



PRESERVATION OUTLEASING SUCCESS STORY

VA Enhanced Use Leasing: 30 Years of Housing Veterans and Protecting Historic Properties

Nationwide

THE PROJECT

The U.S. Department of Veterans Affairs (VA) Enhanced Use Lease (EUL) program has adaptively used more than 80 historic properties in VA's inventory, converting vacant and underutilized properties into housing and related services for at-risk and homeless veterans in need—to include EULs at four of VA's National Historic Landmark facilities in Dayton, Ohio; Johnson City, Tennessee; Leavenworth, Kansas; and Milwaukee, Wisconsin. EULs provide a mechanism for a non-VA entity to develop and operate supportive housing for homeless and at-risk veterans and their families on VA property. VA enters into a long-term ground lease with a private, not-for-profit, or local government entity that develops, rehabilitates, builds, finances, operates, and maintains the housing. Through this innovative tool, a type of outleasing, at-risk veterans are provided with housing and an expanded range of services that would not otherwise be available on medical center campuses. Additionally, VA fulfills its National Historic Preservation Act (NHPA) Section 110 historic property stewardship responsibilities.

THE PROCESS

In 1991, Congress originally authorized VA to outlease underutilized real estate under its jurisdiction or control to third-party developers to adapt and reuse underutilized buildings or land through EULs that benefit veterans and their families. That authority has been modified and re-authorized in various ways and currently is focused on reuse for Supportive Housing purposes only. VA's Office of Asset Enterprise Management (OAEM) manages the EUL program. On an ongoing basis, OAEM reviews vacant and underutilized assets nationwide to identify EUL opportunities. The reviews involve analysis of VA's capital asset inventory, as well as conversations with local VA staff regarding asset availability. OAEM analyzes the feasibility of assets for housing redevelopment, as well as market supply and demand factors. EUL projects are often complex, require multiple funding sources, and are dependent on the support of other federal agencies and nonfederal partners.

“VA is proud of our EUL program, which has proven to be extremely successful at providing housing opportunities for homeless and at-risk veterans. The EUL program has created a number of positive outcomes, including being an effective tool in managing the VA real estate portfolio, protecting VA historic assets, and partnering with local communities to create win-win situations.”

— Brett Simms, Executive Director, VA Office of Asset Enterprise Management

Exterior of the newly rehabilitated Neuro-Psychiatric Infirmary (Building 76) at the Charlie Norwood VA Medical Center in Augusta, Georgia (Cushman & Wakefield)



THE SUCCESS

To date, VA has executed 104 EULs. As of January 1, 2021, VA had 3,203 units of housing available for veterans and an additional 379 units in development. Many of these units have been created in rehabilitated historic properties that would otherwise be vacant. Nearly all NHPA Section 106 reviews conducted for EUL projects conclude with findings of no adverse effect to historic properties, and many utilize federal and state historic tax credits. EUL projects provide safe, affordable living arrangements near health care providers, which contribute to positive health care outcomes for veterans. The EUL program directly responds to a basic need of some veterans and ensures their access to healthcare, while benefiting VA with increased cost savings, cost avoidance, and revenue to assist with maintenance of its historic properties. Additionally, it benefits the local community with increased local employment opportunities and tax revenues. VA EUL partners have raised more than \$1.5 billion of private sector capital. The EUL authority is a key component of VA's historic preservation program, because historic properties are protected and used to meet VA's mission to end veteran homelessness and VA's overall asset management program goals. It is a great example of how an agency's tools can be used for successful preservation outcomes.

Left, exterior of the rehabilitated historic mess hall (Building 19) at the VA Medical Center in Leavenworth, Kansas (VA); Right, interior of a housing unit in the rehabilitated Old Main building (Building 2) at the Milwaukee VA Medical Center (The Alexander Company)

Partners:

U.S. Department of Veterans Affairs

U.S. Department of Housing and Urban Development McKinney-Vento Program

HUD-VASH (VA Supportive Housing) Voucher Program

National Park Service Historic Preservation Tax Credit Program

Federal Home Loan Bank funds

State Historic Preservation Offices

Indian tribes

Local and state agencies/governments

Financial backers

Low Income Housing Tax Credit Program

State and local affordable housing programs

Preservation and special interest groups

Project-based Housing Choice Voucher Program

Third-party developers