



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

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**Special Attention of:**

Offices of Public Housing;  
Agencies that Administer the  
HUD-Veterans Affairs Supportive  
Housing (HUD-VASH) Program

**Notice PIH 2022-25 (HA)**

Issue: August 16, 2022

Expires: This notice remains in effect until amended, superseded, or rescinded.

Cross References: *Revised Implementation of the HUD-Veterans Affairs Supportive Housing (HUD-VASH) Program* published in the *Federal Register* on September 27, 2021.

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**Subject: Voluntary Reallocation or Recapture of HUD-VASH Vouchers**

**1. Purpose.** This notice establishes the processes under which a HUD-Veterans Affairs Supportive Housing (HUD-VASH) PHA may be approved to voluntarily 1) reallocate all or a portion of their HUD-VASH vouchers and any associated funding to another HUD-VASH PHA within the same Veteran Affairs Medical Center (VAMC) catchment area, or, 2) if reallocation is not an option, have all or a portion of their HUD-VASH vouchers and associated funding recaptured and returned back to HUD. All HUD-VASH vouchers and associated funding returned to HUD will be awarded as part of a future HUD-VASH national allocation process, based on need and any other congressionally mandated factors.

**2. Applicability.** This notice applies to PHAs currently administering the HUD-VASH program, and only applies to unleased HUD-VASH vouchers that are no longer needed in the PHA's jurisdiction. All reallocations and recaptures are voluntary under this notice.

Additionally, in cases of reallocation to another PHA, both the initial and the receiving PHAs must have a common VAMC administering their case management for their HUD-VASH participants.

For full HCV Program voluntary transfers (or consolidations) including HUD-VASH vouchers and other special purpose vouchers, PHAs must follow the procedures in Notice PIH 2018-12 or any superseding notice.

Finally, requests for HUD-VASH voucher reallocations and recaptures described under this notice will generally be processed twice annually with effective dates of January 1 or July 1. Requests must be submitted before April 1 for a July 1 effective date or submitted before October 1 for a January 1 effective date. HUD may choose to adjust these deadlines as needed.

**3. Background.** HUD and the VA have collaboratively awarded HUD-VASH vouchers based on current geographic need each year since 2008. Geographic need has 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 intent of these processes is to optimize utilization of HUD-VASH vouchers by reducing administrative burden and to move veterans more quickly and efficiently into stable housing.

HUD's authority to reallocate and recapture HUD-VASH vouchers is stated in the [Revised HUD-VASH Operating Requirements](#) (FR-6243-N-01 section II.m).

**4. Considering a HUD-VASH Reallocation or Recapture.** There are many reasons PHAs and VAMCs might consider a recapture or reallocation of HUD-VASH vouchers.

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.

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.

Prior to requesting a reallocation or recapture of HUD-VASH vouchers, PHAs, in consultation with their VAMC and their HUD Field Office, are encouraged to consider all alternative strategies to improve HUD-VASH utilization. These strategies may include:

- Establishment of an MOU/MOA to lease HUD-VASH vouchers across PHA jurisdictional boundaries where applicable based on state and local law.
- Institution of a consistent exception payment standard (EPS) for HUD-VASH vouchers across the VAMC catchment area.

- Development of HUD-VASH project-based vouchers (PBVs).
- Working with the local Continuum of Care (CoC) or other local organization to coordinate resources and strategies to improve leasing of HUD-VASH.
- VAMC contracting of case management services or the use the Collaborative Case Management (CCM) model to designate non-VA service providers.

**5. Requesting a HUD-VASH Reallocation.** These are the steps the initial PHA must follow for requesting reallocation of unleased HUD-VASH vouchers between PHAs:

- (1) Consult with the VAMC to identify or confirm a receiving PHA **within the VAMC catchment area.**
- (2) The initial and receiving PHAs as well as the partnering VAMC must agree that the reallocation of HUD-VASH vouchers is an effective way to better serve HUD-VASH veterans within the VAMC catchment area. **The VAMC must follow all VA processes for voucher reallocation approval. The VA is responsible for ensuring compliance with its processes for voucher reallocation approval.** The result of this VA process will be a signed letter from the VAMC as detailed below.
- (3) Both PHAs and the VAMC must agree on the total number of HUD-VASH vouchers and the PHAs must agree on any associated estimated budget authority to be moved.
- (4) Once the proposed details of the reallocation have been finalized, both the initial and receiving PHAs must submit letters to their HUD Field Office(s) indicating agreement upon the part of the PHAs to the reallocation.

The 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.
- (5) 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.

**6. Requesting a HUD-VASH Recapture.** These are the steps a PHA must follow to request a recapture of HUD-VASH vouchers, and any associated funding, back to HUD.

- (1) The VAMC and PHA must collaboratively make the determination that recapture is necessary. **The VAMC will follow all VA policies and procedures to determine that all alternatives (including reallocation as detailed above) have been exhausted and a recapture of vouchers is necessary. The VA is responsible for ensuring compliance with its processes for voucher reallocation approval.** The result of this VA process will be the signed letter from the VAMC as detailed below.
- (2) Both the PHA and VAMC must agree on how many HUD-VASH vouchers will be recaptured and returned back to HUD and the PHA must determine any associated estimated budget authority to be returned.
- (3) Once the details of the arrangement have been finalized, the PHA must submit a letter to their HUD Field Office indicating its intention to have the specified number of HUD-VASH vouchers removed from its Consolidated Annual Contribution Contract (ACC).

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.
- (4) 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.

**7. Recommendation to Headquarters.** Upon receipt of a complete HUD-VASH reallocation or recapture request as described above (Section 5 and 6, respectively), the HUD Field Office will complete an initial review of the request.

The HUD Field Office must determine if the documentation complies with the steps required in the relevant section (Section 5 or 6) of this notice and must work with the PHA(s) to correct any deficiencies in the submission if necessary. The Field Office may deny a request if it is

unable to obtain the necessary documentation or, in the case of reallocation, if the Field Office believes that the receiving PHA(s) has not demonstrated the capacity to successfully administer the additional HUD-VASH vouchers.

To determine capacity, the HUD Field Office must check the receiving PHA for any major unresolved program management findings from an Inspector General audit, HUD management review, or Independent Public Accountant (IPA) audit for the PHA's HCV program, or other significant program compliance issues that were not resolved, or in the process of being resolved, as determined by HUD. The receiving PHA(s) must not have any outstanding civil rights issues. Additionally, the HUD Field Office should check to ensure the receiving PHA has sufficient budget authority and is not at risk of a critical budget shortfall.

If the HUD Field Office determines that the request is unacceptable, the Public Housing Director will submit a written notice to the PHA explaining why the request has been denied.

If the request is determined by the HUD Field Office to be acceptable, the Field Office will then contact the FMC Financial Analyst (FA) (with copies to [FinancialManagementCenter@hud.gov](mailto:FinancialManagementCenter@hud.gov)) to confirm the actual funding amount and increments available at the initial PHA to be reallocated or recaptured.

After the FA has confirmed the financial information, the Field Office will send a recommendation memo to HUD headquarters to include:

- (1) The name and code of the PHA(s).
- (2) In the case of reallocation, the HUD Field Office's determination that the receiving agency has the capacity to administer the initial PHA's HUD-VASH vouchers.
- (3) The effective date of the reallocation or recapture – either January 1 (if submitted between April 2 and October 1) or July 1 (if submitted between October 2 and April 1).
- (4) The total number of HUD-VASH vouchers that will be removed from the initial PHA, and in the case of reallocation, moved to the receiving PHA.
- (5) The amount of funding to be moved to the receiving PHA or returned to HUD and which increments the units and funding will come from, as confirmed by the FA.
- (6) Field Office contact information for follow up.

The Field Office recommendation memo and **full reallocation or recapture request** must be sent to the HUD-VASH policy mailbox at [vash@hud.gov](mailto:vash@hud.gov). The email subject line should read either: 1) *HUD-VASH Reallocation Request* (along with the PHA codes of both the initial and receiving PHAs) or 2) *HUD-VASH Recapture Request* (along with the PHA code.)

**8. Approval and Notification to FMC and Stakeholders.** Upon receipt of the HUD-VASH reallocation or recapture recommendation from the HUD Field Office, the Housing Voucher Management and Operations Division (HVMOD) at HUD headquarters will review the details of the request and consult with the VA HUD-VASH team at VA headquarters.

The HVMOD will alert the FMC, which will confirm the increments, units, and funding to be reallocated or recaptured. FMC staff will follow up with HUD Field Office contact and the

FMD as needed, to coordinate and finalize any remaining financial details, such as ACC amendments, and recall of funds. If units are being recaptured rather than reallocated the units will be reduced from the PHA's inventory, and the associated amount of funds will be returned back to HUD.

The HVMOD will send the final approval memo and alert the Real Estate Assessment Center (REAC), the Public Housing Field Office, the Program Support Division (PSD) and Financial Management Center (FMC) Directors.

Most importantly, the Public Housing Field Office Director will notify the respective PHA(s) of the approved reallocation of HCV budget authority and units.

**10. Information Contact.** Inquiries about this notice should be directed to your local HUD Field Office or [vash@hud.gov](mailto:vash@hud.gov).

**11. Paperwork Reduction Act.** The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C 3520). In accordance with the PRA, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. The active information collections contained in this notice have been approved under the PRA OMB Control Number 2577-0169.

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for Public and Indian Housing