



U.S. Department of Housing and Urban Development Public and Indian Housing

Special Attention of:

Directors of HUD Regional and Field
Offices of Public Housing; Public Housing
Agencies

Notice PIH 2020-22

Issued: September 8, 2020

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amended, superseded, or
rescinded.

Cross References: PIH Notice 2013-15;
PIH Notice 2020-01, PIH Notice 2020-
05, PIH Notice 2020-08; PIH Notice
2020-09; PIH Notice 2020-13, REV-1

Subject: Mainstream Vouchers – Non-Competitive Opportunity for Additional Vouchers Authorized by the CARES Act, Temporary Waivers and Alternative Requirements, and Modified 2020 Housing Assistance Payment (HAP) Renewal Calculation

- 1. Purpose:** This notice provides information on several policies impacting Mainstream vouchers. The following provisions are being offered to help public housing agencies (PHAs) prevent, prepare for, and respond to coronavirus pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Public Law 116-136).

- An opportunity for PHAs to receive new Mainstream vouchers (see Section 2);
- Waivers and alternative requirements specific to Mainstream vouchers (see Section 3).

In addition to the above CARES Act-related provisions, HUD is also providing a modified 2020 HAP renewal calculation for Mainstream vouchers (see Section 4).

2. Additional Mainstream Vouchers Available for PHAs for Coronavirus Response Efforts

- a. Background:** The CARES Act authorizes HUD to make previously appropriated funding available for Mainstream vouchers on a non-competitive basis in order to help PHAs prevent, prepare for, and respond to COVID-19 in their communities. HUD encourages PHAs to work with their community partners to apply for and use additional Mainstream vouchers as part of an overall community housing plan. Due to the COVID-19 pandemic, many localities are working urgently to house homeless populations to help prevent the spread of COVID-19 among those living in shelters or other close quarters. The CARES Act provided supplemental funding to assist communities in preventing, preparing for, and responding to coronavirus' impact on individuals and families (e.g., Emergency Solutions Grants (ESG)

Program, Community Development Block Grant Program (CDBG) and Treasury Coronavirus Relief Fund (CRF)).

Through this notice, HUD is setting forth the application and eligibility requirements for PHAs that wish to receive Mainstream vouchers in accordance with the CARES Act authority for the award of Mainstream voucher unobligated balances. Mainstream vouchers serve households that include a non-elderly person(s) with disabilities. PHAs that do not currently administer Mainstream vouchers should refer to [PIH Notice 2020-01: Revised Policies and Procedures for the Mainstream Voucher Program](#), for additional information about the program policies, as well as the available waivers and alternative requirements in Section 3 of this notice, and the Mainstream Voucher [webpage](#).

- b. Eligible PHAs:** Any PHA that administers the HCV program is eligible for a Mainstream voucher award. This includes those HCV PHAs that do not currently administer Mainstream vouchers, as well as PHAs that only administer Mainstream vouchers. PHAs that received an award through the Fiscal Year (FY) 2017 Mainstream Voucher Notice of Funding Availability (NOFA) (FR-6100-N-43) or the FY 2019 Mainstream Voucher NOFA (FR-6300-N-43) should consider their remaining unutilized vouchers and the 30 percent increase they received through [PIH Notice 2020-09: CARES Act Mainstream Funding for Public Housing Authorities \(PHAs\) Awarded Funding Allocations in the 2017 and 2019 Competitions](#) when deciding whether to apply for additional Mainstream vouchers under this notice. HUD will consider the PHAs existing leasing capacity and may use its discretion to not award to PHAs that have used fewer than 20 percent of the vouchers allocated through the FY 2017 NOFA since November 2018.
- c. Available Funding:** HUD will make up to \$150,000,000 available in Mainstream carryover funding from the Consolidated Appropriations Act, 2018 (Public Law 115-141) and Consolidated Appropriations Act, 2019 (Public Law 116-6). Funding under this notice is dependent on the availability of appropriations. HUD will monitor the demand for Mainstream voucher funding. As needed, HUD may issue further guidance that describes how it will allocate available Mainstream voucher resources, including prioritizing the circumstances or conditions warranting Mainstream voucher allocation.
- d. Application Requirements:** To receive an allocation of Mainstream vouchers, please submit a completed form HUD-52515 via email to MainstreamFunding@hud.gov. The subject line of the email must include the PHA's number and the words "Request for Mainstream Award for COVID-19 Response" (for example, TX123 Request for Mainstream Award for COVID-19 Response). The email must come from the Executive Director, Chief Executive Officer, or individual of equivalent position of the PHA. PHAs submitting a request for assistance under the notice should use the newly revised form HUD-52515. The revised form has an expiration of July 31, 2022.

All required fields of the form HUD-52515 must be completed unless otherwise noted in the following instructions:

- A. Name and Mailing Address of the Housing Agency (PHA) - Enter the PHA name and address.
- B. PHA Code – Enter the 5-digit alphanumeric code for the PHA that begins with the state abbreviation of the PHA and ends with three numbers, e.g. TX123.
- C. Number of Vouchers Requested – Enter the number of vouchers the PHA is requesting for their COVID-19 response. See table below with maximum number of vouchers that will be awarded based on PHA size in section e below.
- D. Geographic Area/Jurisdiction – Do not complete
- E. Capacity of Organization – Do not complete
- F. Need/Extent of Problem – Provide a short description of the specific need for vouchers and how it relates to how the PHA is preventing, preparing for, or responding to coronavirus in their community.
- G. Soundness of Approach – Do not complete
- H. Leveraging Resources – Do not complete
- I. Achieving Results and Program Evaluation – Do not complete
- J. Memorandum of Understanding – Do not complete
- K. Other Information Required in the Notice or NOFA – Provide the anticipated monthly per unit cost for HAP only.
- L. Program Specific Certifications – Do not complete

e. Determination of Awards: If the PHA submits a complete HUD-52515, HUD will award the lesser of the PHA’s requested number of vouchers entered on the HUD-52515 or the maximum vouchers based on the PHA’s size (see table below). HUD reserves the right to exercise its discretion to reduce the PHA’s award or decline to offer an award if serious program management findings indicate the PHA will not be able to administer the vouchers effectively (for example, the PHA is in financial receivership or has an unresolved audit finding) or if the PHA has leased fewer than 20 percent of the units awarded through the FY 2017 Mainstream Voucher NOFA since November 2018.

PHA Size (based on total HCV program Annual Contributions Contract (ACC))	Maximum Mainstream Vouchers to be Awarded Under this Provision*
More than 5,000 vouchers	100
1,000 to 4,999 vouchers	75
Less than 1,000 vouchers	40

- f. Resolution of Civil Rights Matters:** Outstanding civil rights matters must be resolved to HUD’s satisfaction prior to grant award, provided that all applicable legal processes have been satisfied.
- g. Deadline:** Requests will be processed on a rolling basis as long as funding remains available but must be received no later than **December 31, 2020** at 11:59pm Eastern Time.
- h. Recapture and Reallocation:** Vouchers awarded through this process are subject to the same terms as those awarded through FY 2017 Mainstream Voucher NOFA (FR-6100-N-43)

or the FY 2019 Mainstream Voucher NOFA (FR-6300-N-43). HUD may recapture unused or underutilized funding if the PHA does not utilize within 12 months of the effective date of the award.

3. Mainstream Voucher Temporary Waivers and Alternative Requirements

- a. Background:** The CARES Act provides HUD with authority to waive statutes and regulations (except for requirements related to fair housing, nondiscrimination, labor standards, and environment) for the HCV program. On April 10, 2020, HUD published [PIH Notice 2020-05: COVID-19 Statutory and Regulatory Waivers for the Public Housing, Housing Choice Voucher, Indian Housing Block Grant and Indian Community Development Block Grant programs, Suspension of Public Housing Assessment System and Section Eight Management Assessment Program](#), which waived and established alternative statutory and regulatory requirements for the HCV program, among others. On July 2, 2020, HUD subsequently issued [PIH Notice 2020-13: COVID-19 Statutory and Regulatory Waivers and Alternative Requirements for the Public Housing, Housing Choice Voucher, Indian Housing Block Grant and Indian Community Development Block Grant programs, Suspension of Public Housing Assessment System and Section Eight Management Assessment Program, Revision 1](#), which added several additional waivers and extended the period of availability for many of the waivers established in *PIH Notice 2020-13*. While not specifically targeted to Mainstream vouchers, these waivers provide administrative flexibilities and relief to PHAs in administering the HCV program, including Mainstream vouchers.

This notice provides additional waivers and alternative requirements that apply only to Mainstream vouchers and may be applied in addition to the waivers and alternative requirements provided in *PIH Notice 2020-13*.¹ The Secretary has determined that these waivers and alternative requirements are necessary for the safe and effective administration of the HCV program, consistent with the purposes described under the CARES Act, to prevent, prepare for, and respond to COVID-19.

- b. Period of Availability:** These waivers are available immediately upon the publication of this notice and will expire on December 31, 2020. PHAs may adopt the use of these waivers or alternative requirements at any time during the period of availability. PHAs are not required to keep the waiver/alternative requirement in place for the full period of availability (including any extension HUD may issue) but may at any time choose to revert to regular program requirements and operations. If a PHA chooses to apply any of the waivers provided for in this section, the PHA is required to notify participants and owners of any impacts that the waiver and

¹ As stated in *PIH Notice 2020-05* and *PIH Notice 2020-13*, “With respect to the HCV program, the CARES Act provides that the Secretary may waive or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the use of amounts made available under the CARES Act supplemental appropriation or under the FY 2020 Tenant-Based Rental Assistance (TBRA) appropriation. This means the waiver/alternative requirements are applicable to the HCV program, including special purpose vouchers such as Mainstream vouchers...., provided that HCV program operations...are supported by amounts provided by the FY 2020 TBRA appropriation (including FY 2020 renewal funding, FY 2020 administrative fees, and FY 2020 new special purpose voucher allocations) or amounts from the CARES Act supplemental appropriation during the period of applicability.”

alternative requirement (where applicable) may have on them by whatever means it considers most effective as soon as practicable and that complies with fair housing requirements. The PHA must ensure that the method of communication ensures effective communication with persons with disabilities, including those with vision, hearing, and other communication-related disabilities, which includes ensuring that information is provided in appropriate accessible formats as needed, e.g. Braille, audio, large type, assistive listening devices, and sign language interpreters, accessible website and other accessible electronic communications. See 24 CFR 8.6; 28 CFR 35.160, 28 CFR 36.303. The PHA must also take reasonable steps to ensure meaningful access for persons with limited English proficiency. LEP guidance and LEP information is available here:

[https://www.federalregister.gov/documents/2007/01/22/07-217/final-guidance-to-federal-financial-assistance-recipients-regarding-title-vi-prohibition-against-.](https://www.federalregister.gov/documents/2007/01/22/07-217/final-guidance-to-federal-financial-assistance-recipients-regarding-title-vi-prohibition-against-)

- c. Waivers and Alternative Requirements:** The waivers and alternative requirements described here apply only to Mainstream vouchers, however, if adopted, the waivers and alternative requirements must be applied to all Mainstream vouchers a PHA administers.
1. **Initial Lease Term:** Under the HCV program, voucher participants must enter into an initial lease term with the owner for one year, unless the PHA determines that a shorter term would improve housing opportunities for the tenant and the shorter term is a prevailing market practice. To provide a greater range of housing opportunities for Mainstream voucher holders, the PHA may enter initial lease terms of less than one year regardless of whether the shorter lease term is a prevailing market practice. Therefore, both section 8(o)(7)(A) of the 1937 Act (42 U.S.C. 1437f(o)(7)(A)) and 24 CFR 982.309(a)(2)(ii) are waived.
 2. **Criminal Background Screening:** PHAs are required to apply the same criminal background screening process to all HCV participants. As discussed in section 2 of this notice, HUD encourages PHAs to use their Mainstream vouchers to prevent, prepare for, and respond to coronavirus which, for some communities, will mean finding long term housing solutions for those transitioning out of institutional settings or currently in rapid rehousing or other emergency temporary housing. To help PHAs assist populations in need of transitioning into long term housing, PHAs may establish, as an alternative requirement, screening requirements for applicants for Mainstream vouchers which are distinct from those in place for its HCV program in general. At a minimum, PHAs must comply with the statutory (and implementing regulatory) requirements to determine if applicants are subject to a lifetime sex offender registration requirement (42 U.S.C. 13663(a) and 24 CFR 5.856) and comply with the mandatory screening and denial requirements outlined in 42 U.S.C. 13661 and 982.553(a).
 3. **Mainstream Age Eligibility to Enter HAP Contract Statutory Authority:** The statute (42 U.S.C. 8013(k)(2)) provides that the eligible member of a Mainstream household must be non-elderly, defined as at least 18 years of age and under 62 years of age (not yet reached their 62nd birthday) to be eligible to be placed under HAP contract. A

Mainstream-eligible individual issued a voucher at 61 years of age may not be able to lease the voucher before their 62nd birthday where PHA operations may have been shut down or severely curtailed, unit searches are not possible due to shelter-in-place orders, or where the movement of people is significantly restricted. As an alternative requirement, the PHA may choose to expand the definition of an eligible non-elderly family member to include those who were issued a voucher prior to turning 62 and were not yet 63 on the effective date of the HAP Contract.

4. Modification to 2020 Renewal Formula for Mainstream Vouchers

- a. **Background:** Mainstream vouchers are funded separately from other HCVs under HUD's appropriations Acts. HUD's FY 2020 Appropriations Act (the 2020 Act) provides \$229,050,000 for renewal funding and administrative fees for Mainstream vouchers. Similar to past years, the 2020 Act requires that administrative fees for Mainstream vouchers be calculated under the same terms and be subject to the same pro rata administrative fee reductions that apply to the HCV administrative fees. However, the appropriations Acts (including the 2020 Act) do not specify that the Mainstream renewal allocation methodology must be the same as the HCV program.

As in past years, HUD initially applied the same renewal formula methodology used for the HCV program to determine the calendar year (CY) 2020 Mainstream voucher renewal allocations. The renewal funding methodology for the HCV program is established in the appropriations Acts, and is based on the PHA's validated leasing and cost data for the preceding calendar year. [PIH Notice 2020-04: Implementation of the Federal Fiscal Year \(FFY\) 2020 Funding Provisions for the Housing Choice Voucher Program](#), describes the statutorily required renewal funding calculations used for the regular HCV program and HUD's determination of initial Mainstream renewal funding calculation in detail.

In fiscal years 2017, 2018, and 2019, HUD's appropriations Acts also provided that any Mainstream funds remaining available after funding renewals and administrative expenses shall be available for incremental tenant-based Mainstream assistance for non-elderly persons with disabilities. In *PIH Notice 2020-04*, one sentence mistakenly stated that a similar provision was included in HUD's FY 2020 Appropriations Act. This statement was incorrect; there is no authority under HUD's FY 2020 Appropriations Act to provide new incremental Mainstream vouchers to PHAs.

HUD has now concluded that after applying the conventional renewal formula to calculate the FY 2020 Mainstream renewal allocations and determining the amount of funding that will be needed to provide Mainstream voucher administrative fees in accordance with HUD's FY 2020 Appropriations Act, there will still be 2020 Mainstream funding available. As discussed in the preceding paragraphs, unlike in past years this funding may not be awarded for new incremental voucher assistance but may only be used for administrative fees or renewal funding. The administrative fee calculation cannot be changed, however, HUD has decided to modify the Mainstream renewal allocation formula for CY 2020 to allocate all of the appropriated funding for its purpose.

Providing the appropriated Mainstream renewal funding is critical during COVID-19 to ensure PHAs have the necessary funds to lease more of their currently authorized units to support this vulnerable population. Unlike the regular HCV program, under HUD's appropriations Acts PHAs have never been able to receive funding adjustments to their Mainstream voucher renewal allocations from the HCV HAP set-aside to address unmet renewal needs due to unforeseen circumstances, portability, or other eligible categories for HAP set-aside funding. As a result, a significant number of previously authorized Mainstream vouchers cannot be leased because the administering PHAs do not have the funding to support them. Additionally, recent changes to the eligible population for Mainstream vouchers described in *PIH Notice 2020-01* and the allocation of new vouchers to PHAs based on the HCV per unit cost (PUC) has resulted in some PHAs having inadequate funding to lease many of the units allocated.

Given these unique circumstances and the amount of unallocated CY 2020 Mainstream funding available for renewals, HUD is modifying the CY 2020 Mainstream HAP renewal funding methodology to provide additional CY 2020 renewal funding to PHAs. This modified renewal formula calculation is based on the PHA's actual PUC and the total number of Mainstream vouchers that the PHA was authorized to lease in CY 2019. This includes Mainstream vouchers that were not actually leased during part or all of CY 2019 where the PHA did not have adequate funding resources accounting for the PHA's Mainstream reserves as well.

This is a one-time change in the Mainstream HAP renewal formula and applies to CY 2020 only. As is the case with the regular HCV program, PHAs may not over-lease Mainstream vouchers. PHAs must continue to appropriately manage their Mainstream programs within the Mainstream HAP funding that is available to the PHA. (See Section 21 of *PIH Notice 2020-04* for more information on over-leasing.) PHAs should not interpret this additional renewal funding as a change to the budget-based nature of Mainstream vouchers. HUD expects and PHAs should plan for HUD to resume using the regular HCV renewal funding methodology for Mainstream vouchers in CY 2021. PHAs with Mainstream vouchers are strongly encouraged to use HUD's [Two-Year Tool \(TYT\)](#) to analyze the PHA's utilization. The TYT Tool contains, in "Access Additional Tools," a Mainstream-specific TYT, allowing PHAs to analyze their Mainstream programs which includes the analytic capability to run basic leasing and spending scenarios to better inform future decisions and optimize the program over a multi-year period.

b. Applicability: The modified renewal calculation applies to the CY 2020 Mainstream renewal and revises and complements the Mainstream renewal methodology information provided in *PIH Notice 2020-04*, section 10.

c. Determination of Modified Renewal Amount:

1. The PHA's Mainstream PUC for purposes of the modified renewal formula is the highest of:

(a) the previously determined CY 2020 Renewal PUC²,

² If the previously determined CY2020 Renewal PUC was based on five or fewer units (UMLs reported in VMS), then the CY 2020 Renewal PUC will not be considered in the determination of the modified renewal amount.

- (b) the average year-to-date PUC based on validated Voucher Management System (VMS) data, or
 - (c) the PUC determined by the most recent month of validated VMS data.
2. HUD will multiply the PUC by the Mainstream unit months available (UMAs) for December 2019. That amount is then multiplied by 12, for the number of months in a year.
 3. For PHAs that received an allocation of new Mainstream vouchers where the initial funding increment expires in CY 2020, the amount calculated in Step 2 will be adjusted to reflect that a portion of the initial funding increment is already covering months in 2020. Consequently, that portion of the funding increment will be deducted from the PHA's CY 2020 renewal funding eligibility. For example, assume a PHA was awarded a new allocation of Mainstream vouchers effective August 1, 2019 that expires on July 31, 2020. The amount of budget authority for the funding increment will then be multiplied by 7/12 (i.e., January through July 2020) to determine the amount that will be subtracted from the amount calculated in step 2.
 4. The amount calculated under step 2 and adjusted (if applicable) by step 3 is referred to in the calculation as the PHA's Base Amount.
 5. HUD will determine the PHA's Mainstream reserves as of December 31, 2019, based on the CY 2019 year-end settlement statement which includes Restricted Net Position (RNP) and HUD Held Reserves (HHR) as of December 31, 2019.
 6. HUD will then determine the amount, if any, that the PHA's Mainstream voucher HAP reserves as of December 31, 2019, exceeds the applicable reserve threshold based on the number of authorized Mainstream vouchers the PHA had as of December 31, 2019, below:

Number of Authorized Mainstream Vouchers	Mainstream HAP Reserve Threshold
No more than 250 Mainstream Vouchers	12% of the PHA's Base Amount (see step 4)
251 to 500 Mainstream Vouchers	6% of the PHA's Base Amount (see step 4)
More than 500 Mainstream Vouchers	4% of the PHA's Base Amount (see step 4)

7. HUD will calculate the PHA's Modified 2020 Mainstream voucher HAP renewal funding amount by reducing the Base Amount by the amount, if any, that the PHA's Mainstream voucher HAP reserves from Step 3 exceeds the reasonable reserve threshold determined in step 6.

8. HUD will subtract the Mainstream voucher renewal funding already awarded for CY 2020 from the Modified 2020 Mainstream voucher HAP Renewal funding amount to determine the amount of the renewal funding adjustment³ that will be made available to the PHA.
9. HUD will inform the PHA of both their Modified 2020 Mainstream voucher renewal funding amount and the specific amount of the renewal adjustment that the PHA will receive as a result of the modified formula. HUD will also provide the PHA with the specific calculation HUD used to determine these amounts.
10. HUD will provide the PHA with the renewal funding adjustment through an additional funding award. Disbursements of these funds will be based on cash management requirements. PHAs do not need to do anything to receive the renewal adjustment.

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

6. 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

³ Although HUD anticipates it will have sufficient funding to fully fund the PHA's Modified CY 2020 Mainstream voucher renewal allocation, HUD will prorate the adjustment amount in the unlikely event a downward proration is necessary. (The amount of the 2020 renewal allocation the PHA received under the original renewal formula calculation is not subject to this proration if it is necessary. The PHA's CY 2020 Mainstream HAP renewal can only increase, never decrease, under this revised methodology.)