



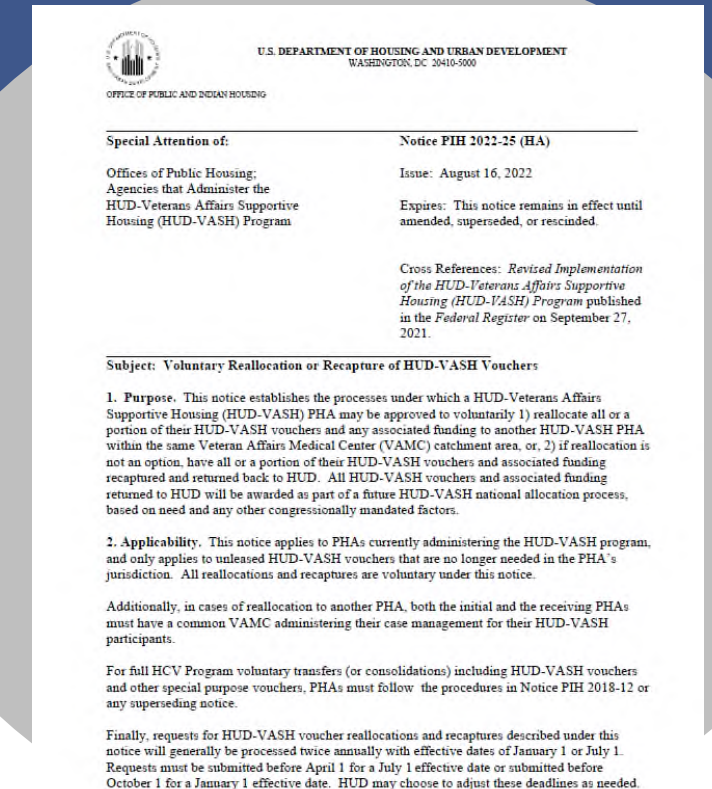
Voluntary Reallocation or Recapture of HUD-VASH Vouchers

Agenda for this presentation covering the HUD-VASH Voluntary Reallocation or Recapture Notice (PIH 2022-25)

- 1) Overview and background of the notice
- 2) Reallocation vs. Recapture
- 3) When to consider reallocation or recapture
- 4) Overview of the request and approval process
- 5) PHA request letter requirements
- 6) Processing timeline
- 7) Next steps and questions

HUD-VASH Voluntary Reallocation or Recapture Notice

- The HUD-VASH Voluntary Reallocation or Recapture Notice details the processes by which PHAs, in collaboration with their partnering VA Medical Centers (VAMCs), may request a reallocation or a recapture of their HUD-VASH vouchers
- This notice is intended to increase efficiency and impact of existing HUD-VASH resources by moving vouchers from areas with chronically low utilization to areas with additional need



PIH 2022-25

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Background

- HUD and the VA have collaboratively awarded HUD-VASH vouchers based on current geographic need each year since 2008. Geographic need has historically been determined at the VAMC catchment area level.
- In recognition that there may be changes and shifts in the population of homeless veterans over time, HUD and the VA collaborated to establish the processes necessary to move HUD-VASH vouchers and funding between PHAs within the same VAMC catchment area, and to recapture vouchers that cannot be leased at the current VAMC.
- The framework for reallocation and recapture was previously established under HUD's update to the [HUD-VASH Operating Requirements](#) (published September 27, 2021)



Reallocation vs Recapture

This notice details these two distinct processes for PHAs –

- **Reallocation** describes the process of directly moving unleased HUD-VASH vouchers, and any associated funding, between two PHAs with a common partnering VAMC.
- **Recapture** describes HUD removing unleased HUD-VASH vouchers from a PHA/VAMC partnership. Those vouchers, and any associated funding, are brought back to HUD in order to reallocate in the future through the traditional allocation process, based on national need.

This notice does not allow for reallocation across VAMCs- that must be done through recapture.



Reallocation and Recapture vs Transfer



The HUD-VASH reallocation and recapture processes in this notice were designed to be as similar as possible to the existing HUD process for PHA Voluntary Transfers and Consolidations of HCV and PBV (currently covered by notice [PIH 2018-12](#))

For HCV program voluntary transfers (or consolidations), including for HUD-VASH vouchers and other special purpose vouchers, PHAs must still follow the procedures in notice [PIH 2018-12](#) or any superseding notice.

- Note that, for transfers, the receiving agency must have jurisdictional authority to administer the program in the divesting agency's geographic location

Overview of the Notice

Sections of the Notice:

- Sections 1-4 cover the background and applicability of this Notice
 - This includes when PHAs/VAMCs should consider a reallocation or recapture
- Sections 5 and 6 cover what is required for PHAs to submit to their HUD Field Office in order to request a reallocation or a recapture, respectively
 - This includes:
 - 1) getting a letter of support from their VAMC and
 - 2) working with their HUD FA to determine the amount of funding to be moved
- Section 7 covers the Field Office process for review and recommendation to HUD
- Section 8 covers the final HUD HQ approval and notification process



When to consider Reallocation vs Recapture

PHAs should consider **reallocation** if:

- There is need at the VAMC, but not within the jurisdiction of a specific PHA.
- There are significant disparities in HUD-VASH utilization between PHAs within a VAMC catchment area, especially in cases where one PHA's leasing utilization is chronically below 70 percent. Since 2019, HUD has required PHAs to maintain at least a 70 percent HUD-VASH leasing utilization rate in order to be considered eligible for new HUD-VASH vouchers.
- There are a large number of veteran families moving under portability between PHAs and moving vouchers could substantially ease administrative burden.
- There is an opportunity to move vouchers between PHAs in order to apply additional vouchers to a PBV development in an effort to create additional affordable housing within the VAMC catchment area.



When to consider Reallocation vs Recapture

PHAs should consider **recapture** if:

- Reallocation is not an option because there is not an alternative PHA within the VAMC catchment area that could utilize the HUD-VASH vouchers.
- The partnering VAMC facility has not been able to provide sufficient referrals to improve leasing rates due to a lack of HUD-VASH eligible veterans within the VAMC catchment area.
- The PHA continues to face severe difficulties with leasing up HUD-VASH vouchers despite working with their VAMC and HUD Field Office staff.

PHA(s) will consult with VAMC and come to full agreement on reallocation/recapture strategy and the number of vouchers to be moved

The initial PHA must work with their FMC FA to identify any funding to be moved with vouchers. For reallocation, funding details must be agreed upon by both PHAs.



Once the proposed details of the reallocation/recapture have been finalized, the PHA(s) submit letter(s) to their **HUD Field Office** indicating agreement upon the part of the PHA(s) to the reallocation or recapture.

Full details on what must be included can be found in Sections 5 & 6 of the Notice.

The request **must** include a signed letter of support from the VAMC



HUD FO completes initial review of request and determine if the documentation complies with the requirements of the notice.

The Field Office may deny a request if it is unable to obtain the necessary documentation or, in the case of reallocation, if the FO believes that the receiving PHA has not demonstrated sufficient capacity.

If approved, the HUD FO will send a recommendation memo to HUD HQ



Upon receipt of the complete HUD-VASH reallocation or recapture recommendation from the HUD FO, HUD HQ will review the details of the request and consult with the VA HUD-VASH team at VA HQ.

HUD HQ will confirm and finalize all financial details.

HUD HQ will send a final approval memo and notify the PHA director(s)

PHA Letters for Requesting Reallocation

Requesting a **Reallocation**:

- The PHA letters must include:
 - The name and code of the initial and receiving PHAs.
 - The name of the partnering VAMC.
 - The reasons for the requested reallocation (to include supporting data where appropriate).
 - Whether there is any identified associated funding to be moved along with the vouchers:
 - The initial PHA should work with their HUD Financial Analyst (FA) to identify associated funding increments.
 - The initial PHA must specify (in collaboration with their FA) which allocations the reallocated vouchers will come from (the vouchers must have been awarded with the partnering VAMC). *The default will be from the most recent allocation.*
 - The letters must be signed by the respective Executive Directors with an accompanying board resolution.
 - The request must also include a single valid letter of support from the partnering VAMC.
 - The VAMC letter must follow all VA policies and procedures.
 - The VAMC letter must identify the name of the partnering VAMC, the Veterans Integrated Services number (VISN), and the facility's Station ID.

PHA Letter for Requesting Recapture

Requesting a **Recapture**:

- The letter must include:
 - The name and code of the PHA.
 - The name of the partnering VAMC.
 - The reasons for the requested recapture (to include supporting data where appropriate).
 - Whether the PHA believes there is any associated funding to be recaptured along with the vouchers:
 - PHAs should work with their HUD Financial Analyst (FA) to identify associated funding increments.
 - The PHA must specify (in collaboration with their FA) which HUD-VASH allocations the recaptured vouchers will come from (the vouchers must have been awarded with the partnering VAMC.) *The default will be from the most recent allocation.*
 - The letter must be signed by the Executive Director with an accompanying board resolution.
 - The request must also include a valid letter of support from the VAMC.
 - The VAMC letter must follow all VA policies and procedures.
 - The VAMC letter must identify the name of the partnering VAMC, the Veterans Integrated Services number (VISN), and the facility's Station ID.



Processing times

Date Request Received	Effective Date
April 1 – September 30	January 1
October 1 – March 31	July 1

*HUD may adjust these deadlines as needed.



Contact Us

Questions, Comments, Concerns, Suggestions?



Email questions to:

VASH@hud.gov