue FY22 Request for Proposal • Select grantees • Projects implemented	$1.4 million for FY19 and $2.5 million for FY20
1.3.2 Establish public/private partnerships in investing in housing and services in areas of high need for PSH including	DHCD	DMAS DBHDS VH VDH	Pursue funding from health-related stakeholders to support a position	Initiate at least one pilot project to expand housing and/or services	At least one new pilot project is initiated to expand housing and/or	• Foundations

support for capacity building, e.g. housing development institute			that would work with the PSH Steering Committee to coordinate and monitor at least one pilot project that would expand housing and/or services capacity, ensuring an evaluation of the project that will assist others in learning from the experience	capacity to fill needs where other funding (state and federal) is not available	services capacity to fill needs where other funding (state and federal) isn't available	• Health Systems • MCOs • Hospitals

Strategy 1.4: Build understanding and awareness of the positive outcomes associated with independent housing options for individuals preparing for state hospital discharge and the availability of those housing options						
Action	**Lead Agency(s)**	**Others Involved**	**CY19 Goal**	**CY20 Goal**	**CY21 Goal**	**Resources $$$**
1.4.1 Issue a data-driven policy statement that articulates the ability for individuals to successfully transition from state hospitals to supportive housing	**DBHDS**		Issue a policy statement supported with data that reflects the ability for individuals to transition from a state hospital to supportive housing	Contingent on funding availability, double the number of individuals from CY 19 discharged from each state hospital directly to supportive housing	Contingent on funding availability, double the number of individuals in CY 20 discharged from each state hospital directly to supportive housing	
1.4.2 Educate state hospital staff, case managers, consumers and families about the opportunity for successful transition from a state hospital bed to supportive housing	**DBHDS**		Develop educational materials reflecting PSH-SMI program experience with successfully transitioning individuals from state hospitals to the community and available resources	Hold at least 1 educational session in each state hospital, involving CSB partners	Repeat training annually, updating data on the number of successful placements into supportive housing	

Goal #2 - Provide Capital Subsidies to Expand PSH						
<u>Strategy 2.1:</u> Expand PSH through the VH Low Income Housing Tax Credit Program **Estimated 200 units with leasing preferences annually beginning in FY20; leasing preference for SMI and other populations targeted under state partner MOU**						
Action	**Lead Agency(s)**	**Others Involved**	**CY19 Goal**	**CY20 Goal**	**CY21 Goal**	**Resources $$$**
2.1.1 Continue coordination between DBHDS and VH	DBHDS	VH	Monthly coordination between DBHDS and VH	Monthly check in meetings with implementation staff. Bi-annual full staff meetings	Monthly check in meetings with implementation staff. Bi-annual full staff meetings	
2.1.2 Develop MOU on PSH collaboration with appendix related to SMI population as well as other populations	VH	DBHDS DHCD DMAS	MOU executed	Annual MOU review	Annual MOU review	
2.1.3 Finalize referral process for individuals referred to LIHTC units	VH	DBHDS	• Develop guidance; • Pilot referral process in one community	Release final referral process	Review and update existing process as needed	
2.1.4 Determine roles and outreach needs for CSBs, developers and other stakeholders	DBHDS	VH DHCD DMAS	Roles and outreach activities identified in MOU			

<u>Strategy 2.2:</u> Expand PSH through the Affordable and Special Needs Housing Program **Estimated 56 total PSH projects produced in FY19 and FY20; number of units per project provided after projects are selected.**						
Action	**Lead Agency(s)**	**Others Involved**	**CY19 Goal**	**CY20 Goal**	**CY21 Goal**	**Resources $$$**
2.2.1 Host five input sessions to secure local input into Consolidated Plan and Annual Action Plan. Request input related to PSH development and possible new state resources	DHCD	DBHDS VH	• Host five regional meetings • Stakeholder education and input re: PSH	Annual five regional meetings	Annual five regional meetings	
2.2.2 Secure additional PSH through Affordable and Special Needs Housing (ASNH) Program	DHCD		• Issue Request for Applications. • Estimated 56 affordable housing construction projects selected for FY19 and FY20; each project contributes from 5 to 100 affordable units for supportive housing with various target populations	Projects constructed/ rehabilitated	To be determined once projects selected in CY19	Approx. $33.9 million total funds for ASNH Program for FY19 and FY20
2.2.3 Identify targeted capacity development that may assist in increased PSH through ASNH program and/or identify developers well positioned to create PSH	DHCD	DBHDS	Identify developers and determine interest in capacity development	Development support	Development support	

Strategy 2.3: Expand PSH through Investment of DBHDS funds in capital subsidies						
Action	**Lead Agency(s)**	**Others Involved**	**CY19 Goal**	**CY20 Goal**	**CY21 Goal**	**Resources $$$**
2.3.1 Explore opportunities to increase funding allocations to the Trust Fund for development appropriate community housing including housing for people with SMI as well as DD who are transitioning from institutions, including possibility of proposing amendments to relevant code sections to add individuals with serious mental illness as a population eligible to be served in community housing financed by the Trust Fund	DBHDS		None	• Explore opportunities with DBHDS leadership. • If approved, develop legislative request for language modification. • Make request to increase budget	If approved, implement	
2.3.2 Explore the investment of carryover and reserve DBHDS housing funds in project capital	DBHDS		None	Explore whether carryover and reserve can be invested, and if so, develop policies and procedures to identify, secure and make such investments	Continue to make investments, if possible.	Unknown
Strategy 2.4: Strategies to Collaborate with Local Communities to expand PSH						
Action	**Lead Agency(s)**	**Others Involved**	**CY19 Goal**	**CY20 Goal**	**CY21 Goal**	**Resources $$$**
2.4.1 Identify communities with high need, high risk populations and services/ housing capacity to address these populations for possible outreach	DBHDS	DHCD VH DMAS	• Articulate criteria to identify communities	• Implement outreach as part of DHCD's modified action	Continue to implement outreach as part of DHCD's	

			• Identify potential communities • Finalize community choices • Plan outreach to take place in conjunction with DHCD's annual action planning outreach	planning outreach • Identify interested communities	modified action planning outreach	
2.4.2 Follow-up with interested communities	DBHDS	DHCD VH	None	• Work with interested communities to identify PSH opportunities. • Identify DBHDS, CSB and other agency resources to support identified pipeline projects • Provide assistance to projects as needed	• Projects come on-line • Continue to work with communities to include PSH in projects.	
2.4.3 Explore establishment of peer to peer shared learning covering the identified communities	DBHDS	DHCD DMAS VH	None	Goal of holding three meetings; one in –person and two conference calls	Goal of holding three meetings; one in –person and two conference calls	

Goal #3 - Increase Rental Assistance to make Units Affordable						
<u>Strategy 3.1:</u> Expand PSH through the DBHDS PSH SMI Program **[20]FY19 – 200 household expansion (funds available)** **FY20 – 150 household expansion (funds dependent on final budget)**						
Action	**Lead Agency(s)**	**Others Involved**	**CY19 Goal**	**CY20 Goal**	**CY21 Goal**	**Resources $$$**
3.1.1 Continue to secure funds to expand the PSH-SMI program	DBHDS		Allocate additional funds provided by the Assembly	Request additional funds through budget development	Allocate funds from General Assembly and PSH-SMI that become available when Medicaid SH benefit is available statewide	• $5 million for 375 units requested in FY20 budget • Medicaid expansion may free up funding for 350 units in CY2021
3.1.2 Target new funding and/or turnover to LIHTC units as they come on-line	DBHDS	VH	• Assess opportunities to align PSH funds with LIHTC turnover • Lease-up as appropriate	Allocate funds to areas with new or existing LIHTC units that can provide preferential leasing to program participants	Educate SMI programs as to this opportunity	

[20] Note: This rental assistance may be used in LIHTC or ASHN projects**.** If so, avoid double counting units.

Strategy 3.2: Explore partnership with local PHAs to support state goals						
Action	**Lead Agency(s)**	**Others Involved**	**CY19 Goal**	**CY20 Goal**	**CY21 Goal**	**Resources $$$**
3.2.1 Meet with key groups include VAHCDO to discuss state priorities and collaboratively outreach to PHAs to support state goals.	DHCD	DBHDS VH DMAS	Meet with key groups	Meet with key groups	Meet with key groups	
3.2.2 Outreach to all VA PHAs to encourage responses to the next Mainstream NOFA(s). Outreach through regional Consolidated Planning meetings as well as possible communication from leadership to PHAs to encourage applications. Identify what resources DBHDS or its local partners bring to the table to help PHAs successfully apply for these funds including but not limited to identifying clients and helping them locate and move into housing, funds for move-in costs such as security deposits or furnishings, landlord guarantee program. Identify best prospects and target these	DHCD	DBHDS VH DMAS	• Develop joint letter from Secretaries • Design and execute outreach to PHAs as soon as possible in anticipation of NOFA	• Offer support to all PHAs choosing to apply • Explore methods to track people with SMI served	Offer support to all PHAs choosing to apply	DBHDS and CSB identified resources
3.2.3 Identify PHAs interested in project-basing Mainstream, other PBV or PSH SMI to serve the target population	DHCD		Identify a pilot project	Identify two projects	Identify two projects	
3.2.4 Work with PHAs interested in project-based Mainstream or other HCV to develop a low-risk approach to HUD secure approval for targeting. Determine whether PHA could base an approach on services related to PBV that would not require HUD approval	DHCD		Select low risk strategy. Work with PHA to provide necessary documentation and tenant selection policies and procedures	Work with PHA to provide necessary documentation and tenant selection policies and procedures	Work with PHA to provide necessary documentation and tenant selection policies and procedures	

Strategy 3.3: Maximize Discharge Assistance funding to support transitions to community housing						
Action	**Lead Agency(s)**	**Others Involved**	**CY19 Goal**	**CY20 Goal**	**CY21 Goal**	**Resources $$$**
3.3.1 Examine current Discharge Assistance Program (DAP) utilization and explore strategies to align this funding with other housing initiatives for individuals with SMI such as PSH	DBHDS		Review DAP utilization by CSB and service type			
3.3.2 DBHDS updates DAP information to describe how to use DAP to bridge to PSH and other integrated community housing	DBHDS		Develop information	Disseminate information		
3.3.3 Ensure CSBs involved in discharge planning receive housing referral training and updated information about resources	DBHDS		None	Provide remote training for CSB staff; record and make available as staff turnover		

Goal #4 - Increase PSH through Preferential Access to Existing Affordable Housing Programs						
<u>Strategy 4.1:</u> Expand PSH through access to public housing agency resources						
Action	**Lead Agency(s)**	**Others Involved**	**CY19 Goal**	**CY20 Goal**	**CY21 Goal**	**Resources $$$**
4.1.1 Through outreach conducted under Strategy #2.2 above, identify PHAs that would consider adding a preference – including a capped preference - for people who are chronically homeless, high utilizers of public services, and/or people leaving institutions in the PHA's HCV or public housing programs. PHAs might include those with chronic underutilization of HCVs	DBHDS		Identify two PHAs	Identify two PHAs	Identify two PHAs	
4.1.2 Work with the identified PHAs to establish local partnerships between CSBs, service providers and PHA to identify persons in target population, assist them to apply and move-in and to support sustained tenancies	DBHDS		Facilitate partnering between PHA, CSB and service providers	Facilitate partnering between PHA, CSB and service providers	Facilitate partnering between PHA, CSB and service providers	
4.1.3 Document and assess success so that strategies can be replicated with other PHAs	DBHDS		• Document outreach strategies. • Assess success	Assess tenant tenure	Assess tenant tenure	
Strategy 4.2: Expand PSH through Access to HUD Assisted Housing Resources						
Action	**Lead Agency(s)**	**Others Involved**	**CY19 Goal**	**CY20 Goal**	**CY21 Goal**	**Resources $$$**
4.2.1 Renew efforts to interest HUD Assisted properties in providing a homeless or move-on preference in their properties. Consider targeted strategy such as senior properties or veterans with disabilities as well as marketing existing and new Medicaid funded supports	DBHDS	DHCD/CoC	• Engage Newport News partners about the TA they have	• Identify one property willing to implement the move-on preference.	• Identify one property willing to implement the move-on preference.	Free technical assistance available through HUD

			received for a moving on initiative. • Identify one property willing to implement the move-on preference • As needed, facilitate partnership between the CSB, CoC, local service providers and property	• As needed, facilitate partnership between the CSB, CoC, local service providers and property	• As needed, facilitate partnership between the CSB, CoC, local service providers and property	
4.2.2 Document and assess success of preference in order to market to other properties	DBHDS	DHCD/CoC	Review data and evaluate success	Review data and evaluate success	Review data and evaluate success	

Goal #5 - Strategies to Increase PSH through Enhancing System Capacity						
<u>Strategy 5.1:</u> Track PSH outcomes and utilize data to inform implementation plans						
Action	**Lead Agency(s)**	**Others Involved**	**CY19 Goal**	**CY20 Goal**	**CY21 Goal**	**Resources $$$**
5.1.1 Identify data needs (including but not limited to program evaluation and documentation of program success and cost avoidance), how information will be collected, shared, reported	DBHDS DMAS	VH DHCD DARS	Data needs identified	• Finalize data plan. • Develop data collection system by Jan. 2020	• Collect data as projects prepare for occupancy. • Conduct QA review and adjust as needed	
5.1.2 Research creation of a PSH inventory tool	DHCD	DBHDS DMAS DHCD	Determine appropriate tool	Implement tool	Analyze using tool	
<u>Strategy 5.2:</u> Develop DBHDS referral protocol for non-LIHTC units						
Action	**Lead Agency(s)**	**Others Involved**	**CY19 Goal**	**CY20 Goal**	**CY21 Goal**	**Resources $$$**
5.2.1 DBHDS should continue to work internally across Divisions as well as with DHCD on a streamlined protocol and written policies for referring priority populations to set-asides and units with leasing preferences. Process to complement DBHDS-VH referral process	DBHDS	DHCD	None	Develop DBHDS written protocol for referral process		
5.2.2 DBHDS collaborate with CSBs and other local entities to develop strategies to market units to eligible people with SMI prior to the availability of the units	DBHDS		None	• Collaborate with CSBs to develop marketing strategies • Market units	Market units	

Strategy 5.3: Launch DBHDS Cross-Disability Housing Office						
Action	**Lead Agency(s)**	**Others Involved**	**CY19 Goal**	**CY20 Goal**	**CY21 Goal**	**Resources $$$**
5.3.1 Establish office including staffing, organizational chart, roles and responsibilities for the office.	DBHDS		New Office established			
5.3.2 Ensure sufficient staffing; provide funds for additional DBHDS staffing to conduct evaluation, monitoring, and provide operational support to assure fidelity to PSH	DBHDS	DMAS	Explore Medicaid admin funds for DBHDS housing positions	Request funds to address staffing gaps		
5.3.3 Establishment shared and/or coordinated responsibilities between Behavioral Health and Developmental Services teams including but not limited to shared referral process for LIHTC units with a leasing preference, education and training for housing agencies and service providers	DBHDS		Coordination between SMI and DD Divisions. Identify source of funds for training activities. Shared referral process developed	Coordination between SMI and DD Divisions	Coordination between SMI and DD Divisions	
Strategy 5.4: Enhance PSH housing development capacity						
Action	**Lead Agency(s)**	**Others Involved**	**CY19 Goal**	**CY20 Goal**	**CY21 Goal**	**Resources $$$**
5.4.1 Explore strategies to increase the capacity of CSBs, nonprofit mission-driven developers and other organizations to develop PSH	DBHDS	VH DHCD	Identify capacity building needs	Develop and implement capacity-building strategy.	Implement capacity building strategy	
5.4.2 Identify funds for identified strategy and implement as soon as possible. See also Strategy 1 for philanthropic support for this capacity development	DBHDS	VH DHCD DMAS	Identify funding			

Strategy 5.5: PSH Steering Committee continues PSH alignment with related activities						
Action	**Lead Agency(s)**	**Others Involved**	**CY19 Goal**	**CY20 Goal**	**CY21 Goal**	**Resources $$$**
5.5.1 PSH Steering Committee continue to meet regularly to ensure plan is implemented on schedule	DHCD	VH DBHDS DMAS DARS VDH DVS DSS	Monthly meetings	Monthly meetings	Monthly meetings	
5.5.2 PSH Steering Committee ensures coordination and alignment with related activities including Governors Coordinating Council, SMI Strategy Group, Integrated Housing Advisory Council (IHAC), Inter-agency Leadership Team (ILT)	DHCD	VH DBHDS DMAS DARS VDH DVS DSS	Coordination between committees	Coordination between committees	Coordination between committees	
5.5.3 PSH Steering Committee to continue to secure stakeholder input through Strategy Group and other	DHCD	VH DBHDS DMAS DARS VDH DVS DSS	Communication with stakeholders	Communication with stakeholders	Communication with stakeholders	
5.5.4 PSH Steering Committee to continue to include state actors as appropriate	DHCD	VH DBHDS DMAS DARS VDH DVS DSS	PSH Steering Committee expanded as appropriate	PSH Steering Committee expanded as appropriate	PSH Steering Committee expanded as appropriate	

Acronyms

SH = DMAS Supportive Housing benefit
PSH = permanent supportive housing
LIHTC = Low Income Housing Tax Credit program
SE = DMAS Supported Employment benefit
MH = mental health
VBH = behavioral health
TCM = target case management
MHSS = mental health skill building
CC = care coordinators (DMAS)
HH = Healthy Home

Appendix B PSH Steering Committee

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Appendix C Strategy Group Membership

2021 Housing Virginians with Serious Mental Illness Strategy Group

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Appendix D Governor's Coordinating Council on Homelessness and Housing Vulnerable Populations - Committee Relationship Graphic