



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

OFFICE OF PUBLIC AND INDIAN HOUSING

Special Attention of:

Directors of HUD Regional and Field
Offices of Public Housing; Public Housing
Agencies (PHAs) that Administer
the Housing Choice Voucher (HCV) Program

Notice PIH 2020-01

Issued: January 22, 2020

Expires: Effective until amended,
superseded, or rescinded

Cross Reference(s): PIH Notice
2013-19; PIH Notice 2012-21; 24
CFR Part 982

Subject: Revised Policies and Procedures for the Mainstream Voucher Program

- 1. Purpose:** This notice updates policies related to the Mainstream Voucher Program. This notice supersedes prior notices providing guidance related to the Mainstream Voucher Program.
- 2. Background:** Initially authorized by the *National Affordable Housing Act of 1990* (Public Law 101-625), the Mainstream Voucher Program has provided voucher assistance to persons with disabilities since 1997. Until the passage of the *Frank Melville Supportive Housing Investment Act of 2010* (Public Law 111-374) (“Melville Act”), the program was operated as a separate voucher program from the regular tenant-based HCV Program. The *Melville Act* converted the Mainstream 5-Year program (sometimes referred to as the Section 811 Voucher Program) to the HCV Program under 8(o) of the *U.S. Housing Act of 1937*.

The Consolidated Appropriations Act, 2017 (Public Law 115-31) provided funding for incremental Mainstream Vouchers for the first time since the enactment of the Melville Act (in addition to providing renewal and administrative fee funding for these vouchers). These incremental vouchers exclusively assisted non-elderly persons with disabilities. The Consolidated Appropriations Act, 2018 (Public Law 115-141) and the Consolidated Appropriations Act, 2019 (Public Law 116-6) (“2019 Act”) also provided funding for incremental Mainstream Vouchers for non-elderly persons with disabilities, in addition to renewal and administrative fee funding. In addition, the 2019 Act states that all new and existing Mainstream Vouchers must be provided to non-elderly persons with disabilities upon turnover. Funding for these Mainstream Vouchers was provided in a separate paragraph under the Tenant-Based Rental Assistance (TBRA) heading in each years’ appropriations act.

- 3. Applicability:** The policies and procedures listed below are applicable to all PHAs that were awarded Mainstream Vouchers or PHAs that administer Mainstream Vouchers through a portability billing arrangement. This includes vouchers formerly known as “Mainstream 5-Year” Vouchers.

This notice supersedes previous notices as they pertain to the Mainstream Voucher Program, including information about the Mainstream Voucher Program included in *PIH Notice 2013-19: Revised Policies and Procedures for Special Purpose Housing Choice Vouchers for Non-Elderly Disabled Families and Other Special Populations*. Section 7 of *PIH Notice 2013-19* may still serve as a helpful resource on addressing fair housing-related issues, for example, reasonable accommodations, length of voucher term searches to find suitable housing, housing search assistance for households with a member who is a person with disabilities including to locate accessible housing options, referral services, etc.

This notice **DOES NOT** apply to Non-Elderly Disabled (NED) Vouchers or “Mainstream 1 Year” Vouchers. Mainstream 1 Year vouchers have almost entirely been converted to NED vouchers except for a few Moving to Work (MTW) programs that still have a separate line item for Mainstream 1.

NED vouchers serve non-elderly disabled families, defined as families with a head, co-head, or spouse who is under age 62. More information on reporting and policies for NED vouchers may be found in *PIH Notice 2013-19*. While Mainstream Vouchers serve non-elderly persons with disabilities, they are not “NED” vouchers. The funding, monitoring, and eligibility requirements are different for NED and Mainstream Vouchers.

PHAs must follow the protocols in this notice for their Mainstream Vouchers. PHAs may contact their Financial Analyst to obtain their baseline number of vouchers for each program.

4. **Effective Date:** This notice is effective upon publication.
5. **Program Policies:**
 - a. **Eligible population.** Mainstream Vouchers (also formerly known as Mainstream 5-Year Vouchers or Section 811 Vouchers) are tenant-based vouchers that serve a special population of households. All Mainstream Vouchers will now serve households that include a non-elderly person(s) with disabilities, defined as any family that includes a person with disabilities who is at least 18 years old and not yet 62 years old at the effective date of the initial Housing Assistance Payment (HAP) Contract, (i.e., the effective date of the New Admission [action code =1] on the form HUD-50058 (or form HUD-50058 MTW)).
 - b. **Once eligible, participants do not “age out” of eligibility.** Existing families receiving Mainstream Vouchers, where the eligible family member is now age 62 or older, will NOT “age out” of the Mainstream Voucher Program as long as the family was eligible on the day it was first assisted under a HAP contract.
 - c. **Reissuance of Mainstream Vouchers.** At turnover, **ALL** Mainstream turnover vouchers must be reissued to the next Mainstream-eligible family on the PHA’s waiting list. Turnover occurs when a family receiving Mainstream voucher assistance leaves the program. Mainstream-eligible families are those that include at least one non-elderly (at least age 18 and not yet 62 years of age) person with disabilities.

PHAs that administer Mainstream voucher assistance will need to determine if there are additional families on their waiting list that are made eligible for Mainstream voucher assistance based on the change in eligible population. *See Section g., sub-section iv. (on page 4 of this notice) for PHA options on updating the waiting list for this change in eligible population.* If a Mainstream turnover voucher becomes available, PHAs must determine if the families at the top of their waiting list qualify under the new program requirements. This change is effective immediately for those turnover vouchers that have not already been issued.

- d. Mainstream Vouchers are regular HCVs with special eligibility criteria.** Aside from separate funding appropriations and serving a specific population, Mainstream Vouchers are administered the same as regular voucher assistance in that Mainstream Vouchers are regulated under the same program requirements as the HCV Program. The same regulations at 24 CFR Part 982 apply to Mainstream Vouchers. Federal nondiscrimination laws and requirements apply as with all HCVs, including for example, requirements regarding nondiscriminatory eligibility criteria, and obligations to provide reasonable accommodations for person with disabilities. See 24 C.F.R. § 5.105(a). There is no special authority to treat families that receive a Mainstream Voucher differently from other applicants and participants of the HCV program. For example, the PHA cannot apply different payment standards, establish conditions for allowing portability, or screening criteria for Mainstream Voucher families from regular HCV families. *See Section 5, sub-section i (on page 5 of this notice) for more information.*
- e. Awarded vouchers are for new admissions.** PHAs must lease the awarded vouchers by selecting Mainstream-eligible applicants from the waiting list. PHAs are not permitted to reassign existing participants to the Mainstream Voucher Program in order to make regular tenant-based vouchers available. There is no provision that allows PHAs to admit tenants without following their waiting list procedures when using a Mainstream Voucher.
- f. One Waiting List Requirement.** PHAs must maintain one waiting list for all tenant-based assistance (24 CFR 982.204(f)), which includes Mainstream voucher assistance. PHAs must not have a separate waiting list for Mainstream voucher assistance. When issuing a Mainstream Voucher, the PHA will choose the first Mainstream-eligible family from its tenant-based waiting list.
- g. Admissions Preference.** An admissions preference affects the order applicants appear on the waiting list. Preferences apply to all vouchers on the waiting list, not only Mainstream Vouchers. **If your PHA claimed points for a preference in a Notice of Funding Availability (NOFA) application, your PHA must adopt a preference for at least one of the targeted groups in the NOFA.** Adopting an admissions preference does not necessarily mean that every person that receives assistance will meet the preference criteria.

 - i. PHAs may limit the number of applicants who will qualify for the preference –** 24 CFR 982.207(a)(3) allows PHAs to set a limit to the number of applicants

that may qualify for a local preference. HUD expects PHAs that claim points under a NOFA will establish a preference consistent with the terms in that year's NOFA.

- ii. Option to open PHA waiting list for a limited preference – The PHA may adopt criteria defining which families may apply for assistance when opening its waiting list (24 CFR 982.206(b)(1)). For example, if the PHA opens its waiting list solely for applicants that meet the preference for targeted subgroups identified in the Mainstream Voucher NOFA, the PHA must provide public notice that it is opening its waiting list specifically for non-elderly persons with disabilities who are transitioning out of institutional or other segregated settings, at serious risk of institutionalization, homeless, or at risk of becoming homeless. The PHA must comply with the requirements for opening the waiting list under 24 CFR 982.206, including the requirement to provide public notice and to accept applications from families for whom the list is open.
- iii. Update PHA preference policy/procedures – To effectively apply and manage preferences, the PHA must have a written policy for how preferences will be applied including how families with the same preference will be selected, either in order by the date and time of their application or a random choice technique (24 CFR 982.207(c)).

h. Waiting List Updates.

Updating Waiting List for change in eligible population PHAs may choose to do a full waiting list update or a limited update. A full or limited update may be done regardless of whether a PHA will be opening the waiting list or not.

Full Waiting List Update: Update entire existing waiting list to determine if all current applicants meet the eligibility criteria for Mainstream Vouchers and new preferences (if adopted).

Sample process for preparing for and leasing to Mainstream-eligible families including a full waiting list update

- Step 1: Send out letter to all applicants on the current waiting list to identify (1) if there are any household members who are non-elderly persons with disabilities and (2) if the household qualifies for the new preference (if applicable).
- Step 2: Update waiting list order based on new information on preferences and the PHA's specific policies for how to apply preferences.
- Step 3: Begin pulling families from waiting list, beginning with the first Mainstream-eligible family on the HCV tenant-based waiting list.

Limited Waiting List Update: If a PHA is NOT adopting a new preference, then a PHA may determine the eligibility of existing families on the waiting list in smaller batches. For example, a PHA could contact the top 30 families on the waiting list to determine if any of these families qualify for a Mainstream Voucher, offering a Mainstream Voucher to the first family that includes a non-elderly person with disabilities in the order they appeared on the waiting list. Since these names are highest on the waiting list, any eligible families would be the first to be eligible for a Mainstream Voucher.

Regardless of the number of Mainstream families the PHA is required to serve, the next family on the waiting list **MUST** be served in accordance with the PHA's administrative plan policies. Therefore, the PHA cannot skip over a Mainstream-eligible family because it is currently serving the required number of Mainstream families. For example, if the PHA has leased 100 percent of its Mainstream Vouchers, but is ready to issue five regular vouchers, and the next five families on the PHAs waiting list all include a non-elderly person with disabilities, the regular vouchers would be issued to the next five families on the waiting list, which in this case would be five families that include a non-elderly person with disabilities.

However, note that this action does not increase the Mainstream baseline for the PHA, which is solely determined by the number of special purpose vouchers targeted specifically for Mainstream-eligible families that were allocated to the PHA. In addition, those five families **would not** be coded Mainstream Vouchers "MS5" in *Inventory Management System (IMS) / PIH Information Center (PIC)* (IMS/PIC) or successor system; these families should not be reported under the Mainstream 5 field in the Voucher Management System (VMS). *See new IMS/PIC coding requirements in Section 6 of this notice for additional information.*

- i. Portability.** If a Mainstream Voucher participant ports to another PHA and the receiving PHA chooses to bill the initial PHA, then the voucher will remain a Mainstream Voucher. If the PHA chooses to absorb the voucher, the voucher will be considered a regular voucher, or a Mainstream Voucher if the receiving PHA has a Mainstream Voucher available, and the Mainstream Voucher at the initial PHA will be freed up to lease to another Mainstream-eligible family.
- j. Funding.** As indicated above, for the past three years (2017 through 2019), Mainstream Vouchers have been funded under a separate paragraph in each year's appropriations act. This funding covered HAP renewals, administrative fees, and new incremental vouchers. This paragraph is separate from the main TBRA paragraphs covering HCV renewals and administrative fees.

PHAs administering the Mainstream Program can anticipate that HUD will provide Mainstream Program Annual HAP Renewal Award Letters, Enclosures to the letters, monthly HAP and administrative fee disbursement announcements, and biannual cash reconciliation documentation. In addition, HUD will publish guidance on HAP renewal funding and administrative fees in the annual PIH notice implementing the federal fiscal year HCV funding provisions.

- k. **Reallocation of Funds.** Funds for Mainstream Vouchers may be recaptured and reallocated if the PHA does not comply with program requirements or fails to maintain a utilization rate of **80 percent** for the PHA’s Mainstream Vouchers.

6. Tracking and Monitoring:

a. IMS/PIC Reporting.

- i. Form HUD-50058 and Form HUD-50058 MTW – PHAs must submit a form HUD-50058 (or form HUD-50058 MTW) to IMS/PIC or successor system for all transactions, including Voucher Issuance (action code 10), Voucher Expiration (action code 11), and End of Participation (action code 6). For a full list of required actions, see the Form HUD-50058 Instruction Booklet. Submission of all required actions is important for HUD’s monitoring and evaluation of the Mainstream Voucher Program.
- ii. Other Special Program field – All Mainstream families will be coded on line **2n** of the Family Report (form HUD-50058) and on line **2p** of the MTW Family Report as “MS5”. In cases of portability, the initial PHA must include “MS5”, as applicable, on the HUD-50058, Family Report sent to the receiving PHA. Receiving PHAs must maintain the “MS5” code on their Family Reports for the duration of the family’s participation in the Mainstream Voucher Program if the receiving PHA is billing the initial PHA. **The PHA should not code more families than the number of Mainstream Vouchers awarded.**
- iii. Homeless at admission – PHAs must use line **4c** “**Homeless at admission? (Y or N)**” of the HUD-50058 or MTW Family Report to accurately report whether the family being admitted to the program was homeless at the time of admission.

b. Section Eight Management Assessment Program (SEMAP) Indicator 13 (Lease-up).

Mainstream Vouchers, excluding all new awards for the first year, must be included in the utilization rate for the purposes of determining the PHA’s overall utilization under Indicator 13. PIC’s calculation of the Lease-up indicator incorrectly excludes Mainstream Vouchers from consideration. The Financial Management Center (FMC) determines the Indicator 13 utilization rate for all PHAs using VMS reported expenses and leasing and sends the calculations to the appropriate Field Office to distribute to the PHA. Using VMS, PHAs can approximate their overall utilization rate for SEMAP by adding the Mainstream 5-Year data to the overall HCV program data.

Example of how newly awarded Mainstream Vouchers are handled:

Effective date of new vouchers: 6/1/2018

First increment expiration: 5/31/2019

The new Mainstream unit months available (UMAs) and budget authority (BA) will be **excluded** completely from the denominator for calendar year (CY) 2018 SEMAP. The new Mainstream UMAs and BA will also be **excluded** from CY 2019 SEMAP for January through May 2019. UMAs and BA will be **counted** in the utilization rate from June 2019 through December 2019.

For the period that new Mainstream UMAs and BA are not considered for SEMAP, Mainstream unit months leased (UMLs) and Mainstream HAP expenses will also be **excluded** from the numerator if possible, however; if the PHA has **existing** Mainstream Vouchers at the time of the new award, all Mainstream UMLs and BA will be included because they cannot be separated out.

- c. **VMS Reporting.** All PHAs must report all Mainstream Vouchers leased under the Mainstream 5-Year HAP and UML fields in the Voucher Management System. As with IMS/PIC reporting, PHAs must not report more Mainstream families than the established calendar year baseline of Mainstream Vouchers. Mainstream Vouchers that have been ported and are being billed to the initial PHA must be reported under the Mainstream 5-Year field. **If the PHA chooses to absorb the voucher, the voucher will be considered a regular voucher and the Mainstream Voucher at the initial PHA will be freed up to lease to another eligible family.**

No other VMS line item will include Mainstream Voucher activity, such as Restricted Net Position (RNP), Unrestricted Net Position (UNP), Cash/Investment, Non-MTW Administrative Expenses, etc.

- d. **Financial Data Schedule Reporting.** As clarified in PIH Notice 2012-21, PHAs should report Mainstream Vouchers under the Catalogue of Federal Domestic Assistance (CFDA) number 14.879 “Mainstream Vouchers” in the Financial Assessment of Public Housing Agencies (FASS-PH). This applies to all Mainstream Vouchers, including those awarded prior to 2018.
- e. **Monitoring.** All Grantees will be required to cooperate with HUD, Department of Health and Human Services (HHS), and Centers for Medicare & Medicaid Services (CMS), or any contractors affiliated with HUD, HHS, and CMS in evaluating this program. HUD will monitor utilization, program requirements, and compliance with PHA’s individual NOFA application, including preference implementation and service offerings.

7. **Partnerships and Supportive Services:** The Mainstream Voucher Program NOFAs encourage PHAs to establish formal and informal partnerships with a variety of organizations that assist persons with disabilities. HUD encourages PHAs to continue developing partnerships with such organizations to help ensure eligible participants find and maintain stable housing. These partners may provide the following services:

- Coordinate outreach and referral of eligible persons that meet the PHA’s preference criteria;
- Assist persons with disabilities to apply to and obtain acceptance in housing programs, find housing, or secure home modifications and/or disability-related accommodations;

- Assist persons with disabilities to move into units, including physically accessible units where appropriate, on the private rental market;
- Refer, coordinate, or provide voluntary home and community-based services; and
- Provide outreach to recruit landlords to participate in the HCV program (either for the program as a whole or specifically for the Mainstream voucher program).

8. Contact Information: Inquiries about this notice should be directed to MainstreamVouchers@hud.gov.

9. 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 following active information collections contained in this notice have been approved under the PRA-OMB Control Numbers 2577-0169 and 2577-0083.

/s/

R. Hunter Kurtz, Assistant Secretary
for Public and Indian Housing