#### Mainstream Voucher Assistance FAQs

#### **1.1.** Are Mainstream-only PHAs and non-profits required to report in the Section 8 Management Assessment Program (SEMAP)?

Yes. PHAs and non-profits with only Mainstream vouchers in their voucher program are still required to complete the SEMAP certification required by <u>24 CFR 985.101</u>. PHAs and non-profits in need of assistance with SEMAP should contact their field office PIC coach.

#### 1.2. Do Mainstream vouchers have only a 5-year term?

While Mainstream vouchers are coded on line 2n of the Family Report (form HUD-50058) and on line 2p of the MTW Family Report as "MS5," Mainstream vouchers do not have a 5-year term; they are vouchers without any term limit. Regardless of the NOFA or notice through which a PHA received a Mainstream award, all Mainstream vouchers are like regular Housing Choice Vouchers (HCVs) in that they are non-term limited vouchers renewed with funding provided through HUD's annual appropriations acts. This includes Mainstream vouchers awarded non-competitively through PIH Notices 2020-09, 2020-18, 2022-07, 2022-19, and 2022-31. Consistent with appropriations act language, upon turnover, Mainstream vouchers must be re-issued to non-elderly persons with disabilities.

#### 1.3. Are public housing agencies (PHAs) permitted to project-base Mainstream vouchers?

Yes, Mainstream vouchers may be project-based. The Frank Melville Supportive Housing Investment Act of 2010 converted mainstream assistance to tenant-based assistance under 8(0) of the United States Housing Act of 1937. Section 8(0) tenant-based assistance (i.e., HCV assistance) may be converted to project-based assistance under (8)(0)(13) of the same Act.

Given the population served by the Mainstream voucher program, PHAs need to be particularly mindful of fair housing requirements. HUD strongly recommends that PHAs considering projectbasing their Mainstream vouchers consult with their local HUD Office of Fair Housing and Equal Opportunity. These vouchers serve non-elderly persons with disabilities, and projectbasing vouchers on behalf of this population involves significant fair housing considerations. The owner and the PHA are responsible for ensuring that, in addition to complying with projectbased voucher (PBV) program requirements, the project complies with all applicable Federal nondiscrimination and civil rights statutes and requirements. This includes, but is not limited to, Section 504 of the Rehabilitation Act (Section 504), titles II or III of the Americans with Disabilities (ADA), and the Fair Housing Act and their implementing regulations at 24 CFR part 8; 28 CFR parts 35 and 36; 24 CFR part 100. For more information about the PBV program, please visit the <u>PBV webpage</u>.

### **1.4.** Can a property that receives Mainstream project-based/tenant-based voucher assistance be 100% Permanent Supportive Housing?

HUD cannot answer general questions about a PHA's ability to project-base vouchers in a particular building. There are too many factors that affect compliance and eligibility. PHAs must

be familiar with and comply with all project-based voucher rules and regulations, as well as all Fair Housing requirements. Please see 24 CFR Part 983 as well as <u>PIH Notice 2017-21(HA)</u> <u>Implementation Guidance: Housing Opportunity Through Modernization Act of 2016 (HOTMA)</u> <u>— Housing Choice Voucher (HCV) and Project-Based Voucher (PBV) Provisions</u>.

## **1.5.** In the PBV program, can Mainstream assistance be used for Shared Housing with individuals with disabilities?

No, as indicated in PBV program regulations at 24 CFR § 983.9, a PHA may not provide PBV assistance for shared housing. Shared Housing is a single housing unit occupied by an assisted family and another resident or residents. The unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family. The unit may be a house or an apartment, and there is a separate Housing Assistance Payment (HAP) contract and lease for each assisted family. A tenant may choose to use their tenant-based voucher to live in a shared housing unit. There are special rules for tenant-based assistance in shared housing (see 24 CFR § 982.615-982.618).

#### **1.6.** We are a nonprofit who administers Mainstream vouchers, can we apply to projectbase the Mainstream vouchers in units we own? Are we able to apply for PBVs outside of our current jurisdiction?

Yes, assuming your agency already has a PBV program or will properly establish a PBV program, you may project-base PHA-owned units subject to the restrictions and additional considerations in the regulations related to PHA-owned units, including 24 CFR § 983.51(e) and §983.59. Please also see Notice <u>PIH 2017-21</u>. As with traditional PHAs, nonprofits are responsible for identifying the geographic area in which they may administer vouchers consistent with applicable state and local laws and the nonprofit's organizational documents.

## **1.7.** Since PBVs are tied to the unit, does this mean that the Mainstream family will not be able to port to another jurisdiction?

A PBV family has a right to continued tenant-based rental assistance after the first year of occupancy in the PBV unit. If a tenant-based voucher or other comparable tenant-based assistance is not immediately available upon termination of the family's PBV lease, the PHA must give the family priority to receive the next available opportunity for continued tenant-based rental assistance (see 24 CFR § 983.261). If a tenant-based voucher is issued to the family in accordance with these requirements, the tenant may choose to live in the PHA's jurisdiction or move outside the PHA's jurisdiction using portability, provided all applicable portability requirements are met (24 CFR § 982.353-982.355).

# **1.8.** PBV regulations indicate that if a unit is currently being rented with a tenant-based voucher, then that unit cannot be project-based. Does the same restriction apply if there is a Mainstream voucher holder in the unit?

Yes. A PHA cannot attach PBV assistance to a unit that also receives tenant-based voucher assistance, including Mainstream assistance (per 24 CFR § 983.54).

### **1.9.** Are Single-Room Occupancy (SRO) units an eligible unit type for project-based Mainstream assistance?

Yes, as indicated in PBV program regulations at 24 CFR § 983.9, a PHA may PBV SRO units provided the unit meets all PBV program requirements. HCV provisions concerning SRO units (24 CFR § § 982.602-982.605) apply to the PBV program.

### **1.10.** Can the PHA establish a site-based waiting list for each PBV project for which the PHA will use Mainstream assistance?

Yes, PBV regulations at 24 CFR § 983.251(c) allow the PHA to establish site-based waiting lists for each PBV project. However, PHAs need to be particularly mindful of fair housing requirements given the population served by the Mainstream voucher program. The owner and the PHA are responsible for ensuring that, in addition to complying with PBV program requirements, the project is consistent with all applicable Federal nondiscrimination and civil rights statutes and requirements. This includes, but is not limited to, Section 504 of the Rehabilitation Act (Section 504), titles II or III of the Americans with Disabilities (ADA), and the Fair Housing Act and their implementing regulations at 24 CFR part 8; 28 CFR parts 35 and 36; 24 CFR part 100. HUD strongly recommends that PHAs reach out to their Fair Housing and Equal Opportunity representative at the local HUD field office to discuss whether there are any fair housing concerns with the plan.

#### 1.11. How do Mainstream vouchers awarded to a new construction/rehabilitated project under an Agreement to Enter into a Housing Assistance Payments Contract (AHAP) impact the PHA's Mainstream utilization rate?

HUD does not deduct Mainstream units that are placed under AHAP but not yet leased from the PHA's denominator when considering the Mainstream utilization rate. PHAs should consider the timing of the PBV project and their expected attrition rate during that timeframe to determine whether they may be able to lease some of the Mainstream vouchers that they were planning to "shelve" for the PBV project, while still being able to meet their contractual commitment to enter into a PBV HAP contract with the owner, assuming the owner develops the units consistent with the AHAP and PBV program requirements. PHAs may use the Mainstream Two-Year Tool to help them with this estimate. Leasing vouchers ensures that the funding is utilized to help families while the PHA waits for the project to come online and also ensures the PHA receives the benefit of the renewal inflation factor for those leased vouchers.

# **1.12.** A PHA is looking to project-base a portion of their HCV tenant-based and their Mainstream vouchers into one project. Would the PHA need to execute one Agreement to Enter into an AHAP or two?

The PHA would execute one AHAP and then one HAP contract under these facts. . Please note the definition of project in 24 CFR 24 CFR 983.3. If, in contrast to the question asked, multiple projects under 24 CFR 983.3 exist, each project would be covered by a separate contract, consistent with 24 CFR 983.202(a).

### **1.13.** Is the PHA required to post a Request for Proposals to project-base Mainstream vouchers?

Unless one of the two exceptions discussed below applies, the answer is "yes." A decision to project-base Mainstream assistance is generally subject to 24 CFR 983.51 ("Owner proposal selection procedures"), just like any other PBV decision by the PHA. Generally, PBV projects are selected through a competitive process as established by the PHA in its Administrative Plan in accordance with PBV program requirements. There are two exceptions to the competitive requirement: selection based on a previous competition (under the conditions of 24 CFR § 983.51(b)(2)), and non-competitive selection for projects in which the PHA has an ownership interest or control and for which the PHA is engaged in an initiative to improve, develop, or replace a public housing property or site (see <u>PIH 2017-21</u>, Attachment L, for conditions concerning the applicability of this exception).

### **1.14.** In one of our projects, there is no affiliate, and the HAP contract administrator is the same legal entity as the owner. Is this allowable under the Mainstream program?

A voucher agency that owns a project for which it will administer PBV assistance may not sign as both the owner and administrator as the HAP contract administrator and the owner cannot be the same legal entity (i.e., the PHA acting as contract administrator cannot execute a contract with itself as the owner of the PBV or HCV units). The PHA must establish a separate legal entity to serve as the owner. Examples of such entities include the following: (a) A non-profit affiliate or instrumentality of the PHA; (b) A limited liability corporation; (c) A limited partnership; (d) A corporation; or (e) Any other legally acceptable entity recognized under State law. Such an entity would serve as the owner only for the purposes of execution of the HAP contract. See PIH 2017-21 Attachment A section 5 for more information.

### **1.15.** Is there a limit on the number of Mainstream vouchers that can be utilized in a single site property?

Under the PBV statute (Section 8(o)(13) of the U.S. Housing Act of 1937), a PHA may only project-base the higher of 25 units or 25 percent of units (assisted and unassisted, in both cases) in a project (this is known as the PBV income mixing requirement or project cap). However, there are several exceptions to this PBV project cap. Units serving elderly families and units housing households eligible for supportive services available to all families receiving PBV assistance at the project are excluded from the project cap. Additionally, under certain conditions, units previously subject to certain federal rent restrictions or receiving another type of long-term HUD subsidy are excepted from the project cap. See <u>PIH 2017-21</u>, Attachments E and F, for more information. Again, HUD strongly recommends that PHAs considering project-basing their Mainstream vouchers consult with their local HUD Office of Fair Housing and Equal Opportunity.

1.16. If a family living in a PBV unit made available to Mainstream families chooses to exercise their right to tenant-based assistance after 12 months of occupancy, can the PHA limit the tenant-based option to one of its Mainstream tenant-based vouchers, or

### must the PHA provide a regular HCV (or other form of tenant-based assistance, if available)?

Per PBV regulations at 24 CFR § 983.261, the PHA must offer the family the opportunity for continued tenant-based rental assistance (in the form of an HCV or other comparable tenant-based rental assistance). If one is not immediately available, the PHA must give the family priority for the next available opportunity for continued rental assistance. While the offer of continued tenant-based rental assistance to the Mainstream family may include a Mainstream voucher, neither the PBV regulation, nor Mainstream voucher requirements, afford PHAs discretion to limit the family's option only to Mainstream vouchers.