



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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Ms. Phyllis Smelkinson
United States Department of Housing and Urban Development
Office of Public and Indian Housing
Housing Voucher and Operations Division
451 7th Street, SW, Room 4210
Washington, DC 20410

Re: [Docket No. FR-5332-N-01]: Proposed Notice of Funding Availability (NOFA) for HUD's Fiscal Year (FY) 2009 Rental Assistance for Non-Elderly Persons With Disabilities; Request for Comments

Dear Ms. Smelkinson:

I write on behalf of the Department of Medical Assistance Services (DMAS), Virginia's State Medicaid Agency, in response to your request for comments on the recently issued *Proposed Notice of Funding Availability (NOFA) for HUD's Fiscal Year (FY) 2009 Rental Assistance for Non-Elderly Persons with Disabilities*. DMAS administers Virginia's Money Follows the Person (MFP) Demonstration and hopes to transition over 1,000 individuals to the community from hospitals, nursing facilities and intermediate care facilities for individuals with mental retardation/intellectual disabilities over the next two years.

In Virginia, our human services agencies, and particularly the 16 Centers for Independent Living, have been working with PHAs on an ongoing basis for the past two years to educate them about the MFP Demonstration and build relationships with them. Governor Kaine has twice contacted Virginia's PHAs about the MFP Demonstration in an effort to encourage them to provide affordable housing opportunities for individuals participating in this program. We applaud HUD for specifically including MFP in this NOFA. To our knowledge, it is the first demonstrable recognition by HUD of the long-documented affordable community housing needs of individuals who live in institutions. It is also a concrete sign that federal agencies are working together to support the growing national trend for individuals to be able to live at home instead of in institutions to receive their long-term supports and services.

As do many other states, Virginia's MFP Demonstration targets seniors *and* non-elderly individuals with disabilities, yet this proposed NOFA restricts the targeted group to non-elderly individuals with disabilities. We realize that this may be a funding requirement

imposed on HUD; however, it results in denying a large population of MFP participants equal access to rental assistance. We are also concerned that the NOFA excludes families with children with disabilities as addressed below. Children are eligible to participate in Virginia's MFP Demonstration.

Our specific comments of the proposed NOFA are as follows:

Overview Information. G. Additional Important Overview Information (1)

This section states that individuals in Category 2 must be admitted from the PHA's waiting list and assisted through a preference as stated in the PHA's Administrative Plan for transitioning persons from institutions. We find these requirements most problematic. Some PHA waiting lists are closed now and have been closed for long periods of time. For Category 2, individuals in institutions may not have been able to consider community housing prior to the MFP Demonstration, and therefore may not have been placed on any PHA waiting lists. Requiring vouchers to be distributed to people based on their presence on a waiting list will eliminate large numbers of otherwise eligible individuals. With respect to a PHA's Administrative Plan preference for Category 2, we ask that HUD either waive this requirement or require that all PHAs awarded funding under Category 2 add this preference to their Administrative Plan.

I. Funding Opportunity Description. A. Available Funds

We question the allocation of a maximum of only 1,000 (Category 2) vouchers nationwide to the MFP program. We urge HUD to set aside *at least* 1,000 vouchers for individuals participating in the MFP Demonstration.

HUD indicates that if there are any funds still remaining unobligated under previous NOFAs, they will be assigned to non-MFP (Category 1) vouchers under this NOFA. We urge HUD to allocate any unobligated funds to both Category 1 and Category 2.

I. Funding Opportunity Description. D. Definition of Terms

The NOFA defines "Non-elderly Disabled Family" as "a family that does not meet the definition of an elderly family whose head, spouse, or sole member is a person with disabilities." This definition appears to exclude the families of children with disabilities, even when those children are adults themselves.

II. Award Information A. HCV Funding Process 1. Maximum Voucher Request

The PHA voucher request is limited to 10% of its "...authorized baseline units or 200 vouchers, whichever is less." For category 2, the guiding factor should be the number of vouchers that can be used by the MFP program. We urge HUD to allow the MFP estimates to guide the number of vouchers requested.

III. Eligibility Information. A. Eligible Applicants

HUD is proposing that only PHAs be permitted to apply for these vouchers. Virginia's MFP program is statewide, and there are entities other than PHAs that have a track record of administering rental vouchers, coupled with a more complete understanding of the

housing needs of individuals with disabilities. Leaving the applications to the discretion of PHAs is likely to result in inequitable distribution of any vouchers awarded within a particular state. We suggest that other entities be permitted to apply if the PHA cannot or will not apply.

III. Eligibility Information. C. Other Requirements 1. Eligible Activities

We support HUD's requirement that assistance made available continue to remain available for nonelderly disabled families upon turnover. However, we believe that a Category 2 voucher should have to be issued to another Category 2 family upon turnover if there is a family that can use it. Otherwise, it should be made available to a non-elderly disabled family (Category 1).

IV. Application and Timely Receipt Information B. Content of Application Under This NOFA Section 2.e.

This section requires that PHAs must demonstrate experience by documenting that at least 20% of their current housing choice vouchers are used by "non-elderly disabled families," that the PHA has a preference for "non-elderly disabled families," or that the PHA has participated in certain specific programs. Some PHAs that may not be able to meet these requirements have developed close working relationships with the MFP program in Virginia, and it does not appear fair to exclude these PHAs from applying. We urge HUD to permit exceptions to the experience requirement when a PHA is clearly partnering with the MFP program.

IV. Application and Timely Receipt Information B. Content of Application Under This NOFA Section 2.f.

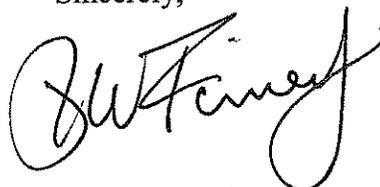
We appreciate that Category 2 applicants that partner with the MFP program need only provide documentation of evidence of MFP participation by the partnering resource agency. DMAS is pleased to serve as the partnering resource agency for all PHAs in Virginia who receive Category 2 vouchers.

V. Application Review Information B. Review and Selection Process 1. Technically Acceptable Applications b. Order of Funding

We question the use of a lottery in the event funding is not available to fund all applications received by the NOFA deadline in Category 2 until all funding is exhausted.

Thank you very much for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick W. Finnerty". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Patrick W. Finnerty