



## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-6191-N-01]

### Section 8 Housing Choice Vouchers: Implementation of the Housing Choice Voucher Mobility Demonstration

**AGENCY:** Office of the Assistant Secretary for Public and Indian Housing (PIH), Department of Housing and Urban Development (HUD).

**ACTION:** Notice.

**SUMMARY:** This notice implements the Housing Choice Voucher (HCV) mobility demonstration (“demonstration”) authorized by the Consolidated Appropriations Act, 2019 (“2019 Appropriations Act”) and the Further Consolidated Appropriations Act, 2020 (“2020 Appropriations Act”). Throughout this notice, the 2019 Appropriations Act and 2020 Appropriations Act are referred to together as the “Appropriations Acts.” The notice defines Public Housing Agency (PHA) eligibility criteria; establishes the application process, including setting forth the factors HUD will employ in rating and ranking PHA applications; and explains the special rules and requirements applicable to PHAs selected for participation in the demonstration. In addition, the notice identifies the specific waivers and alternative requirements established by the Secretary for the demonstration.

**DATES:** Application Due Date: **[Insert date 90 days after date of publication in the FEDERAL REGISTER].**

**FOR FURTHER INFORMATION CONTACT:** Rebecca Primeaux, Director, Housing Voucher Management and Operations Division, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 4214, Washington, DC 20410, telephone number (202) 708-1112. (This is not a toll-free number.) Individuals with hearing or speech

impediments may access this number via TTY by calling the Federal Relay during working hours at 800-877-8339. (This is a toll-free number). HUD encourages submission of questions about the demonstration be sent to [HCVmobilitydemonstration@hud.gov](mailto:HCVmobilitydemonstration@hud.gov).

## **SUPPLEMENTARY INFORMATION:**

### **Background**

The 2019 Appropriations Act, signed into law on February 15, 2019, made available \$25 million to carry out an HCV mobility demonstration (see paragraph (8)) under the heading “Tenant-Based Rental Assistance”). The 2020 Appropriations Act, signed into law on December 20, 2019, made an additional \$25 million available for the demonstration. Of these amounts, up to \$10 million is for incremental voucher assistance under Section 8 of the United States Housing Act of 1937 (“the 1937 Act”) (42 U.S.C. 1437f(o)), with the remainder of funding being available for mobility-related services. The 2019 Appropriations Act also makes available \$3 million under a separate heading for a research evaluation.

Incremental voucher assistance for the HCV Mobility Demonstration Vouchers (MDVs) and mobility-related services made available under this notice must only be provided to families with children.

The primary purposes of the demonstration are to provide voucher assistance and mobility-related services to families with children to encourage such families to move to lower-poverty areas, to expand their access to opportunity areas, and to evaluate the effectiveness of the strategies pursued under the demonstration.

The 2019 Appropriations Act authorizes the HUD Secretary to waive or specify alternative requirements for certain portions of Section 8 of the 1937 Act in order to facilitate

implementation and administration of the Regional Housing Mobility Plans (RHMPs) that are required of the demonstration-participating PHAs.

HUD must submit a report to Congress within five years after the implementation of the demonstration. The demonstration is effective until October 1, 2028. After October 1, 2028, vouchers will no longer be restricted to the purposes under which they were made available for this demonstration and will become part of a PHA's regular HCV program.

## **I. DEMONSTRATION PROGRAM DESIGN**

### **Background**

Recent research shows that growing up in neighborhoods with lower levels of poverty improves children's academic achievement and long-term chances of success, and reduces intergenerational poverty.<sup>1</sup> Children who move to low-poverty neighborhoods have also been shown to experience lower rates of hospitalizations, lower hospital spending, and some changes in mental health over the long-term follow-up.<sup>2</sup> Adults given the chance to move to low-poverty neighborhoods experience reductions in extreme obesity and diabetes.<sup>3</sup>

The HCV program offers families with vouchers the opportunity to live in a neighborhood of their choice, including low-poverty, opportunity neighborhoods. Yet, families with HCVs may encounter barriers to using their vouchers in communities with expanded

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<sup>1</sup> Chetty, Hendren, and Katz, "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment," *American Economic Review*, April 2016. Chetty and Hendren, "The Effects of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects and II: County Level-Estimates," *Quarterly Journal of Economics*, 2018.

<sup>2</sup> Pollack, Blackford, Du, et al. "Association of Receipt of a Housing Voucher With Subsequent Hospital Utilization and Spending," *JAMA*. 322(21):2115-2124. doi:10.1001/jama.2019.17432, 2019. Kessler, Duncan, Gennetian, et al. "Associations of housing mobility interventions for children in high-poverty neighborhoods with subsequent mental disorders during adolescence," *JAMA*; 311(9):937-948. doi:10.1001/jama.2014. 607, 2014, retracted and replaced June 17, 2016.

<sup>3</sup>Ludwig, Sanbonmatsu, Gennetian, et al. "Neighborhoods, obesity, and diabetes—a randomized social experiment," *New England Journal of Medicine*; 365(16):1509-1519. doi:10.1056/NEJMSa1103216, 2011.

opportunities. Some barriers may be financial, such as saving enough money for a security deposit or maintaining a positive credit score. Other barriers may include inadequate time to find a unit, landlord unwillingness to rent to voucher holders, or limited awareness of neighborhood amenities, such as the location of high-performing schools.

Some PHAs and nonprofits have implemented “housing mobility programs” to help reduce barriers for families with vouchers to live in neighborhoods of their choice, including opportunity neighborhoods with high-performing schools, access to jobs, low crime, parks and other amenities.<sup>4</sup> These programs generally include a comprehensive set of services offered to families as well as administrative policy changes. Although there is no universally agreed upon definition of a housing mobility program, these programs often include “mobility-related services” such as pre- and post-move supports, family financial assistance (e.g. security deposits), landlord outreach, and housing search assistance.<sup>5</sup> They also include administrative policies such as adequate payment standards in opportunity areas and extended voucher search time.

Building on recent research, and evidence from prior and existing housing mobility programs, the Seattle Housing Authority and King County Housing Authority partnered with researchers from Opportunity Insights, to implement and evaluate a housing mobility program they named “Creating Moves to Opportunity (CMTO).” The researchers sought to uncover

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<sup>4</sup> The Moving to Opportunity (MTO) experiment is among the most well-known housing mobility interventions. MTO was authorized by Congress in 1992 and made use of HCVs, in combination with housing search and counseling services, to assist low-income families to move from some of America’s most distressed urban neighborhoods to lower-poverty communities. In addition to the MTO experiment, large housing mobility programs have been implemented in Chicago, Dallas, and Baltimore, among other locations.

<sup>5</sup> There is no universally agreed upon definition for opportunity area. Some definitions focus exclusively on poverty, while others may look at public transportation, racial and economic diversity, child-care, health care, and/ or a variety of other neighborhood amenities. For the purposes of this demonstration, HUD will use its own definition of opportunity area which is described in Section VIII Application Format, Funding Application Form HUD-52515, Part G, Soundness of Approach, Subpart 5: Proposed Methodology and Opportunity Areas.

whether families with vouchers faced barriers that prevented them from moving to opportunity areas, or if families “prefer to live in neighborhoods that offer limited opportunities for upward mobility.”<sup>6</sup>

To answer these questions, the Seattle Housing Authority and King County Housing Authority implemented a randomized controlled trial (RCT) and offered a set of housing mobility-related services to families in a treatment group and business-as-usual services to families in a control group. RCTs are generally understood to be one of the most reliable research methods to study the impacts of a “treatment,” by isolating the effects of the treatment by comparing a randomly assigned treatment group against a randomly assigned control group. In an RCT, the treatment group and control group should be as similar as possible to better understand the impacts of a treatment.

Based on the initial report provided by the researchers, the provision of mobility-related services seemingly helped create strong gains in the number of families who moved to opportunity areas.”<sup>7</sup> Researchers and the housing agencies are now expanding their research to see whether a selected set of services, offered at a lower cost, achieve similar results.

HUD recognizes there is compelling evidence to build upon to meet the goals of the demonstration. The initial CMTO results are promising, but more research is needed to understand if these interventions work similarly in other locations and contexts. Through the demonstration, HUD will implement, test, and evaluate whether housing mobility programs intended to increase family choice, expand access to opportunity neighborhoods. HUD will

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<sup>6</sup> Bergman, Chetty, DeLuca, Hendren, Katz, and Palmer, “Creating Moves to Opportunity: Experimental Evidence on Barriers to Neighborhood Choice,” August 2019. [https://opportunityinsights.org/wp-content/uploads/2019/08/cmto\\_paper.pdf](https://opportunityinsights.org/wp-content/uploads/2019/08/cmto_paper.pdf)

<sup>7</sup> Id.

draw upon the program experience, to the extent possible, of the CMTO effort implemented by the Seattle Housing Authority and King County Housing Authority.<sup>6</sup>

Throughout this notice, while HUD uses technical language to describe the format and design of the study, HUD recognizes that research participants being studied are autonomous families and children who are entitled to respect. HUD requires, and PHAs must require, that each family involved in the study gives voluntary and informed consent. HUD and PHAs will protect the privacy of each family involved in the study and will seek informed, voluntary, and written consent for the use or reproduction of any details about a family.

### **Overview**

This demonstration will allow participating PHAs throughout the country to implement housing mobility programs by offering mobility-related services to increase the number of voucher families with children living in opportunity areas. Only families with children may participate in the demonstration. Throughout the notice, HUD uses the term “families” or “families with children” interchangeably, since only families with children may participate in the demonstration.

In addition to offering mobility-related services, participating PHAs will work together in their regions to adopt administrative policies that further enable housing mobility, increase landlord participation, and reduce barriers for families to move across PHA jurisdictions through portability.

Although the demonstration is intended to increase housing choice for families in the HCV program, especially in opportunity areas, the demonstration will not require voucher

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<sup>6</sup> For example, the demonstration will include post-move supports while CMTO does not include them as part of their mobility-related services.

holders to move to designated opportunity areas, limit access to other neighborhoods, or allow for the termination of assistance for lack of participation in mobility-related services.

To be eligible for the demonstration, PHAs must meet eligibility criteria, described in *Section V Application Process*, of this notice. The demonstration includes four statutory categories of eligibility. These are discussed in *Section V Application Process* and *Section VII Application Format*. They are Category A: PHA Partnerships; Category B: Consortia with High-Performing Family Self-Sufficiency (FSS) Program; Category C: Consortia with Small PHA; and Category D: Single Agency. As a result of these eligibility categories, HUD anticipates most applications for the demonstration will come from multiple PHAs within a region submitting one application jointly. References to “PHAs” or “participating PHAs” or “PHA sites” generally mean the successful applicant sites, which may or may not include more than one PHA. When PHAs apply jointly, HUD requires one PHA to be designated the lead PHA. The lead PHA will be awarded the mobility-related service funding. However, all PHAs, whether applying alone or as part of a joint application, may request MDVs.

The demonstration is anticipated to be implemented by PHAs over the course of six years. If selected, PHAs will be required to, among other things:

- Offer and provide a set of agreed upon services and adopt certain administrative policies (described in *Section III Mobility-related Services*);
- Participate in the research evaluation (described in *Section II Research Evaluation*); and
- Recruit and enroll families to participate in the demonstration (described in *Section II Research Evaluation*).

## II. RESEARCH EVALUATION

The Appropriations Acts require HUD to evaluate the effectiveness of the strategies pursued under the demonstration. To meet this requirement, HUD will conduct an independent evaluation to assess the extent to which mobility-related services facilitate moves to opportunity areas, and the length of time families remain in opportunity areas. HUD will develop a final research evaluation within the five years after full implementation of the demonstration. HUD will disseminate any interim findings as required by the statute.

HUD intends to conduct a randomized controlled trial (RCT) at all PHAs participating in the demonstration.<sup>7</sup> Families with children receiving voucher assistance that agree to participate in the demonstration will be randomly assigned to a treatment group that receives mobility-related services or a control group that receives HCV program business-as-usual services already offered by participating PHAs to all HCV applicants and participants.

The demonstration will have two different treatment groups. The first treatment group will receive comprehensive mobility-related services (CMRS). HUD estimates that the CMRS treatment group will be implemented in years one through six of the demonstration, with year one largely being a planning and piloting phase. The second treatment group will receive a subset of the comprehensive housing mobility-related services, which HUD calls selected mobility-related services (SMRS).<sup>8</sup> HUD estimates that the second treatment group, SMRS, will be added in years three through six of the demonstration, with year three largely being a planning and piloting phase for SMRS. Both treatments, CMRS and SMRS, will be offered in years four

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<sup>7</sup> See *Section I Demonstration Program Design* for a definition of randomized controlled trial.

<sup>8</sup> See *Section III Mobility-related Services*, for the complete explanation of the term, “Selected Mobility-Related Services (SMRS).”

through six. For a sample timeline, please see Table 3: Potential Minimum Enrollment Schedule at Each PHA Site.

The demonstration will also have a control group. The control group will be recruited and enrolled concurrently with recruitment and enrollment for the treatment groups.

The demonstration will recruit and enroll two different types of families with children for both treatment groups and the control group: existing voucher holders and new admissions.

These are described in further detail in the “Demonstration Size” section.

PHAs that participate in the demonstration must agree to implement both the CMRS and SMRS treatments, as well as recruit and enroll both types of families with children. Participating PHAs will work collaboratively with HUD to implement the demonstration, including designing, planning, and piloting the demonstration program; recruiting, enrolling, and randomly assigning families; and, providing mobility-related services.

### **PHA Responsibilities Related to Research**

PHAs participating in the demonstration will have a range of responsibilities related to the research evaluation. These include, but are not limited to, enrolling families to participate, adhering to random assignment protocols, collecting data, and communicating regularly with HUD.

PHAs will be required to enroll a minimum number of families with children to participate in treatment and control groups over the estimated six years of the demonstration. (This is illustrated further in Table 3: “Potential Minimum Enrollment Schedule at Each PHA Site.”) In their application, PHAs will propose the number of families they want to enroll. After selection, HUD will work closely with PHAs to finalize the number of families to be enrolled, based on the final award made to the PHA and the agreed upon budget for mobility-related

services. HUD also will work with PHAs to develop a schedule for enrollment. PHAs will not be required to continue to enroll families, if they no longer have enough funding to provide mobility-related services (e.g. original mobility-related service cost estimates were too low or other unforeseen circumstances).

By responding to this notice, participating PHAs agree that they will implement random assignment protocols established by HUD. Under these protocols, PHAs will inform families about the demonstration, and ask families with children if they consent to being part of the demonstration. If the family consents, the PHA will randomly assign the family to a treatment or control group. Participation in the demonstration is voluntary and families may decline to participate at any time. PHAs shall not require families to move to an opportunity area or participate in any services in order to retain or obtain a voucher.

In order to evaluate the impact of the demonstration over time, families that consent to participate will agree to: (a) have their administrative data linked with other administrative datasets and allow their data to be tracked over time; (b) participate in an initial survey; and, (c) be contacted for future surveys. In addition to informed consent, each family should be given sufficient information to make an informed choice about if, when, and how to participate in each stage of the study process. All applicable informed consent protocols and forms will be developed by HUD.

In addition to the activities described above, PHAs may be required to:

- Administer informed consent to families participating in the demonstration;
- Administer a baseline data collection at time of consent and at other intervals;
- Track services offered, taken up, and the cost of such services on a per-family basis;
- Ensure PHA staff and service providers are available for interviews; and

- Facilitate communication between HUD and families if necessary.

All described activities may or may not be required depending on the final research evaluation design. To help minimize administrative burden on PHA staff, service providers, and families participating in the demonstration, HUD intends to contract with a technical assistance (TA) provider that will support PHA implementation. For example, the TA provider might be tasked with developing a suite of products to be used and customized for providing mobility-related services across selected sites. The TA provider might also help coordinate policies and procedures across selected sites, among other tasks. The provider may offer training and resources for PHAs selected to participate in the demonstration, including around research activities. Finally, PHAs are eligible to receive start-up funding for the demonstration, described further in *Section IV Award Description*.

A summary of the tasks by demonstration year are included in the following table:

**Table 1: Summary of Key Implementation and Evaluation Tasks by Demonstration Year**

<b>Demonstration Year</b>	<b>Key Implementation and Evaluation Tasks<sup>9</sup></b>
Year 1	<ul style="list-style-type: none"> <li>• Planning and piloting of CMRS at PHA sites</li> <li>• TA contractor assisting PHAs with implementation</li> <li>• Evaluator finalizes research design and work plan</li> </ul>
Year 2	<ul style="list-style-type: none"> <li>• CMRS enrollment and services begin at PHA sites</li> <li>• TA contractor assisting PHAs with implementation</li> <li>• Evaluator executes research design</li> </ul>
Year 3	<ul style="list-style-type: none"> <li>• CMRS enrollment and services continue at PHA sites</li> <li>• TA contractor assisting PHAs with implementation</li> <li>• Evaluator executes research design</li> </ul>

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<sup>9</sup> HUD has developed scopes of services for an evaluation contract and a technical assistance contract based on available funding. Certain components of the demonstration evaluation and technical assistance are subject to funding availability in future fiscal years.

	<ul style="list-style-type: none"> <li>• Evaluator produces rapid-cycle evaluation of CMRS to inform what components of SMRS should be implemented</li> <li>• Planning and piloting of SMRS at PHA sites</li> </ul>
Year 4	<ul style="list-style-type: none"> <li>• CMRS enrollment and services continue at PHA sites</li> <li>• SMRS enrollment and services begin at PHA sites</li> <li>• TA contractor assisting PHAs with implementation</li> <li>• Evaluator executes research design</li> <li>• Demonstration is considered “fully implemented” once SMRS enrollment and services begin</li> </ul>
Year 5	<ul style="list-style-type: none"> <li>• CMRS enrollment and services continue</li> <li>• SMRS enrollment and services continue</li> <li>• TA contractor assisting PHAs with implementation</li> <li>• Evaluator executes research design</li> <li>• Evaluator produces the first CMRS Process and Impact Evaluation Report to be submitted to Congress after HUD review and approval</li> </ul>
Year 6	<ul style="list-style-type: none"> <li>• CMRS enrollment and services continue until end of Year 6</li> <li>• SMRS enrollment and services continue until end of Year 6</li> <li>• TA contractor assisting PHAs with implementation</li> <li>• Evaluator executes research design</li> </ul>
Years 7-9	<ul style="list-style-type: none"> <li>• Evaluator begins drafting final report</li> <li>• Evaluator continues to track families who moved in Years 1-6</li> <li>• Evaluator provides HUD final report</li> <li>• Final report is published</li> </ul>

### **Families Eligible for Demonstration**

The Appropriations Acts require that demonstration participants be families with children, which are families with at least one child aged 17 and under. The demonstration will be open to families with children already participating in the HCV program and interested in moving, called “existing voucher holders” throughout this notice. The demonstration also will

be open to families with children who are new admissions to the HCV program and are selected off the participating PHA waiting lists.<sup>10</sup>

### **Demonstration Size**

Using publicly available data on costs for mobility-related services, HUD estimates that there is enough available mobility-related service funding to provide services to at least 9,500 families.

As long as the participating PHA sites are able to enroll the minimum number of families participating PHAs do not need to administer a specific number of vouchers to be eligible for the demonstration. The total number of families enrolled in the evaluation at each site will vary depending on the total number of awards, and likely will be higher than the minimum number of required participants. For the evaluation to detect the impacts of the CMRS and SMRS treatments, HUD estimated the minimum number of HCV families with children that must be enrolled (sample size) at each participating PHA site. Preliminary calculations indicate that a minimal sample size of 1,950 families with children at each PHA site, across both treatment groups and the control group, is necessary to detect the effects of the treatments.

As described previously, HUD anticipates that the demonstration will be implemented over a six-year period. Over this time frame, HUD requires that each participating PHA site enroll a minimum of 650 families for CMRS, a minimum of 650 families for SMRS, and a minimum of 650 families for the control group (minimum total of 1,950 families). To enroll the minimum number of families, participating PHA sites likely will need to conduct outreach to more than the minimum number of families, since a certain percentage of families are likely to

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<sup>10</sup> See *Section II Research Evaluation, Required HCV Waiting List Preference* for more information about demonstration waiting list requirements.

decline enrolling.<sup>11</sup> Although there is limited data on what percentage of families are likely to decline enrolling in the demonstration, HUD estimates more than 10 percent may decline enrollment.<sup>12</sup>

Table 2 shows the minimum number of families each participating PHA site must enroll in the demonstration. PHAs applying together under Category A: PHA Partnerships, Category B: Consortia with High-Performing FSS Program, or Category C: Consortia with Small Agency, do not need to enroll the minimum number of families at each individual participating PHA. They are required to collectively enroll the minimum number of families across participating PHAs. (See *Section VII Application Format* for further information on these categories.)

**Table 2: Minimum Required Enrolled Families at Each PHA Site**

<b>Voucher Type</b>	<b>CMRS Treatment</b> Minimum number of families to be enrolled by PHA	<b>SMRS Treatment</b> Minimum number of families to be enrolled by PHA	<b>Control</b> Minimum number of families to be enrolled by PHA	<b>Total</b>
Existing voucher holders	600	600	600	<b>1,800</b>
New admissions	50	50	50	<b>150</b>
<b>Total</b>	<b>650</b>	<b>650</b>	<b>650</b>	<b>1,950</b>

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<sup>11</sup> HUD reminds PHAs when conducting outreach that all materials, notices, and communications must be provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities consistent with Section 504 of the Rehabilitation Act and HUD’s Section 504 regulation, and Titles II or III of the ADA and implementing regulations. Recipients must provide appropriate auxiliary aids and services necessary to ensure effective communication, 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 websites and other electronic communications (See 24 CFR 8.6, 28 CFR 35.160, 28 CFR 36.303). PHAs also must take reasonable steps to ensure meaningful access to their programs and activities to limited English proficient (LEP) individuals. As an aid to recipients, HUD published Final Guidance to Federal Financial Assistance Recipients: Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (LEP Guidance) in the Federal Register on January 22, 2007 (72 FR 2732). 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>

<sup>12</sup> Bergman, Chetty, DeLuca, Hendren, Katz, and Palmer, 2019.

Table 3 shows a potential enrollment schedule for a participating PHA site that only enrolls the minimum number of families. In their applications, PHAs will estimate the number of families they want to enroll. HUD anticipates that some participating PHA sites will propose to enroll more families.

**Table 3: Potential Minimum Enrollment Schedule at Each PHA Site**

	<b>CMRS New Enrollment</b>	<b>SMRS New Enrollment</b>	<b>Control Group New Enrollment</b>	<b>Yearly Total New Enrollment (Treatment &amp; Control)</b>	<b>Yearly Total New Treatment (Families Receiving CMRS or SMRS)</b>
Year 1	Planning and pilot				
Year 2	130	N/A	130	260	130
Year 3	130	Planning and pilot	130	260	130
Year 4	130	216	130	476	346
Year 5	130	217	130	477	347
Year 6	130	217	130	477	347
<b>Total</b>	<b>650</b>	<b>650</b>	<b>650</b>	<b>1,950 (cumulative)</b>	<b>1,300 (cumulative)</b>

*Existing Voucher Holders*

To meet the minimum enrollment requirements, PHAs will primarily recruit and enroll existing voucher holders to participate in the demonstration.<sup>13</sup> Recruitment and enrollment of existing voucher holders likely will occur at recertification or when a family indicates interest in moving. Once a family with children indicates they are interested in moving, they will be asked if they are interested in participating in the demonstration and given the opportunity to provide informed consent to participate.

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<sup>13</sup> In addition to families with children with regular tenant-based vouchers, existing voucher holders includes families with children assisted with project-based vouchers under Section 8(o)13.

Families who consent to participate will be randomly assigned into one of the treatment groups or the control group. All families within the same treatment group must be offered the same set of services. Families randomly assigned to the control group will not receive any mobility-related services but will receive HCV program business-as-usual services already offered by participating PHAs for moving families.

#### *New Admissions*

The statute authorized up to \$10 million for new incremental vouchers, called MDVs. HUD anticipates about 1,000 new MDVs will be made available under this notice. It is required that all MDVs will be used for new admissions for the treatment groups. PHAs applying for the demonstration must request MDVs which will be competitively awarded among multiple PHA awardees.<sup>14</sup> PHAs must agree to make some regular turnover vouchers available for new admissions. HUD estimates that the number of regular turnover vouchers the PHA must make available will be half the number of the MDVs they are awarded (e.g. if the PHA is awarded 100 MDVs, they must make 50 regular turnover vouchers available).

HUD will work with PHAs to develop a waiting list selection plan for the demonstration. For the MDV and regular turnover vouchers, families will be selected off the waiting list in accordance with the participating PHA's preferences, as well as a required preference discussed in the next section.

After selection, families will be asked if they are interested in participating in the demonstration and given the opportunity to provide informed consent to participate. The Appropriations Acts require that MDVs be for families with children participating in the

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<sup>14</sup> See *Section VII Application Format*, Funding Application HUD Form-52515, Part F Need/Explanation of the Problem for more information.

demonstration and shall continue to remain available for families with children upon turnover during the period of the demonstration. Therefore, to receive an MDV, a family selected from the waiting list must consent to participate in the demonstration. If the family selected from the waiting list for an MDV does not provide consent to participate in the demonstration, they will be placed back on the waiting list.

If the family consents, they will be randomly assigned into one of the treatment groups or the control group. All families assigned to the same treatment group must be offered the same set of services. Families assigned to the treatment groups will receive an MDV. Families assigned to the control group will receive a turnover voucher. Families randomly assigned to the control group will not receive any mobility-related services but will receive HCV program business-as-usual services already offered by participating PHAs for moving families.

Across all participating PHA sites, approximately 1,500 total new admission families will participate in the demonstration. About 1,000 MDVs will be assigned to one of the treatment groups and about 500 regular turnover vouchers provided by PHAs will be assigned into the control group.

#### *Required HCV Waiting List Preference*

As described previously, the Appropriations Acts require that participants in the demonstration must be families with children. Most participants in the demonstration will be existing voucher holders with children.<sup>15</sup> However, some participants in the demonstration will be new admissions to the HCV program. Most PHAs maintain a waiting list for admission into

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<sup>15</sup> The waiting list is only applicable to applicants for the HCV program. There is no waiting list for existing voucher holders.

the HCV program. Under program regulations, PHAs may use a system of waiting list preferences for the selection of families admitted to the program.<sup>16</sup>

Section 235(c)(6) of Division G of the 2019 Appropriations Acts also allows for the “establishment of priority and preferences for participating families, including a preference for families with young children, as such term is defined by the Secretary, based on regional housing needs and priorities.” Given this authority, HUD is requiring that PHAs establish a waiting list preference, both for MDVs and for the number of regular turnover vouchers PHAs must make available for the demonstration.

For MDVs awarded to participating PHAs, including any subsequent turnover of those vouchers, the PHA must adopt a waiting list preference. The waiting list preference is for families with at least one child aged 13 and under that live in census tracts with a family poverty rate of 30 percent or higher.<sup>17</sup> Families that receive an MDV voucher will be randomly assigned to one of the treatment groups and will receive mobility-related services.

As described previously, PHAs must agree to make available some of their regular turnover vouchers for new admissions to the demonstration. HUD anticipates that PHAs will need to make available about half as many regular turnover vouchers as awarded MDVs for new admissions.

For the regular turnover vouchers provided by PHAs for the demonstration, in order to fulfill elements of the demonstration’s statutorily required evaluation design, PHAs must adopt

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<sup>16</sup> 24 CFR 982.207

<sup>17</sup> The poverty rate for families is available in American Community Survey table S1702. To access the information at the census tract level 5-Year ACS Tabulations must be used. To access the latest available family poverty rate at the census tract level see: <https://data.census.gov/cedsci/table?q=poverty%20rate&hidePreview=false&tid=ACSST5Y2018.S1702&t=Poverty&vintage=2018>

the same preference for families with at least one child, aged 13 and under, who live in a census tract with a family poverty rate of 30 percent or higher. They must apply this limited preference to their regular turnover vouchers until enough families receiving these regular turnover vouchers have been randomly assigned to the control group.<sup>18</sup>

If a PHA does not have enough families on the waiting list that meet the required preference, the PHA will select the next available family with at least one child aged 17 or under from the waiting list. PHAs must have the administrative capacity to implement this preference.

### **III. MOBILITY-RELATED SERVICES**

The Appropriations Acts provide funding for mobility-related services to be implemented under the demonstration. PHAs that participate in the demonstration will be required to implement comprehensive mobility-related services (CMRS) and selected mobility-related services (SMRS). HUD will test whether providing mobility-related services to families with children results in moves to opportunity areas compared to those families that are not offered these services. HUD will use a randomized controlled experiment—the gold standard for measuring causal impacts—to evaluate the effectiveness of the demonstration. PHAs participating in the demonstration will propose administrative policies to be adopted. PHAs will also have the option of developing a regional project-based voucher strategy as part of their participation in the demonstration.

#### **Comprehensive Mobility-Related Services**

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<sup>18</sup> An example of a limited preference is when a PHA limits the number of families with young children that qualify for the preference to a specific number of families. For information on a limited preference in a different context please see PIH Notice 2013-15.

This section describes the components of CMRS likely to be required for implementation at participating PHAs. In order to effectively implement a randomized controlled experiment, all participating PHA sites will be required to implement substantially the same CMRS.

In their applications, PHAs will describe how they intend to implement these services. PHAs also will have the opportunity in their applications to identify whether there are mobility-related services they think may not be successful in their region. After selection, HUD will work with PHAs to finalize the standard set of CMRS to be offered at all demonstration sites.

HUD recognizes that local experiences and circumstances are also important for crafting an effective set of CMRS. PHAs may be allowed to provide additional services beyond the CMRS if the services do not impact the research design.<sup>19</sup> PHAs will identify in their proposals other services they may want to offer as part of the demonstration.

Although HUD hopes to learn what strategies help families access opportunity areas and will closely monitor the number of moves to opportunity areas, participation in mobility-related services will be entirely voluntary. Families may end participation in mobility-related services at any time and it will not affect their status as an applicant or participant in the HCV program.

Based on available research, HUD has identified CMRS that are likely to be successful in helping families move to opportunity areas. These include a range of services, such as pre-move support and housing search assistance, landlord outreach and support, family financial assistance, landlord financial incentives, post-move, and subsequent-move support, which are described in detail below. PHAs will have the flexibility to work with individual families to customize services, provided every family is offered all of the available services.

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<sup>19</sup> For example, a PHA may want to launch an informal peer-to-peer network of families that have moved to opportunity areas. This likely would not be in the CMRS but should not impact the research design and likely could be implemented by the PHA.

### *Pre-move Services*

- Creating customized plans to address individual family barriers to renting a unit in an opportunity area, such as negative credit, lack of credit, or negative rental or utility history.
- Providing information on schools, the opportunity to tour and meet with school staff, educators, and any necessary educational support services, neighborhood amenities, and the short-term and long-term benefits of moving to an opportunity area.

### *Housing Search Assistance*

- Helping an individual family identify and tour available units in opportunity areas, including physically accessible units and features for family members with disabilities.
- Assisting with the completion of rental applications and PHA forms.
- Expediting the PHA leasing process.

### *Family Financial Assistance*

- Creating customized assistance<sup>20</sup> to help remove certain cost barriers to initial lease-up in an opportunity area by providing funds for application fees, move-in fees, and security deposits.

### *Landlord Recruitment*

- Conducting concerted outreach for increased landlord participation in opportunity areas.
- Providing enhanced customer service.
- Conducting expedited inspections.

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<sup>20</sup> After selection, HUD and PHAs will work collaboratively together to establish reasonable limits on family financial assistance to be provided with mobility-related service funding.

- Providing financial incentives with mobility-related service funding such as damage mitigation funds, signing bonuses, or vacancy payments which may help encourage more landlords in opportunity areas to participate.<sup>21</sup>

#### *Post-move Services*

- Helping families locate neighborhood resources and amenities and navigate enrolling their children in the local school.
- Conducting regular check-ins, services, and supporting the adjustment to a new neighborhood.
- Providing subsequent move counseling for families who may want to move again after their initial opportunity area move. PHAs will offer some of the same services they provided initially as part of second-move counseling.

#### **Selected Mobility-Related Services (SMRS)**

Based on existing research, it is likely that the intensive nature of supports offered through CMRS will result in an increased number of moves to opportunity areas for participating families. However, based on available data, it is unclear whether individual elements or a streamlined version of CMRS would result in an increased number of moves to opportunity areas. Although it is likely CMRS will result in successful moves to opportunity areas, there may be more cost-effective approaches to expanding housing opportunities for families with children. As such, HUD will test whether a selected subset of mobility-related services is effective at helping families move to and remain in opportunity areas.

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<sup>21</sup> After selection, HUD and PHAs will work collaboratively together to establish reasonable limits on landlord incentives to be provided with mobility-related service funding.

Participating PHA sites will also implement SMRS while they continue to offer CMRS. The SMRS implemented by each participating PHA will likely be a subset of the services offered through CMRS. HUD will not finalize the SMRS until at least one year of CMRS has been implemented. HUD will work closely with PHAs to identify what components of CMRS seem most promising to test as SMRS. However, PHAs will identify in their applications which subset of CMRS they would most like to implement as SMRS.

In order to effectively implement a randomized controlled trial, at least two PHA demonstration sites will be required to implement substantially the same SMRS. HUD expects to test between two and four different SMRS interventions. Participating PHAs will be required to offer the SMRS and administrative policies to all participating families in the treatment group, although it is expected not all families will choose to take up every service offered.

### **Administrative Policies**

In order to conduct effective research, HUD and PHAs must balance the administrative policy differences inherent in the HCV program and local contexts with the research need to maintain some level of similarity among certain administrative policies across sites. In their applications, PHAs will describe administrative policies they want to implement through this demonstration, or already have implemented, that promote housing mobility.

HUD has identified at least one policy area where standardization will be required to ensure it is possible to evaluate the effectiveness of the demonstration. HUD will require that PHAs participating in the demonstration offer high enough payment standards in opportunity areas to ensure that families have access to rental units in opportunity areas. HUD also will require that PHAs participating in the demonstration offer the same payment standards to

families in the treatment and control group. Please see *Section V Application Process*, for further information on payment standards.

HUD will ask for existing or proposed policies such as voucher search times, portability policies, and other similar policies that promote housing choices and mobility. After selection, HUD will work collaboratively with participating PHA to ensure these and other administrative policies are adequate to help families access opportunity areas and to ensure a level of consistency across participating sites.

PHAs must agree to update their PHA Plans and Administrative Plans to reflect the required HCV waiting list preference and any finalized policy changes, as applicable.

### **Regional Project-based Voucher Plan**

Due to the limited number of MDVs made available under the demonstration, and the need for all of those MDVs to be part of the randomized controlled trial research evaluation, PHAs may not project-base any awarded MDVs. Families that receive mobility-related services under the demonstration may, however, move to project-based voucher (PBV) units. PHAs are encouraged to inform families of available PBV units in their service areas.

Although MDVs cannot be project-based, PHAs may use up to two percent of their mobility-related services funding to develop a regional project-based voucher plan. PHAs will develop the plan throughout the first three years of the demonstration. The plan, which will be submitted to HUD at the beginning of the fourth year of the demonstration, must include, at a minimum, (1) an analysis of PBV units that are large enough for families with children and are currently in opportunity areas in the region and (2) a strategy for increasing the number of those types of PBV units throughout the region. While drafting their plans, PHAs may want to analyze barriers to increasing the number of family PBV units in opportunity areas and how to overcome

those barriers. PHAs will also want to develop a plan, potentially including strategies for providing mobility-related services to families interested in moving to PBV units.

### **Memorandum of Understanding and Performance Standards Requirements**

After selection, HUD will work collaboratively with all participating PHAs to finalize the program and research design that will be implemented at each participating PHA. The program and research design will include the final set of mobility-related services to be implemented as part of the CMRS, administrative policies to promote expanded housing opportunities, a program budget, and an enrollment plan. The program and research design will also include information on how SMRS treatment likely will be developed and implemented. HUD anticipates that these will be decided within six months of selection.

After the program and research design is finalized, HUD will draft a memorandum of understanding (MOU) that outlines roles, responsibilities, the program and research design, services to be offered, and descriptions of administrative policies, among other things. HUD also will draft a performance standards agreement that outlines programmatic goals, recapture and reallocation terms, a budget, and a payment schedule for mobility-related services.

PHAs will have up to 60 days to review the terms of the MOU and performance standards agreement. Although HUD anticipates that all selected PHAs will want to continue forward with implementation of the demonstration, PHAs will have the option to decline execution of either prior to implementation of the demonstration. However, after the MOU and performance standards agreement have been executed, PHAs will not be able to exit the demonstration without HUD's prior authorization.

It is important for PHAs with existing housing mobility programs to understand that it is possible the final CMRS might not reflect their existing program, yet they will be required to implement services as required by the demonstration.

#### **IV. AWARD DESCRIPTION**

Grant funding of up to \$50,000,000 is available through this notice. All awards are subject to statutory constraints and the applicable funding restrictions contained in this notice.

Of the total \$50,000,000 made available under this notice, up to \$10,000,000 of housing assistance payments (HAP) funding will be available for new increments of Housing Choice Voucher mobility demonstration vouchers (MDVs). HAP funding for MDVs will be renewed annually in accordance with HUD's renewal formula guidance.

The remainder of the funding will be available for mobility-related services. These funds will be released to the PHA on an agreed upon budget and schedule that aligns with HUD's cash management procedures.

HUD expects to make approximately 5-10 awards for MDVs and mobility-related services together. HUD expects the minimum award amount, including both MDVs and mobility-related services funding, likely to be no less than \$4,000,000 and the maximum award amount likely to be no more than \$10,000,000.

For any public housing agency administering voucher assistance under the demonstration that determines that it no longer has an identified need for such assistance upon turnover, such agency shall notify HUD, and HUD shall recapture such assistance from the agency and reallocate it to any other public housing agency or agencies based on need for voucher assistance in connection with the demonstration.

HUD expects to announce awards under this demonstration in December 2020.

## **Eligible Uses of Funds**

### *Housing Choice Voucher mobility demonstration vouchers HAP and administrative fees*

Funds awarded for HAP and administrative fees must be used in accordance with the Appropriations Acts and other applicable guidance. For Moving to Work (MTW) PHAs awarded MDV HAP funds and administrative fees under this demonstration, these funds are not eligible for fungibility. MDVs may be administered in accordance with activities in the approved MTW Plan or Supplement unless MTW provisions are inconsistent with the Appropriations Acts or requirements of this notice. In the event of a conflict between approved MTW activities and flexibilities and the Appropriations Acts or notice language, the Appropriations Acts and notice govern.

### *Mobility-related services funding*

Funds awarded must be used to provide eligible mobility-related services for families with children. Mobility-related services funding is not eligible for fungibility under the MTW demonstration. PHAs may use up to five percent of their allocation of mobility-related services funding for start-up costs such as hiring and training new staff or adopting new technology. As noted in *Section III Mobility Related Services* “Regional Project-based Voucher Plan,” PHAs may use up to two percent of their allocation of mobility-related services funding to develop a regional project-based voucher plan.

### *PHA Administrative Fees*

PHAs participating in the demonstration may use administrative fees, their administrative fee reserves, and funding from private entities to provide mobility-related services in connection with the demonstration program, including services such as counseling, portability coordination, landlord outreach, security deposits, and administrative activities associated with establishing

and operating regional mobility programs. PHAs are cautioned that CMRS and SMRS must be offered and to consider whether the terms of any private funding agreements would interfere with their ability to meet demonstration requirements when potentially soliciting or receiving funding from private entities.

#### *PHA HAP Funds*

PHAs participating in the demonstration may use housing assistance payments (HAP) funds under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) for security deposits<sup>22</sup> if necessary, to enable families participating in the treatment group to lease units with vouchers in designated opportunity areas. HUD anticipates that PHAs generally will use mobility-related service funding for security deposits for the demonstration.

#### *Project-based vouchers and HCV Homeownership program*

MDVs, and regular turnover vouchers made available by the PHA specifically for the demonstration, may not be used as project-based vouchers (PBVs) or as HCV homeownership program vouchers, due to design constraints of the research evaluation. The research evaluation will measure the mobility-related services families receive and not efforts made by PHAs to secure physical property in opportunity areas. Evaluating the means by which a PHA can secure specific units in opportunity areas requires a different set of research protocols.

Families participating in the demonstration may move to a PBV unit or purchase a home through the HCV homeownership program. Any MDV voucher holder that chooses to move to a project-based unit or purchase a home through the HCV homeownership program must be offered another voucher from the PHA in accordance with the PHA's policies. Given the limited

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<sup>22</sup> Authorization for PHAs participating in the demonstration to use non-MDV HAP for security deposits was included in the 2019 Appropriations Act. This flexibility is for PHAs participating in the demonstration only.

number of MDVs and regular turnover vouchers required to be made available (i.e. about 1,500) HUD anticipates this will not be a significant challenge for PHAs over the course of the demonstration.

#### *Recapture and reallocation of funds*

Funds awarded under this notice may be recaptured and reallocated and units awarded may be reduced if the PHA does not comply with the requirements of the notice, the performance standards agreement, or the MOU that will be executed after award. If HUD finds a PHA in non-compliance of the terms of the notice, performance standards agreement, or the MOU, HUD may recapture any unspent mobility-related service or voucher funds. HUD may also reallocate any mobility-related service dollars or awarded vouchers to the next highest scoring applicant(s) that applied for the demonstration under this notice. For example, should a selected PHA not make efforts to enroll families to participate in the demonstration, HUD would have the authority to recapture mobility-related service funding from the PHA.

#### **Beneficiary Eligibility**

Both the vouchers and the services made available under the demonstration shall be for families with children. This means that a family without children may not participate in the demonstration, receive an MDV, or receive mobility-related services under the demonstration.

### **V. APPLICATION PROCESS**

#### **General Eligibility Criteria**

Only PHAs that already administer HCVs are eligible to apply. Non-profits that administer Mainstream voucher assistance are not eligible to participate in the demonstration. PHAs that fail to meet any of the following eligibility requirements will be deemed ineligible. Applications from ineligible PHAs will not be evaluated.

## Statutory Categories of Eligibility

Only certain PHAs, or groups of PHAs, are eligible to participate in the demonstration. To be eligible to participate in the demonstration, a PHA must meet one of four eligibility categories. Further definitions of the eligibility categories and how PHAs demonstrate they fall into an eligibility category are included in *Section VII Application Format*.

Category A PHAs (PHA Partnerships) are agencies that, together, serve areas with high concentrations of voucher holders in poor, low-opportunity neighborhoods and have an adequate number of moderately priced rental units in high-opportunity areas. For the purposes of the notice, “high-opportunity” and “opportunity area” have the same meaning.<sup>23</sup>

Category B PHAs (Consortia with High-Performing FSS Program) are in planned consortia or partial consortia of PHAs that include at least one agency with a high-performing FSS program.<sup>24</sup>

Category C PHAs (Consortia with Small PHA) are in planned consortia or partial consortia of PHAs that serve jurisdictions within a single region, include one or more small agencies, and will consolidate mobility-focused operations.<sup>25</sup>

A Category D PHA (Single Agency) is a single agency that serves areas with high concentrations of voucher holders in poor, low-opportunity neighborhoods and has an adequate number of moderately priced rental units in high-opportunity areas. In defining this category, HUD is using its statutory authority, included in Section 235(b)(1)(D) in the 2019

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<sup>23</sup> PHAs may meet these criteria through one of two ways, either: 1) PHAs that are located in Mandatory Small Area Fair Market Rent areas; or 2) PHAs that meet the criteria using data provided by HUD, as described later in the Notice (see *Section VII Application Format*, Funding Application Form HUD-52515, Part K).

<sup>24</sup> PHAs may meet these criteria using definitions established by HUD, as described later in the Notice (see *Section VII Application Format*, Funding Application Form HUD-52515, Part K).

<sup>25</sup> PHAs may meet these criteria using definitions established by HUD, as described later in the Notice (see *Section VII Application Format*, Funding Application Form HUD-52515, Part K).

Appropriations Act to establish other categories of PHAs that are eligible to participate in the demonstration.<sup>26</sup>

### **Other Eligibility Requirements**

Required preference – The Appropriations Acts allow for the “establishment and priority and preferences for participating families, including a preference for families with young children, as such term is defined by the Secretary, based on regional housing needs and priorities.” As such, HUD is requiring PHAs that participate in the demonstration adopt a preference as described in the *Section II Research Evaluation*, “Required HCV Waiting List Preference.”

This preference is for the purposes of new admission vouchers under this demonstration only. It does not apply to mobility-related services for existing voucher holders.

Payment standards – PHAs must agree to adopt adequate payment standards in opportunity areas. PHAs must agree that payment standards will be finalized in coordination with HUD after selection. PHAs must agree that the same payment standards will be offered to families in the treatment and control groups.

Program evaluation – As a condition of receipt of financial assistance under this notice, all participating PHAs will be required to cooperate with HUD, and any contractors affiliated with HUD in implementing and evaluating this demonstration program.

Civil rights – Outstanding civil rights matters must be addressed to HUD’s satisfaction prior to grant award, provided that all applicable legal processes have been satisfied.

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<sup>26</sup> A PHA may meet these criteria through one of two ways, either: 1) PHAs that are located in Mandatory Small Area Fair Market Rent areas; or 2) PHAs that meet the criteria using data provided by HUD, as described later in the Notice (see *Section VII Application Format*, Funding Application Form HUD-52515, Part K).

Program management findings – The PHA must not have any major unresolved program management findings, including but not limited to, from an inspector general’s audit, HUD management review, an independent public accountant audit for the PHA’s HCV program, or other significant compliance problems that were not resolved or in the process of being resolved prior to the notice’s application deadline. Major program management findings, significant program compliance problems, or being in a funding shortfall, are examples of situations that would cast doubt on the capacity of the PHA to effectively administer any new HCV funding in accordance with applicable HUD regulatory or statutory requirements.

Timely submission of application – Applications submitted after the deadline stated within this notice that do not meet the requirements of the grace period policy (described in Section IX: Application Deadlines) will be marked late. Late applications are ineligible and will not be evaluated.

Other circumstances or requirements affecting PHA eligibility – Outstanding delinquent Federal debts; debarments and/or suspensions; pre-selection review of performance; sufficiency of financial management system; false statements; mandatory disclosure requirements; prohibition against lobbying activities; equal participation of faith-based organizations in HUD programs and activities; and program specific requirements affecting eligibility. Detailed information on each requirement is posted on HUD’s funding opportunities page:

*[https://www.hud.gov/program\\_offices/spm/gmomgmt/grantsinfo/fundingopps](https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingopps)*.

To be eligible, PHAs must agree to other requirements. By submitting an application, PHAs agree to the following:

Provide effective communication – All notices and communications must be provided in a manner that is effective for persons with hearing, visual, and other communication-related

disabilities consistent with Section 504 of the Rehabilitation Act and HUD's Section 504 regulation, and Titles II or III of the Americans with Disabilities Act (ADA) and implementing regulations. Recipients must provide appropriate auxiliary aids and services necessary to ensure effective communication, 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 websites and other electronic communications (See 24 CFR 8.6; 28 CFR 35.160, 28 CFR 36.303). PHAs also must take reasonable steps to ensure meaningful access to their programs and activities to limited English proficient (LEP) individuals. As an aid to recipients, HUD published Final Guidance to Federal Financial Assistance Recipients: Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (LEP Guidance) in the Federal Register on January 22, 2007 (72 FR 2732).

Comply with HCV program requirements – HCVs awarded under this notice will be subject to all program requirements, including those at 24 CFR part 982, except for requirements that are specifically waived, which are described in *Section VI Waivers and Alternative Requirements for the Demonstration*. PHAs must comply with alternative requirements.

## **VI. WAIVERS AND ALTERNATIVE REQUIREMENTS FOR THE DEMONSTRATION**

Section 235(e)(1) of division G of the 2019 Appropriations Act provides the Secretary with the authority to waive or specify alternative requirements for four provisions of Section 8 of the 1937 Act. These waivers or alternative requirements are exceptions to the normal HCV and PBV requirements, and only apply to the demonstration. Participating PHAs may also request programmatic regulatory waivers, as described in *Section VII Application Format*. PHAs will provide programmatic regulatory waiver requests to HUD in their Regional Housing Mobility Plan.

Consistent with the authority in section 235(e)(1), HUD has decided to exercise the discretionary statutory waiver authority for two of the four provisions in the 1937 Act, as discussed immediately below. HUD has also found good cause to use discretionary regulatory waiver authority provided for in 24 CFR 5.110 for one regulatory waiver needed to implement the demonstration.

### **Lease Term and Mobility Requirements**

Section 235(e)(1)(A) of the 2019 Appropriations Act authorizes the Secretary to waive or specify alternative requirements for Sections 8(o)(7)(A) and 8(o)(13)(E)(i) of the 1937 Act and relevant regulatory provisions.

Section 8(o)(7)(A) provides that “the lease between the tenant and the owner shall be for a term of not less than one year, except that the public housing agency may approve a shorter term for an initial lease between the tenant and the dwelling unit owner if the public housing agency determines that such shorter term would improve housing opportunities for the tenant and if such shorter term is considered to be a prevailing local market practice.” HUD is waiving this statutory provision because allowing shorter initial lease terms in certain rental markets may help expand the pool of available landlords and rental units in opportunity areas. HUD is also waiving the corresponding program regulations on the “term of assisted tenancy” at 24 CFR 982.309(a)(1) and (2). Using this waiver, PHAs have the discretion to approve shorter initial lease terms if they believe shorter terms will expand the pool of available landlords and rental units in opportunity areas.

Section 8(o)(13)(E)(i) states that for the project-based voucher program, “each low-income family occupying a dwelling unit assisted under the contract may move from the housing at any time after the family has occupied the dwelling unit for 12 months.” PHAs must offer

each such family the opportunity for continued tenant-based rental assistance, consistent with the requirements in Section 8(o)(13)(E)(ii) and 24 CFR 983.261. HUD is not waiving Section 8(o)(13)(E)(i) because it believes the 12-month standard is reasonable and is fully compatible with the demonstration.

### **Consistency with PHA Plan**

Section 235(e)(1)(B) of the 2019 Appropriations Act authorizes the Secretary to waive or specify alternative requirements for Section 8(o)(13)(C)(i) of the 1937 Act.

Section 8(o)(13)(C)(i) states that, for the project-based voucher program, “a public housing agency may approve a housing assistance payment contract only if the contract is consistent with the public housing agency plan for the agency...” Although vouchers made available under this notice cannot be project-based, as discussed earlier in *Section II Mobility-related Services*, PHAs may use up to two percent of their mobility-related services funding to develop a regional project-based voucher plan. The plan must include, at a minimum (1) an analysis of PBV units large enough for families with children located in opportunity areas in the region, and (2) a strategy for increasing the number of those types of PBV units in opportunity areas throughout the region.

HUD is waiving this statutory provision to allow PHAs the flexibility to develop a regional project-based voucher plan that is inconsistent with the current PHA plan.

### **Portability Waiver**

Section 235(e)(1)(C) of the 2019 Appropriations Act authorizes the Secretary to waive or specify alternative requirements for Section 8(r)(2) of the 1937 Act which provides that, with respect to portability, “the PHA having authority with respect to the dwelling unit to which a

family moves . . . shall have the responsibility of carrying out the [statutory portability] provisions with respect to the family.”

The geographical areas in which PHAs may administer vouchers is largely governed by state law. HUD is not waiving Section 8(r)(2). The agency believes that there must be compelling reasons for waiving this statutory provision, given that a waiver could result in substantial overriding of state laws in a fundamental area like PHA jurisdiction. Accordingly, HUD does not believe such compelling reasons exist with respect to the demonstration. Rather than waive this statutory provision, HUD is requiring PHAs applying for the demonstration provide information on how they plan to streamline portability policies and procedures across their region.<sup>27</sup> HUD believes PHAs can adequately streamline portability policies and procedures without this statutory waiver.

### **Section Eight Management Assessment Program Waiver and Alternative Requirement**

Under the HCV program, a PHA may receive deconcentration bonus points under the Section Eight Management Assessment Program (SEMAP) if the PHA submits deconcentration data in a HUD-prescribed format, and HUD verifies that the PHA met the requirements for the bonus. For any PHA participating in the demonstration, HUD is waiving 24 CFR 985.3(h), which governs the deconcentration bonus points. Instead, HUD is providing that such a PHA shall receive deconcentration bonus points for the first year after full implementation of the demonstration and for the rest of the years the PHA participates in the demonstration. This provision is not applicable to MTW agencies that do not participate in SEMAP.

### **Consortia Waivers and Alternative Requirements**

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<sup>27</sup> See *Section VII Application Format*, Funding Application HUD Form-52515, Part G, Regional Housing Mobility Plan.

Section 235(e)(1) of division G of the 2019 Appropriations Act requires HUD to provide two sets of alternative requirements related to consortia for the purposes of the demonstration. The first set is to allow a consortium that has a single HCV funding contract and the second set is to allow PHAs to enter into a partial consortium to operate all or portions of the Regional Housing Mobility Plan.

In the HCV program, the formation of consortia is governed by the 1937 Act, 42 U.S.C. 1437k and 24 CFR part 943, subpart B. Generally, the statute and regulations provide that two or more PHAs may enter into a consortium agreement and that each PHA will maintain its identity, including its board and PHA code, and its Annual Contributions Contract (ACC) with HUD.

#### *Alternative Requirements for a Single HCV Funding Contract Consortium*

In July 2014, HUD issued a proposed rule, “Streamlining Requirements Applicable to Formation of Consortia by Public Housing Agencies” in the Federal Register.<sup>28</sup> Although the rule has yet to be finalized, for the purposes of PHAs applying as a single HCV funding contract consortium for this demonstration, HUD will waive program regulations at 24 CFR part 943, subpart B, and provide for the use of alternative requirements required by section 235(e)(2) based on the standards in the proposed rule.<sup>29</sup> These alternative requirements are provided in Attachment B of this notice. The proposed rule does not provide for the participation of MTW agencies in a single HCV funding contract consortium and therefore the alternative requirements do not either.

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<sup>28</sup> 79 FR 40019, available at: <https://www.govinfo.gov/content/pkg/FR-2014-07-11/pdf/2014-16151.pdf>

<sup>29</sup> The proposed rule refers to a single HCV funding contract consortium as a single-ACC consortium.

PHAs interested in forming a single HCV funding contract consortium will submit a proposal for implementation as part of their application. A description of how PHAs submit their applications for a single HCV funding contract consortium is in *Section VII Application Format*, Part K.

#### *Alternative Requirements for a Partial Consortium*

HUD has considered numerous options for providing alternative requirements for forming partial consortia. After significant analysis, HUD has not been able to develop viable alternative requirements for partial consortia within the constraints of the existing statutory framework at 42 U.S.C. 1437k. There are, in HUD's view, statutory provisions that are not compatible with the establishment of partial consortia. For example, the statute requires that all planning and reporting requirements must be consolidated for PHAs participating in a consortium. It is unclear how PHAs participating in a partial consortium would be able to consolidate all of their planning and reporting requirements. In addition, the Single Audit Act requires audits of non-Federal entities that expend more than \$750,000 from all federal sources. This means that each PHA member in a partial consortium that receives more than \$750,000 in Federal funds from all sources would require an individual audit and be unable to consolidate all of their planning and reporting as required by 42 U.S.C 1437k.

Although HUD was unable to determine a set of alternative requirements for partial consortia within the statutory requirements, it may be possible that PHAs interested in applying for the demonstration have an innovative approach to resolving the challenges resulting from the statutory constraints. PHAs interested in participating in partial consortia may submit a proposal for implementing a partial consortium as part of their application. HUD will evaluate each proposal on a case-by-case basis to ensure it meets the statutory requirements and consider any

potential regulatory waivers that are statutorily allowable. A description of how PHAs submit their applications for partial consortia is provided in *Section VII Application Format*, Part K.

### **Effective Dates**

As required by section 235(e)(3) of the 2019 Appropriations Act, the waivers and alternative requirements for this demonstration that are listed above will not take effect before the expiration of the 10-day period beginning upon publication of this Notice.

### **VII. APPLICATION FORMAT**

There are two types of applicants for the demonstration: (1) PHAs that apply together under Category A, PHA Partnerships; Category B, Consortia with High-Performing FSS Program; or Category C, Consortia with Small PHA, and (2) a single PHA that applies under Category D, Single Agency.

For the purposes of this section, HUD describes PHAs that apply together — Categories A, B, and C listed above — as joint PHA applicants. Also, for the purposes of this section, HUD describes a PHA that applies alone, Category D, as a single PHA applicant. Joint PHA applicants will submit a single application, which will consist of sections prepared jointly and sections prepared on an individual PHA basis, all of which will be aggregated and submitted together.

Joint PHA and single PHA applicants must submit the application for the demonstration in the format required by HUD by the due date.

The application includes four required forms. These forms, and where they can be downloaded, are listed in Table 4.

Where additional pages are needed to respond to the application, PHAs must comply with the following formatting requirements:

- Use 8-1/2 x 11-inch paper; all margins should be approximately one inch;
- Use at least 10-point font;
- Each page must be numbered;
- Adhere to the page limit requirements of each applicable section. There is no minimum length required for narratives;
- Any pages marked as sub-pages (e.g., with numbers and letters such as 25A, 25B, 25C), will be treated as separate pages;
- If a section is not applicable, indicate "N/A";
- No more than one page of text may be placed on one sheet of paper (i.e., you may not shrink pages to get two or more on a page); and
- Shrunken pages, or pages where a minimized/reduced font are used, will be counted as multiple pages.

**Table 4: Required Forms**

<b>Form</b>	<b>Submission Requirements</b>	<b>Description</b>	<b>Link to Form</b>
Funding Application – Form HUD-52515	<p>For joint PHA applications, Sections A-C and F are required for each individual PHA. Sections D, E and G-L should be completed jointly and only one version should be submitted.</p> <p>For single PHA applicants, Sections A-L should be completed and submitted.</p> <p>Please note that Sections H and I will be blank for all applicants.</p> <p>A sample 52515 and supporting documentation attachments may be found at <a href="https://www.hud.gov/program_of">https://www.hud.gov/program_of</a></p>	<p>This form will largely be completed through additional attachments.</p> <p>HUD recommends submitting additional documentation for Parts D-G and K in a document named “[PHAcodes]_attachment 1”; Additional documentation for Part J in a PDF document named “[PHAcodes]_attachment 2”, and additional documentation for</p>	<p><a href="https://www.hud.gov/sites/dfiles/PIH/documents/HUD-52515_.pdf">https://www.hud.gov/sites/dfiles/PIH/documents/HUD-52515_.pdf</a></p>

<b>Form</b>	<b>Submission Requirements</b>	<b>Description</b>	<b>Link to Form</b>
	files/public_indian_housing/programs/hcv/mobilitydemo	Part L in “[PHAcode]_attachment 3.”	
Application for Federal Assistance – Form SF-424 and SF-424B	For joint PHA applications, all individual PHAs requesting MDVs that are participating in the joint application must submit this form. The lead PHA should include the mobility-related service funding in question 18.  Single PHA applicants must submit this form.	PHAs are encouraged to use additional pages to complete the Form SF-424.  HUD may contact a PHA to clarify items on this form and items will be treated as a curable deficiency.	<a href="https://www.hudexchange.info/resource/306/hud-form-sf424/">https://www.hudexchange.info/resource/306/hud-form-sf424/</a>
Applicant/Recipient/Disclosure/Update Report – Form HUD-2880	For joint PHA applications, all individual PHAs participating in a joint application must submit this form.  Single PHA applicants must submit this form.	This is the HUD Applicant Recipient Disclosure form. HUD may contact an applicant to clarify items on this form and items will be treated as a curable deficiency.	<a href="https://files.hudexchange.info/resources/documents/HUD-Form-2880-Applicant-Recipient-Disclosure.pdf">https://files.hudexchange.info/resources/documents/HUD-Form-2880-Applicant-Recipient-Disclosure.pdf</a>
Disclosure of lobbying activities, if applicable – Form HUD SF-LLL	For joint PHA applications, all individual PHAs participating in the joint application must submit this form.  Single PHA applicants must submit this form.	This form is only applicable if your agency has used or intends to use non-Federal funds for lobbying activities. HUD may contact an applicant to clarify items on this form and items will be treated as a curable deficiency.	<a href="https://www.hudexchange.info/resource/308/hud-form-sflll/">https://www.hudexchange.info/resource/308/hud-form-sflll/</a>

### **Funding Application Form HUD-52515**

The Funding Application Form HUD-52515, which is comprised of Parts A-L, is where most of the information required to be submitted to apply for the demonstration is provided.

PHAs may provide additional attachments as part of the Funding Application Form HUD-52515.

For Parts D-G of Funding Application Form HUD-52515, additional pages submitted by the joint or single PHA applicants may not exceed 43 pages total. HUD will review only the first 43 pages for Parts D-G Funding Application Form HUD-52515, and any responses after 43 pages will not be considered for scoring. Parts K, J and L have no page limit. (Parts H and I will be blank for all applicants.)

HUD recommends submitting additional documentation for Parts D-G and K in a document named “[PHAcode]\_attachment 1”; additional documentation for Part J in a PDF document named “[PHAcode]\_attachment 2”; and additional documentation for Part L in a document named “[PHAcode]\_attachment 3.” A sample Funding Application Form HUD-52515 and sample supporting attachments may be found at:

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/mobilitydemo](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/mobilitydemo).

### *Parts A-C*

In Parts A-C, each PHA participating in a joint application, or the single PHA applicant, must provide their name and mailing address, PHA code, and the number of MDVs requested. For example, if five PHAs are part of a joint application, HUD will receive five copies of Funding Application Form HUD-52515 with Parts A-C completed by each individual PHA.

### *Part D Geographic Area/Jurisdiction (describe the area in which assisted may live)*

In this part, the joint or single PHA applicant must describe the geographic area in which the PHA, or combination of PHAs, may administer vouchers. Describe how housing agency jurisdictions are created under state law and any implications that may have for participation in the demonstration, particularly as it relates to shared jurisdictions for portability. If needed, one additional page may be added to describe the jurisdiction. Only one Part D will be submitted.

For joint PHA applicants it will be submitted as part of the lead PHA's Funding Application Form HUD-52515.

*Part E Capacity of the Organization*

In this part, the joint or single PHA applicant must submit a narrative description of the capacity and prior experience of the PHAs or PHA. Describe the following:

- Experience managing high-performing voucher programs.
  - PHAs must describe how they effectively manage their program to achieve a high utilization rate, which should include information on how they analyze the waiting list and monitor the success rate to meet both funds and unit utilization goals each year.
  - PHAs must describe how they are providing timely and consistent inspections, providing customer service, adopting technology such as landlord or participant portals, and using mapping software.
- Prior experiences working together with other PHAs on a regional basis through initiatives such as portability, consolidated administrative functions, HCV process or policy alignment, or other collaborations.
- Experience implementing policies and/or programs that promote housing choice for families with children, particularly expanded choices in opportunity areas and any experience implementing a housing mobility program or other mobility-related or similar services, including, but not limited to:
  - Experience adopting and implementing policies to promote moves to opportunity areas, including streamlining portability procedures, increasing voucher search

times, providing adequate payment standards in opportunity areas, and housing locator services;

- Experience conducting outreach to families in high-poverty neighborhoods;
  - Recruiting and retaining landlords, particularly landlords in opportunity areas;
  - Helping voucher families meet landlord screening factors, including but not limited to credit repairs, financial coaching, or security deposit assistance;
  - Implementing and administering Federal, State, local or non-profit grants, programs or activities that demonstrate PHA capacity, which may include, but are not limited to: special purpose vouchers (e.g. HUD-Veterans Affairs Supportive Housing (HUD-VASH), Family Unification, Mainstream vouchers, etc.), the Rental Assistance Demonstration, Low-Income Housing Tax Credit (LIHTC), Community Development Block Grant (CDBG), HOPE VI or Choice Neighborhoods grants; and
  - Participating in research studies, including a randomized controlled trial, research evaluation or demonstrations, such as quantitative or qualitative research, or other experience with data analysis or mapping.
- Data and information on the PHAs' program size to support the number of proposed enrollees for the research evaluation. PHAs will propose the number of enrollees in *Part F Need/Extent of the Problem*. In this Part E, PHAs must submit the program data and information to support the number of enrollees proposed in Part F. PHAs also may submit a narrative on any of these data elements to describe program performance, which may include discussion of relevant program operations and performance experience. Although only one Part E will be submitted for joint PHA applicants, each PHA must

provide the following information at an individual PHA-level. The lead PHA will submit all PHA applicants' information in their Funding Application Form HUD-52515. To support the number of proposed enrollees described in *Part F Need/Extent of the Problem*, applicants will likely submit data on the following, but are not limited to these elements only:

- Number of families with children on waiting list;
- Number of recertifications completed for families with children between January 1, 2010 and December 31, 2019;
- Number of families with children currently leased as of December 31, 2019;
- Number of families with children currently leased in proposed opportunity areas in the PHA's jurisdiction as of December 31, 2019;
- Voucher program attrition rate for prior three calendar years;
- New program lease-ups in the regular voucher program over past three calendar years;
- Program-wide voucher success rate as of December 31, 2019;
- Utilization rate of regular HCVs as of December 31, 2019 for (1) HAP expenditures compared to available budget authority and (2) units leased compared to authorized voucher levels;
- Utilization rate of special purpose vouchers as of December 31, 2019 for (1) HAP expenditures compared to available budget authority and (2) units leased compared to authorized voucher levels Average days to lease as of December 31, 2019;



	of Enrollees			of Enrollees			of Enrollees	
Existing voucher holders		\$4,000			\$2,000			\$0
New admissions		\$4,000			\$2,000			\$0
<b>Treatment enrollment and services total funding request</b>								
<p>PHAs may request an additional 5 percent of their total services funding request for startup costs. PHAs may request an additional 2 percent of their total services funding request for the regional project-based voucher plan. If the PHA requests startup funding or regional project-based voucher plan funding, please provide the request below.</p> <p>Total services funding request =  Startup costs funding request (5 percent of total services funding request) =  Project-based voucher plan funding request (2 percent of total services funding request) =</p>								

**Table 6: Example Proposed Enrollment and Funding Request for Minimum Enrollment Size**

*Note: dollars in the following chart are in thousands.*

Voucher Type	CMRS			SMRS			Control Group	
	Proposed Number of Enrollees	Cost per Enrollee	Funding Request	Proposed Number of Enrollees	Cost per Enrollee	Funding Request	Proposed Number of Enrollees	Cost per Enrollee
Existing voucher holders	600	\$4	\$2,400	600	\$2	\$1,200	600	\$0
New admissions	50	\$4	\$200	50	\$2	\$100	50	\$0
<b>Treatment enrollment and services total funding request</b>	<b>650</b>		<b>\$2,600</b>	<b>650</b>		<b>\$1,300</b>	<b>650</b>	
Dollars in this chart are in thousands.								

PHAs may request an additional 5 percent of their total services funding request for startup costs. PHAs may request an additional 2 percent of their total services funding request for the regional project-based voucher plan. If the PHA requests startup funding or regional project-based voucher plan funding, please provide the request below.

Total services funding request = \$2,600,000 (CMRS) + \$1,300,000 (SMRS) = \$3,900,000

Startup costs funding request (5 percent of total services funding request) = \$195,000

Regional project-based voucher plan funding request (2 percent of total services funding request) = \$78,000

For jurisdictions that include an MTW PHA, HUD requires the joint or single PHA applicant to describe existing efforts to meet the statutory objective of increasing housing choices for low-income families. If the MTW PHA currently operates a housing mobility program, please describe the need for additional funding. If the MTW PHA does not currently operate a housing mobility program, please describe why other efforts to meet the statutory objective have not previously included a housing mobility program.

This part is limited to five additional pages.

#### *Part G Soundness of Approach*

The Appropriations Acts identifies the required elements of a Regional Housing Mobility Plan and authorizes the Secretary to establish “any other requirements.” In this part, joint and single PHA applicants will submit their Regional Housing Mobility Plan (RHMP). The RHMP is limited to 29 total pages, with each subpart having an individual page limit.

The RHMP must include seven subparts:

- Subpart 1: Participating PHAs
- Subpart 2: Community Partnerships
- Subpart 3: Waivers
- Subpart 4: Approach to Implementing a Housing Mobility Program
- Subpart 5: Proposed Methodology and Opportunity Areas
- Subpart 6: Preferences

- Subpart 7: Other HUD Requirements

### Subpart 1. Participating PHAs

In this subpart, joint and single PHA applicants must submit a narrative that addresses the following:

- Goals for participating in the demonstration.
- If the single PHA or any participating PHA in a joint PHA application made a commitment of administrative fees, administrative fee reserves, or other in-kind contributions (e.g., existing space for counseling services) to support costs associated with demonstration, the specific amount of each commitment must be noted. Additional funding commitments are not required, nor will they result in higher rankings in the scoring process.

Importantly, also in this subpart, joint PHA applicants must submit information on the roles of all participating PHAs. Joint PHA applicants must submit a narrative that addresses the following:

- A list of all PHAs that will participate in the demonstration, with the lead PHA clearly identified;
- A governance structure, including an organizational chart and decision-making process; and
- Roles and responsibilities of participating PHAs.

Subpart 1 is limited to four pages. Only one Part G, subpart 1 will be submitted. For joint PHA applicants it will be submitted as part of the lead PHA's Funding Application Form HUD-52515.

### Subpart 2. Community Partnerships

In this subpart, as required by the statute, joint or single PHA applicants must identify any community-based organizations, nonprofit organizations, businesses, and other entities that will participate in the demonstration and describe the commitments made by each such entity. Joint and single PHA applicants are not required to enter any community partnerships or leverage outside funds for participation in the demonstration. Regions most in need of mobility-related services may have significant challenges in leveraging funding. Applicants are reminded that they will be required to implement a specific program design for the demonstration. However, applicants are not prohibited from entering community partnerships.

Subpart 2 is limited to two pages. Only one Part G, subpart 2 will be submitted. For joint PHA applicants it will be submitted as part of the lead PHA's Funding Application Form HUD-52515. Any MOUs, agreements, or contracts related to these partnerships may be included in *Part J, Memorandum of Understanding*, and do not count toward this page limit.

### Subpart 3. Waivers

In this subpart, joint and single PHA applicants must submit information on the waivers or alternative requirements intended to be exercised for the demonstration program that have been described in *Section VI Waivers and Alternative Requirements for the Demonstration*.

Regulatory waivers for good cause may also be requested, subject to statutory limitations and pursuant to 24 CFR 5.110. This part must identify both types of requested waivers – those identified in the *Section VII Waivers and Alternative Requirements for the Demonstration* and other requested waivers.

PHAs have up to 90 days after notification of award to notify HUD of programmatic regulatory waiver requests necessary to implement the demonstration. PHAs will inform HUD of the waiver requested and provide good cause for why such waivers are needed. PHAs may

identify additional programmatic regulatory waivers, so HUD will continue to accept and review good cause programmatic regulatory waivers throughout the demonstration, if necessary.

Subpart 3 is limited to three pages. Only one Part G, subpart 3 will be submitted. For joint PHA applicants it will be submitted as part of the lead PHA's Funding Application Form HUD-52515.

#### Subpart 4. Approach to Implementing a Housing Mobility Program

In this subpart, joint and single PHA applicants must submit an explanation of their proposed approach for participating in the demonstration and a proposed set of mobility-related services. This response must include a clear implementation plan for the demonstration. The narrative must include, at a minimum, proposed plans for the following:

- Providing mobility-related services to families participating in the demonstration;
- Modifying the Comprehensive Mobility Related Services (CMRS) and proposing the Selected Mobility Related Services (SMRS) to be implemented;<sup>30</sup>
- Recruiting and enrolling at least the minimum number of families to participate in the demonstration;
- Executing the required PHA responsibilities related to the evaluation;
- Monitoring the implementation of the demonstration; and
- Administering the program (in-house or through a hired contractor). The PHA must estimate how many staff the PHA or contractor intends to dedicate to the demonstration.

If new PHA staff will be hired, PHAs are encouraged to describe the plan to hire and train qualified staff.

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<sup>30</sup> PHAs are reminded that the final set of CMRS and SMRS will be determined collaboratively between PHAs and HUD after selection.

- Adopting administrative policies to support the demonstration. These may include:
  - Adopting high enough payment standards for families to access opportunity areas. If the PHA(s) does not currently use Small Area Fair Market Rent (SAFMR), this section must indicate whether the PHA will opt-in to the use of SAFMRs, or if not, their alternative method of ensuring adequate payment standards in opportunity areas;
  - Extending the voucher search term. The PHA must indicate their policies on voucher search times and the duration such extensions will be granted; and
  - Adopting and aligning policies to make it easier for landlords to participate in the HCV program.

For single agency applicants (Category D), the narrative must also include a description of how families will be able to access a wide range of housing choices in the jurisdiction and across jurisdictional lines, if applicable.

For joint PHA applicants only (Categories A, B, and C), the narrative must also include descriptions of the following:

- How the demonstration, including services and research, will be implemented at multiple PHA sites. This must include the roles and responsibilities of each PHA.
- How the PHAs together will streamline portability procedures to allow families to move across jurisdictional lines more easily, if applicable.

If a joint PHA applicant includes an MTW agency, or if the single PHA applicant is an MTW agency, describe any MTW initiatives that could complicate the research or limit housing mobility (e.g. rent reform and restrictions on moves or portability).

Joint and single PHA applicants are encouraged, but not required, to identify the barriers families with children have when using their voucher, particularly in low-poverty, opportunity neighborhoods in the jurisdiction(s). Joint and single PHA applicants are encouraged, but not required, to describe the regulatory and policy environment related to voucher utilization throughout their jurisdictions. Examples include: any adopted or proposed voucher non-discrimination laws, inclusionary zoning, prioritization of project-based vouchers and/or LIHTC in opportunity areas, rent control, and landlord mitigation funds.

Subpart 4 is limited to 14 pages. Only one Part G, subpart 4 will be submitted. For joint PHA applicants it will be submitted with the lead PHA's Funding Application Form HUD-52515.

#### Subpart 5. Proposed Methodology and Opportunity Areas

Paragraph (c)(5) of Section 235 of Title II of the 2019 Appropriations Act states that PHAs must, “specify the criteria that the public housing agencies would use to identify opportunity areas.” In this subpart, joint and single PHA applicants must describe their proposed opportunity areas and the methodology. The described methodology must incorporate HUD's minimum criteria and should include the criteria proposed by the PHA(s). For purposes of this demonstration, HUD's minimum criteria for an opportunity area is a Census tract in which the family poverty rate is less than 20 percent. In no case will such areas have a family poverty rate equal to or greater than 20 percent.

Examples of additional criteria that might be proposed by PHAs might include school performance, access to transportation, availability of educational and employment opportunities, and access to essential businesses.

As discussed throughout this notice, HUD is requiring that selected PHAs work together with HUD to identify the specific areas in their jurisdiction to be designated as opportunity areas. PHAs that are selected will have an opportunity for input on the basic criteria and data sources to be used to designate opportunity areas. In this process, PHAs will have the opportunity to discuss their proposed criteria, and the ability to apply local information and knowledge of market conditions.

This structure will allow for a common approach in defining opportunity areas across all demonstration sites, while leaving the specific designations in each jurisdiction up to the agreement between each site and HUD. The final designations of the specific areas will be determined in a collaborative manner.

All PHAs should use the tool located at [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/mobilitydemo](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/mobilitydemo) to create a map of their proposed opportunity areas that will be submitted in the application.

Subpart 5 is limited to four pages. Only one Part G, subpart 5 will be submitted. For joint PHA applicants it will be submitted with the lead PHA's Funding Application Form HUD-52515.

#### Subpart 6. Preferences

Joint and single PHA applicants must certify adoption of the required preference in part L. The required preference is described in the *Section II Research Evaluation*, Required HCV Waiting List Preference. Joint and single PHA applicants respond to Part G, subpart 6 Preferences, in Part L Program Specific Certifications.

No additional information is required for Subpart 6.

#### Subpart 7. Other HUD Requirements

In this subpart, for joint PHA applicants that will include more than one FSS agency, the PHA must indicate any FSS Action Plan policies that will not align with the demonstration. Also, the PHA must describe how FSS and mobility-related services will be coordinated to avoid the duplication of services and activities.

Subpart 7 is limited to two pages. Only one Part G, subpart 7 will be submitted. For joint PHA applicants it will be submitted with the lead PHA's Funding Application Form HUD-52515.

#### *Part J Memorandum of Understanding*

In this part, each PHA participating in a joint PHA application and single PHA applicants must submit a board resolution evidencing the PHA's interest in participating in the demonstration, willingness to comply with all applicable requirements and the evaluation, and the reporting requirements in *Section XII Reporting and Recordkeeping Requirements*.

For PHAs submitting a joint PHA application, this section must include the agreements between participating PHAs, including clear identification of the lead PHA that will receive the mobility-related services funding. HUD must be able to determine from the attached agreements which entity or entities are proposed to provide mobility-related services.

Joint and single PHA applicants may also submit any memoranda of understanding, letters of commitment on agency letterhead, agreements, board resolutions or contracts related to the demonstration in this section.

This part has no page limit. Only one Part J will be submitted. For joint PHA applicants it will be submitted with the lead PHA's Funding Application Form HUD-52515.

#### *Part K Other Information Required*

In this part, joint and single PHA applicants must indicate which eligibility category they meet and submit supporting documentation.

This part has no page limit. Only one Part K will be submitted. For joint PHA applicants it will be submitted with the lead PHA's Funding Application Form HUD-52515.

#### Category A (PHA Partnerships)

PHAs are eligible to participate under Category A if together they serve areas with high concentrations of voucher holders in poor, low-opportunity neighborhoods and have an adequate number of moderately priced rental units in high-opportunity areas.

To qualify under Category A, more than one PHA must be part of the demonstration. In this section, PHAs must identify the PHAs applying together and their combined service area.

PHAs must also document whether they together serve areas with high concentrations of voucher holders in poor, low-opportunity neighborhoods and have an adequate number of moderately priced rental units in high-opportunity areas. PHAs can document this in one of two ways:

- (1) Submit documentation that all PHAs applying under this category together are located within a metropolitan area for which HUD has designated the use of mandatory SAFMRs and all of the PHAs that are applying have implemented the SAFMRs.<sup>31</sup> There are 24

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<sup>31</sup>To assist PHAs and simplify the process for applying for the demonstration, HUD has determined that the criteria for designating metropolitan areas for the use of SAFMRs under 24 CFR 888.113(c) meets the statutory definitions required in Category A of this demonstration. The SAFMR definition requires having a percentage of voucher families living in concentrated low-income areas relative to all renters within the area must be at least 25 percent. This meets the statutory definition for the demonstration of "serving high concentrations of voucher holders in poor, low-opportunity neighborhoods." The SAFMR criteria also includes that at least 20 percent of the standard quality rental stock, within the metropolitan FMR area, is in small areas (ZIP codes) where the Small Area FMR is more than 110 percent of the metropolitan FMR. This meets the statutory definition for the demonstration of "have an adequate number of moderately priced rental units in high-opportunity areas."

designated SAFMR metropolitan areas. A list of these metropolitan areas is provided at the end of this notice, in Attachment A.

(2) Submit documentation showing the joint applicant meets both of the following requirements:<sup>32</sup>

a. Using a list of PHAs posted by HUD at

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/mobilitydemo](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/mobilitydemo)<sup>33</sup> confirm that one or more of the joint applicant PHAs has a percentile score of 60 or above in at least one of two categories:

i. Percentage of voucher holder concentration in poor, low-opportunity neighborhoods compared to all PHAs with 100 more voucher families with children

ii. Number of voucher holders in poor, low-opportunity neighborhoods compared to all PHAs with 100 or more voucher families with children

For the purposes of this demonstration, census tracts that have (i) greater than 25 percent poverty or (ii) designated as a qualified census tract under the LIHTC program are considered “poor, low-poverty neighborhoods.”

b. Using a data tool of Zip Code Tabulation Areas (ZCTAs) provided by HUD at [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/mobilitydemo](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/mobilitydemo) submit a calculation showing that the combined service area of the applicant PHAs have an adequate number of moderately priced rental units in high-opportunity areas. To qualify, at least 20 percent of the standard-quality-

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<sup>32</sup> The data sources for these requirements are described in the tools and spreadsheets available at [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/mobilitydemo](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/mobilitydemo)

<sup>33</sup> Only PHAs with 100 or more voucher families with children are included on the ranking list.

rental-stock within the combined service area must be renting at less than 110 percent of SAFMR in ZCTAs where the SAFMR is more than 110 percent of the Metropolitan Area FMR. The applicant PHAs must submit the calculation as well as the full listing of ZCTAs that represent their service areas.

#### Category B (Consortia with High-Performing FSS Program)

PHAs are eligible to participate under Category B as a (i) consortium, (ii) planned consortium, (iii) planned single HCV funding contract consortium, or (iv) planned partial consortium of PHAs, so long as the consortium includes at least one agency with a high-performing FSS program.

PHAs must specify the type of consortium they are in or intend to form if selected for the demonstration under Category B. PHAs applying as a consortium or planned consortium must submit the current or planned consortium agreement.

PHAs applying as a proposed single HCV funding contract consortium or partial consortium must submit a narrative description of their proposal, including the combined jurisdiction of the PHAs participating in the consortium. PHAs must identify any regulatory waivers or alternative requirements necessary to implement a planned single HCV funding contract consortium or partial consortium under this category.

Under a single HCV funding contract consortium or partial consortium, PHAs will execute an agreement among participating PHAs which governs the formation and operation of the consortium. Only PHAs selected for the demonstration will be allowed to enter into the single HCV funding contract consortium or partial consortium agreement and shall submit an unexecuted agreement as part of their application. In addition to any requirements under PIH Notice 2018-12 and 24 CFR part 943, the agreement must specify the following:

- The names of the participating PHAs;
- A description of whether the consortium is forming using a transfer or a consolidation;
- The period of existence of the consortium and the terms under which a PHA may join or withdraw from the consortium before the end of that period;
- A statement acknowledging that if the PHAs decide to dissolve the consortium and reverse the transfer or consolidation of funding and units, PHAs will inform HUD on how funds and units are distributed to participating PHAs;
- The name of the lead agency;
- The functions to be performed by the lead agency and the other participating PHAs; and
- If selected, the proposed agreement must be signed by an authorized representative of each participating PHA.

In addition to documentation related to the consortium, PHAs applying under Category B must identify the PHA(s) that operates an FSS program. HUD will consider any agency that has an FSS program to have a high-performing FSS program.<sup>34</sup>

#### Category C (Consortia with Small PHA)

PHAs are eligible to participate under Category C as either (i) consortium, (ii) planned consortium, (iii) planned single HCV funding contract consortium, or (iv) planned partial consortium of PHAs so long as they serve jurisdictions within a single region, include one or more small agencies, and consolidate mobility-focused operations.

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<sup>34</sup> The 2020 Appropriations Act limits HUD's ability to make awards based on an FSS performance measurement system.

PHAs must specify the type of consortium they are in or intend to form if selected for the demonstration under Category B. PHAs applying as a consortium or planned consortium must submit the current or planned consortium agreement.

PHAs applying as a proposed single HCV funding contract consortium or partial consortium must submit a narrative description of their proposal, including the combined jurisdiction of the PHAs participating in the consortium. PHAs must identify any regulatory waivers or alternative requirements necessary to implement a planned single HCV funding contract consortium or partial consortium under this category.

Under a single HCV funding contract consortium or planned partial consortium, PHAs will execute an agreement among participating PHAs which governs the formation and operation of the consortium. Only PHAs selected for the demonstration will be allowed to enter into the single HCV funding contract consortium or partial consortium agreement and shall submit an unexecuted agreement as part of their application. In addition to any requirements under PIH Notice 2018-12 and 24 CFR part 943, the agreement must specify the following:

- The names of the participating PHAs;
- A description of whether the consortium is forming using a transfer or a consolidation;
- The period of existence of the consortium and the terms under which a PHA may join or withdraw from the consortium before the end of that period;
- A statement acknowledging that if the PHAs decide to dissolve the consortium and reverse the transfer or consolidation of funding and units, PHAs will inform HUD on how funds and units are distributed to participating PHAs;
- The name of the lead agency;
- The functions to be performed by the lead agency and the other participating PHAs; and

- The proposed agreement must be signed by an authorized representative of each participating PHA.

In addition to documentation related to the consortium, PHAs applying under Category C must identify the small PHA(s) and the number of ACC units administered by the small PHA(s). For the purposes of the demonstration, a small PHA is defined as an agency for which the sum of the number of public housing dwelling units administered by the agency and the number of vouchers under Section 8(o) of the 1937 Act is 550 or fewer (from paragraph (a)(2)(A) of 42 U.S.C. 1437z-10).

PHAs must identify how they will consolidate mobility-focused operations. PHAs must identify the region in which the demonstration will be implemented. The region is generally defined as the metropolitan statistical area. However, there may be exceptional circumstances for PHAs to designate an alternative geography as their region. For example, an applicant might designate a state as the region when the consortium includes an agency with statewide voucher administration authority. It might also be the case that an application proposes to use a county or group of counties as the proposed region, depending on PHA service areas and market conditions. HUD will consider such proposals as alternatives to the use of MSAs. HUD also recognizes that PHAs are still subject to their own state and local requirements for authority to operate and administer HCVs.

#### Category D (Single Agency)

Paragraph (b)(1)(D) of Section 235 of Title II of the 2019 Appropriations Act authorizes HUD to establish other categories of PHAs that are eligible to participate in the demonstration. Under this authority, HUD has established that any single agency that otherwise meets the requirements under Category A is eligible to participate in the demonstration. To document

eligibility, the agency must define where the demonstration will be implemented. An example of this is if the applicant is a statewide agency, identify the metropolitan area(s) of focus. Another example is if the applicant is a large, regional agency, identify the neighborhoods of focus. The single agency must otherwise follow the documentation requirements described in Category A.

#### *Part L Program Specific Certifications*

Each participating PHA, as part of a joint PHA application or a single agency application, must submit the following certifications as part of their individual Funding Application Form HUD-52515. This part has no page limit. Each PHA must certify that:

1. The PHA will adopt the required waiting list preference and will update its PHA Plan and Administrative Plan to incorporate the preference.
2. The PHA will update its PHA Plan and Administrative Plan, as applicable, to implement policies adopted as part of the demonstration.
3. The PHA will work together with HUD to finalize mobility-related services, opportunity areas, and other components of the demonstration.
4. The PHA will offer the agreed upon CMRS and SMRS, even if that may differ from their submitted proposal.
5. The PHA will adopt adequate payment standards in opportunity areas. Payment standards will be finalized with HUD after selection, and the same payment standard will be offered to families in the treatment and control groups.
6. The PHA will offer mobility-related services until such time as an adequate sample size has been attained, or service funding has been expended, whichever comes first.
7. The PHA will sign a memorandum of understanding and a performance standards agreement with HUD to indicate agreement with the finalized program design, services,

opportunity areas, and other components of the demonstration OR sign a declaration of withdrawal from the demonstration if the PHA does not agree to the finalized services, opportunity areas, and other components of the demonstration. Should the PHA decide it no longer wants to participate in the demonstration, the PHA must inform HUD prior to implementation. PHAs will not be allowed to withdraw from the demonstration without HUD approval after the implementation date.

8. The PHA will adhere to the program performance standards agreement between HUD and the PHA, executed after selection, that describes terms and conditions of participation, including, but not limited to: utilization requirements, recapture and reallocation terms, and a payment schedule for mobility-related services.
9. The PHA certifies that the information provided on HUD Form-2880 and HUD Form-52515 and in any accompanying documentation is true and accurate. The PHA acknowledges that making, presenting, or submitting a false, fictitious, or fraudulent statement, representation, or certification may result in criminal, civil, and/or administrative sanctions, including fines, penalties, and imprisonment.

#### **Application for Federal Assistance Form SF-424**

Standard Form 424 (SF-424) is the Family of government-wide forms required to apply for Federal Assistance Programs, which provide discretionary Federal grants and other forms of financial assistance. Applicants for this Federal assistance program must sign and submit all required forms in the SF-424 Family of forms, including SF-424B.

For joint PHA applicants, each participating PHA that requests MDVs must complete the Application for Federal Assistance Form SF-424, including SF-424B. The request for mobility-

related service funding should be included as part of the lead PHA’s Form SF-424. Each single agency applicant also must complete these forms.

For the questions in SF-424 identified in table 7 below, HUD recommends the following answers:

**Table 7: Recommended Answers to questions in SF-424**

Question 2	Check “New.”
Question 5a	The Federal Identifier requested in 5a is the PHA code of each applicant PHA (e.g., MD035 or AK002).
Question 5b	Leave blank.
Question 15	You may choose the title. However, we suggest using the name (or abbreviation) of your PHA plus HCV Mobility Demonstration.
Question 16	If the location of your office and the location of the program/project is within the same Congressional District, you should indicate the same answer for both parts.
Question 17	Most applicants should indicate Month, Date, Year – Month, Date Year. However, this is an estimate and the actual dates will be determined at grant agreement.

Question 18	<p>Will be the funding amount requested from HUD in this HCV mobility demonstration Notice. Each PHA, whether part of a joint or single PHA application, requesting MDVs must estimate their funding needs. PHAs should do this by determining the HAP amount (based on the Voucher Management System or VMS) needed to fund a 3-bedroom unit for 12 months. Then the PHA should multiply this number by the number of vouchers they would like to be awarded. Enter this number in 18a. Do not include administrative fees in this amount. Administrative fees will be paid based on vouchers leased, however, they are not factored into the award amount.</p> <p>For joint applicant PHAs, the lead PHA must also include the total requested amount of mobility-related service dollars. Enter this in 18e.</p> <p>Single agency applicants must also include the total requested amount of mobility-related service dollars. Enter this number in 18e.</p>
Question 19	Answer c. Program is not covered by Executive Order 12372.

**Intergovernmental Review**

This program is not subject to Executive Order 12372, Intergovernmental Review of Federal Programs.

**Other Submission Requirements**

*Application certifications and assurances*

By signing the forms in the SF-424 the applicant and the signing authorized representative affirm that they have reviewed the certifications and assurances associated with the Application for Federal Assistance. Additionally the authorized representative (1) are aware

that the submission of the SF-424 is an assertion that the relevant certifications and assurances are established, and (2) acknowledge that the truthfulness of the certifications and assurances are material representations upon which HUD will rely when making an award to the applicant. If it is later determined that the signing authorized representative made a false certification or assurance, caused the submission of a false certification or assurance, or did not have the authority to make a legally binding commitment for the applicant, the applicant and the authorized representative may be subject to administrative, civil, or criminal action.

Additionally, HUD may terminate the award to the applicant organization or pursue other available remedies. Each applicant is responsible for including the correct certifications and assurances with its application submission, including those applicable to all applicants, those applicable only to Federally recognized Indian tribes, and those applicable to applicants other than Federally-recognized Indian tribes.

#### *Lead Based Paint Requirements*

When providing education or counseling on buying or renting housing that may include pre-1978 housing, and when required by regulation or policy, applicants must inform clients of their rights under the Lead Disclosure Rule (24 CFR part 35, subpart A), and, if the focus of the education or counseling is on rental or purchase of HUD-assisted pre-1978 housing, the Lead Safe Housing Rule (subparts B, R, and, as applicable, F-M).

### **VIII. RATING FACTORS**

PHAs must meet all eligibility criteria described in *Section VII Application Format*. PHAs must also submit an application in the format required by *Section VII Application Format*. PHAs can receive up to 100 points for their application, in accordance with the rating factors specified in this section. The rating factor scores that PHAs receive will be used to help rank

PHAs for funding. HUD may rely on performance monitoring and audit reports, financial status information, and other information available to HUD to make selection and funding determinations. For Rating Factors 1 and 2 below, the joint or single agency applicants must submit documentation, described in *Section VII Application Format*, to earn points. For Rating Factor 3, HUD completed a regional need analysis and will assign points based on that analysis, as well as the PHA service area, which is described in *Section VII Application Format*. Applicants do not need to submit any additional information in their application for Rating Factor 3.

**Rating Factor 1: Approach to Implementing the Demonstration (40 points)**

As required by the Appropriations Acts, PHAs are required to submit a Regional Housing Mobility Plan (RHMP). In the Approach to Implementing the Demonstration Rating Factor, HUD will be evaluating the PHA's RHMP and overall approach to implementing the demonstration, with the understanding that the final set of services will be decided collaboratively after selection. No PHA will receive more than 40 points for this factor. The following will be evaluated:

1. Approach to implementing the Regional Housing Mobility Plan (6 points);
2. Approach to implementing the evaluation and enrollment plan (5 points);
3. Available applicants and program participants to meet requirements of research evaluation design (10 points);
4. Jurisdictional and regional reach of mobility program (5 points);
5. Approach to implementing mobility-related services (10 points);
6. Proposed administrative policies (2 points); and
7. Proposed opportunity areas and payment standards (2 points).

## **Rating Factor 2: Prior Experience (30 points)**

Implementation of the demonstration will be a complex and collaborative effort between HUD and the selected PHAs. In this rating factor, HUD will evaluate a PHA's prior experiences to gauge the PHA's capacity to implement the demonstration. No PHA will receive more than 30 points for this factor. The following elements of prior experience will be evaluated:

1. Prior experience implementing policies and/or programs that promote housing choices for families with children, particularly policies and/or programs that promote expanded choices in opportunity areas. Experience implementing a housing mobility program or other mobility related services will be considered under this subfactor (10 points);
2. Prior experience implementing and administering federal, state, local or non-profit grants, programs or activities that demonstrate PHA capacity, which may include, but are not limited to: special purpose vouchers (e.g. HUD-VASH, Family Unification, Mainstream vouchers, etc.), the Rental Assistance Demonstration, LIHTC, CDBG, HOPE VI or Choice Neighborhoods grants (5 points);
3. Prior experience working together with other PHAs on a regional basis, such as engaging in regional efforts around portability or other collaborations (5 points);
4. Prior experience of applicant PHAs in participating in randomized controlled trial, research, evaluations, or demonstrations, such as quantitative or qualitative research, or other experiences with data analysis and/or mapping (5 points); and
5. Prior experience managing HCV waiting lists, utilization, and success rate effectively (5 points).

## **Rating Factor 3: Regional Need and Available Rental Units (30 points)**

For the demonstration to be successful, PHAs must have adequate number of voucher holders with children living in neighborhoods with high concentrations of poverty. HUD ranked all PHAs that serve over 100 families with children in two separate voucher holder concentration categories. The categories are: (1) number of voucher holders with children in the PHA's jurisdiction living in Census tracts that have greater than 25 percent poverty or are qualified Census tracts (QCTs) as defined under the LIHTC program, and (2) percentage of voucher holders with children living in Census tracts that have greater than 25 percent poverty or are qualified Census tracts (QCT) in the PHA's jurisdiction, as defined under the LIHTC program.<sup>35</sup>

Within these two categories, HUD then ranked PHAs from one to five based on the degree of concentration with five being the highest concentration. This categorical ranking information based on concentration is provided at

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/mobilitydemo](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/mobilitydemo)

HUD will use the highest ranking earned by the PHA in either category.

For single agency applicants (Category D) a rank of five earns 30 points; a rank of four earns 20 points; and a rank of three earns 10 points. All others get zero points.

For joint PHA applicants, if one or more PHA has a rank of five, the application gets 30 points. If no PHA has a rank of five, but one or more has a rank of four, the application gets 20 points. If no PHA has a rank of four or five, but one or more PHA has a rank of three, the application gets 10 points. All others get zero points.

## **IX. APPLICATION DEADLINES**

### **Contact information and due dates**

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<sup>35</sup> The data sources for these requirements are described in the tools and spreadsheets available at [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/mobilitydemo](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/mobilitydemo)

Each application must be submitted electronically as a PDF or Microsoft Word document (1997 version or higher) to HCVmobilitydemonstration@hud.gov. The subject line of the submittal e-mail must read “[Insert PHA Code]: Housing Choice Voucher Mobility Demonstration Program.” The body of the email must include the name of the person submitting the application. The lead agency shall be responsible for submitting the application to HUD, no later than [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Applications that are submitted after midnight on [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER], or fail to include the required elements, will be ineligible for consideration by HUD.

### **Extensions**

HUD may extend the application deadline for any program if HUD.gov systems are offline or not available to applicants for at least 24 hours immediately prior to the deadline date, or if the system is down for 24 hours or longer and that impacts the ability of applicants to cure a submission deficiency within the grace period.

HUD may also extend the application deadline upon request if there is a presidentially-declared disaster in the applicant’s area. If these events occur, HUD will post a notice on its website establishing the new, extended deadline for the affected applicants.

### **Amending or Resubmitting an Application**

Before the submission deadline, PHAs may resubmit a revised application containing new or changed material. The resubmitted application must be received by the applicable deadline. If HUD receives an original and a revised application for a single proposal, HUD will only evaluate the last submission received before the deadline.

### **Late Applications**

An application received after the deadline date will be marked late and will not be reviewed by HUD for funding consideration.

### **Corrections to Deficient Applications**

HUD will not consider information from applicants after the application deadline. HUD may contact the applicant to clarify information submitted prior to the deadline. Deficiencies typically involve missing documents, information on a form, or some other type of unsatisfied information request (e.g., an unsigned form, unchecked box). Depending on specific criteria, deficiencies may either be curable or non-curable.

A curable deficiency is an error or oversight that, if corrected, would not alter, in a positive or negative fashion, the rating of the application. To be a curable deficiency, it must not be an eligibility criterion, with the following exceptions: (1) documentation of applicant eligibility, and (2) miscategorized applicant eligibility (Category A, B, C or D). Since these exceptions will not influence how an applicant is ranked or scored against other applicants, it can be remedied within the time frame specified in the notice of deficiency. HUD will uniformly notify applicants of each curable deficiency. A non-curable deficiency is one that, if corrected, would change an applicant's score or rank. Non-curable deficiencies may result in an application being marked ineligible, or otherwise adversely affect an applications' score and final determination.

Applicants must email corrections of curable deficiencies to [HCVmobilitydemonstration@hud.gov](mailto:HCVmobilitydemonstration@hud.gov) within the time limits specified in the notification. The time allowed to correct deficiencies will be no less than 48 hours and no more than 14 calendar days from the date of the notification.

## **X. APPLICATION REVIEW PROCESS**

After the application deadline, HUD will review all applications that meet the eligibility criteria. Following the evaluation process, HUD will notify successful applicants of their selection for funding. HUD will also notify other applicants, whose applications were received by the deadline, but have not been selected for the demonstration.

### **Past Performance**

When evaluating applications for funding, HUD will, whenever possible, obtain past performance information to confirm certifications claimed by the PHA.

HUD will also consider an applicant's past performance in managing funds. Items HUD may consider include, but are not limited to:

- The ability to account for funds appropriately;
- Timely use of funds received from HUD;
- Timely submission and quality of reports submitted to HUD;
- Meeting program requirements;
- Meeting performance targets as established in the grant agreement;
- The applicant's organizational capacity, including staffing structures and capabilities;
- Timelines for completion of activities and receipt of promised matching or leveraged funds; and
- The number of persons to be served or targeted for assistance.

### **Negotiation**

After HUD has made selections, HUD may negotiate specific terms of the funding agreement and budget with selected applicants. If HUD and a selected applicant do not successfully conclude negotiations in a timely manner, or a selected applicant fails to provide

requested information, an award will not be made to that applicant. In this case, HUD may select another eligible applicant.

### **Special Conditions**

HUD may impose special conditions on an award as provided under 2 CFR 200.207:

- Based on HUD's review of the applicant's risk under 2 CFR 200.205;
- When the applicant or recipient has a history of failure to comply with the general or specific terms and conditions of a Federal award;
- When the applicant or recipient fails to meet expected performance goals; or
- When the applicant or recipient is not otherwise responsible.

### **Adjustments to Funding**

To ensure the fair distribution of funds and enable the purposes or requirements of a specific program to be met, HUD reserves the right to fund less than the amount requested in an application.

If funds are available after funding the highest-ranking application, HUD may fund all or part of another eligible fundable application. If an applicant turns down an award offer, or if HUD and an applicant do not successfully complete grant negotiations, HUD may make an offer of funding to another eligible application.

If funds remain after all selections have been made, remaining funds may be made available within the current fiscal year for initial awardees in shortages, where the initial per unit cost (PUC) considered for the vouchers was insufficient to fully lease up the voucher awarded, due to market conditions or other justifiable causes. HUD is limited to up to \$10 million total for HAP funds whether or not that is sufficient to fully lease up authorized MDVs awarded to PHAs.

The remainder of the total funding made available under this notice is for mobility-related services and HUD is limited by that amount.

If, after announcement of awards made under the current notice, additional funds become available either through the current appropriations, a supplemental appropriation, other appropriations or recapture of funds, HUD may use the additional funds to provide additional funding to an applicant awarded less than the requested amount of funds to make the full award, and/or to fund additional applicants that were eligible to receive an award but for which there were no funds available.

### **Funding Errors**

If HUD makes an error that when corrected would cause selection of an applicant during the funding round of this notice, HUD may select that applicant for funding, subject to the availability of funds.

## **XI. ADMINISTRATIVE, NATIONAL, AND DEPARTMENT POLICY**

### **REQUIREMENTS FOR HUD RECIPIENTS**

For this notice, the following administrative, national and department policy requirements and terms for HUD financial assistance awards apply.

These non-discrimination and equal opportunity authorities and other requirements apply to all competitive awards.

- Compliance with fair housing and civil rights laws, which encompass the Fair Housing Act and related authorities (24 CFR 5.105(a)).
- Affirmatively furthering fair housing.
- Improving access to services for persons with limited English proficiency (LEP).
- Accessible technology.

- Equal access to housing regardless of sexual orientation or gender identity.
- Equal participation of Faith-Based organizations in HUD programs and activities.
- Participation in HUD-sponsored program evaluation.
- Accessibility for persons with disabilities.
- Violence Against Women Act.
- Environmental Requirements: In accordance with 24 CFR 50.19(b)(1), (3), (11) and (12); and 24 CFR 58.34(a)(1) and (3); and 24 CFR 58.35(b)(1) and (2); activities funded under this notice are exempt or categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321, *et seq.*) and not subject to environmental review under related laws and authorities.

Further information on each applicable criteria can be found here: General Administration Requirements and Terms for HUD Assistance Awards ([https://www.hud.gov/sites/dfiles/SPM/documents/Gen\\_Admin\\_Req\\_Terms-FY19-HUD.Assistance.Awards.docx?web=1](https://www.hud.gov/sites/dfiles/SPM/documents/Gen_Admin_Req_Terms-FY19-HUD.Assistance.Awards.docx?web=1)).

## **XII. REPORTING AND RECORDKEEPING REQUIREMENTS**

### **Federal Audit Reporting**

HUD requires recipients to submit performance and financial reports under Office of Management and Budget (OMB) guidance and program instructions.

Applicants should note that if the total Federal share of an applicant's Federal award includes more than \$500,000 over the period of performance, the applicant may be subject to post award reporting requirements reflected in 2 CFR part 200, appendix XII-Award Term and Condition for Recipient Integrity and Performance Matters.

### **Public and Indian Housing Information Center (PIC) reporting**

Under the demonstration program, PHAs will be required to follow HUD requirements for PIC reporting. This may include using new program codes on line 2n of Form HUD-50058 (e.g., MDV). PHAs must agree to 100 percent PIC reporting for the MDVs, including submission of voucher issuance date and voucher expiration date.

### **Voucher Management System Reporting**

PHAs will be required to follow HUD guidance for reporting MDV HAP and unit months leased, and mobility-related service expenditures in the Voucher Management System.

### **Reporting on non-HUD funds**

PHAs will be required to follow HUD guidance on reporting related to the use of non-HUD funds contributed to the demonstration.

### **Performance Reporting**

All HUD-funded programs, including this program, require recipients to submit, at least annually, a report documenting achievement of outcomes under the purpose of the program and the work plan in the award agreement.

### **Race, Ethnicity, and Other Data Reporting**

HUD requires recipients that provide HUD funded program benefits to individuals or families to report data on the race, color, religion, sex, national origin, age, disability, and family characteristics of persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of HUD programs in order to carry out the Department's responsibilities under the Fair Housing Act, Executive Order 11063, Title VI of the Civil Rights Act of 1964, and Section 562 of the Housing and Community Development Act of 1987.

### **Debriefing**

For a period of at least 120 days, beginning 30 days after the public announcement of awards under this notice, HUD will provide a debriefing related to their application to requesting applicants. A request for debriefing must be made in writing or by email by the authorized official whose signature appears on the SF-424 or by his or her successor in office. If the request is made by email, it must be submitted to [HCVmobilitydemonstration@hud.gov](mailto:HCVmobilitydemonstration@hud.gov). Information provided during a debriefing may include the final score the applicant received for each rating factor, final evaluator comments for each rating factor, and the final assessment indicating the basis upon which funding was approved or denied.

### **Agency Contacts**

HUD staff will be available to provide clarification on the content of this notice. Questions regarding specific program requirements for this notice should be directed to [HCVmobilitydemonstration@hud.gov](mailto:HCVmobilitydemonstration@hud.gov). Please note that HUD staff cannot assist applicants in preparing their applications.

### **Other Information**

National Environmental Policy Act. This Notice of Funding Availability (NOFA) provides funding under, and does not alter the environmental requirements of, 24 CFR part 982. Accordingly, under 24 CFR 50.19(c)(5), this NOFA is categorically excluded from environmental review under the National Environmental Policy Act of 1969, (42 U.S.C. 4321, *et seq.*). The environmental review provisions in 24 CFR part 982 are found at §§ 982.305(b)(3), 982.626(c), 982.628(e), 982.631(b)(3), 982.637(b). However, these environmental review provisions are not applicable to activities under this NOFA, which are exempt or categorically excluded from environmental review.

### **Information Collection Requirements**

The information collection requirements for this demonstration have been approved by the OMB under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2577-0169. In accordance with the Paperwork Reduction Act, an agency 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.

Dated: July 8, 2020.

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

**[FR-6191-N-01]**

## **ATTACHMENT A: MANDATORY SAFMR CRITERIA**

Metropolitan FMR areas that meet the following requirements are subject to Small Area FMRs consistent with 24 CFR 888.113(c):

- (i) There are at least 2,500 HCV under lease;
- (ii) At least 20 percent of the standard quality rental stock, within the metropolitan FMR area is in small areas (ZIP codes) where the Small Area FMR is more than 110 percent of the metropolitan FMR;
- (iii) The percentage of voucher families living in concentrated low-income areas relative to all renters within the area must be at least 25 percent;
- (iv) The measure of the percentage of voucher holders living in concentrated low-income areas relative to all renters within these areas over the entire metropolitan area exceeds 155 percent (or 1.55);
- (v) The vacancy rate for the metropolitan area is higher than 4 percent. The vacancy rate is calculated using data from the one-year American Community Survey (ACS) tabulations, the vacancy rate is the number of Vacant For Rent Units divided by the sum of the number of Vacant For Rent Units, the number of Renter Occupied Units, and the number of Rented, not occupied units; and
- (vi) The vacancy rate will be calculated from the three most current ACS one-year datasets available and average the three values.

The metropolitan FMR Areas that meet these requirements are as follows:

Atlanta-Sandy Springs-Marietta, GA HUD Metro FMR Area

Bergen-Passaic, NJ HUD Metro FMR Area

Charlotte-Gastonia-Rock Hill, NC-SC HUD Metro FMR Area

Chicago-Joliet-Naperville, IL HUD Metro FMR Area

Colorado Springs, CO HUD Metro FMR Area

Dallas-Plano-Irving, TX Metro Division

Fort Lauderdale-Pompano Beach-Deerfield Beach, FL Metro Division

Fort Worth-Arlington, TX HUD Metro FMR Area

Gary, IN HUD Metro FMR Area

Hartford-West Hartford-East Hartford, CT HUD Metro FMR Area

Jackson, MS HUD Metro FMR Area

Jacksonville, FL HUD Metro FMR Area

North Port-Bradenton-Sarasota, FL MSA

Monmouth-Ocean, NJ HUD Metro FMR Area

Palm Bay-Melbourne-Titusville, FL MSA

Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA

Pittsburgh, PA HUD Metro FMR Area

Sacramento-Arden-Arcade-Roseville, CA HUD Metro FMR Area

San Antonio-New Braunfels, TX HUD Metro FMR Area

San Diego-Carlsbad-San Marcos, CA MSA

Tampa-St. Petersburg-Clearwater, FL MSA

Urban Honolulu, HI MSA

Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area

West Palm Beach-Boca Raton-Delray Beach, FL Metro Division

## **Attachment B: Alternative Requirements for Single HCV Funding Contract Consortia**

PHAs submitting an application for the demonstration under Category B, Consortia with High-Performing FSS Program or Category C, Consortia with Small PHA may use these alternative requirements in place of 24 CFR part 943, subpart B, for Single HCV Funding Contract Consortia if selected. Please see *Section VI Waivers and Alternative Requirements for the Demonstration* for further information on alternative requirements and *Section VII Application Format* on applying for the demonstration.

### **1. Purpose of these alternative requirements.**

These alternative requirements authorize public housing agencies (PHAs), consistent with State and local law, to form consortia under Section 13 of the United States Housing Act of 1937 (42 U.S.C. 1437k) (1937 Act) for the purpose of the HCV mobility demonstration.

### **2. Single-HCV Consortium.**

A single HCV funding contract consortium consists of two or more PHAs that join together to perform planning, reporting, and other administrative and management functions of the Section 8 Housing Choice Voucher (HCV) program, as specified in a consortium agreement. Under a single HCV funding contract consortium, the consortium becomes a separate legal entity and is considered a single PHA for purposes of the Section 8 HCV program. A single HCV funding contract consortium must operate the Section 8 HCV program in accordance with all applicable program regulations. HUD funds the consortium as one PHA and applies all reporting and audit requirements accordingly.

### **3. Programs covered under these requirements.**

(a) A PHA may enter a single HCV funding contract consortium under these requirements solely for the implementation of the demonstration under the Section 8 HCV program (including project-based vouchers; project-based certificates; and special voucher housing types, including the HCV Homeownership Option).

(b) Moving-To-Work (MTW) PHAs may not form or join a single HCV funding contract consortium.

#### **4. Organization of a single HCV funding consortium.**

(a) A PHA that elects to form a single HCV funding contract consortium may do so upon HUD approval after selection for the demonstration, and in accordance with HUD-established guidelines and instructions. HUD approval after selection for the demonstration of a single HCV funding contract consortium will be based on the following:

(1) That all required documentation has been submitted including:

(i) The Consortium Agreement;

(ii) The 5-Year Plan and the Annual Plan, as applicable, in accordance with 24 CFR part 903 and any other statutory or HUD requirements (See section 12 of these requirements, Planning, reporting, and financial accountability);

(iii) A letter of intent signed by the executive director of every PHA wishing to join the single HCV funding contract consortium, with an accompanying board resolution of each PHA;

(iv) Supporting legal opinions satisfactory to HUD that the single HCV funding contract consortium's jurisdiction is consistent with the state and local laws of each consortium member;

(v) Financial documentation for each PHA wishing to join the single HCV funding contract consortium, including a final close-out audit for every PHA joining the single HCV funding contract consortium, up to the effective date of the consortium;

(vi) Certification that each PHA in the consortium has resolved all outstanding civil rights matters to HUD's satisfaction; and

(A) The PHA wishing to join takes corrective action to the satisfaction of HUD or another entity with authority to enforce a corrective action agreement or order; or

(B) The single HCV funding contract consortium demonstrates to HUD's satisfaction that it has assumed liability for taking the corrective action; and

(vii) Any other form of documentation that HUD deems necessary and appropriate for approval of the single HCV funding contract consortium;

(3) The PHA's performance rating under the Section 8 Management and Assessment Program (SEMAP), and whether there are any open findings from an Office of Inspector General (OIG) audit, HUD Field Office (FO) monitoring review, financial audit, and/or any other HUD or HUD-required review;

(4) That the financial documentation submitted by each PHA in support of single HCV funding contract consortium formation demonstrates that the single HCV funding contract consortium will have the financial capability, as determined by HUD, to administer the programs and activities of the single HCV funding contract consortium, including the demonstration;

(5) Any other factors that may indicate appropriateness of single HCV funding contract consortium formation, such as the PHA's capacity to administer its Section 8 HCV program, and

the existing market conditions in the jurisdiction of each PHA joining the single HCV funding contract consortium; and

(6) That all other consortium requirements are met.

(b) A PHA that elects to form a single HCV funding contract consortium must enter into a consortium agreement, which shall meet the minimum requirements established in section 6 of these requirements (Elements of a single HCV funding contract consortium agreement) of these requirements. The executed consortium agreement must be submitted to HUD, and HUD may require modification to the consortium agreement before approving the formation of the single HCV funding contract consortium.

(c) PHAs joining a single HCV funding contract consortium must adopt a new fiscal year end for the consortium.

(d) The single HCV funding contract consortium must be administered in accordance with the applicable provisions of these requirements; the consortium agreement; the PHA Plan, as applicable; other applicable HUD regulations and requirements; and State and local law.

#### **5. Jurisdiction of a single HCV funding contract consortium.**

(a) A single HCV funding contract consortium shall operate in a single consortium-wide jurisdiction composed of the combined jurisdictions of all consortium members. Jurisdictional boundaries between individual consortium members will cease to exist for purposes of HCV program administration during the term of the consortium.

(b) The single HCV funding contract consortium jurisdiction must be consistent with the State and local law of each consortium member.

## **6. Elements of a single HCV funding consortium agreement.**

(a) The single HCV funding contract consortium agreement governs the formation and operation of the consortium and must specify the following:

(1) The name of each consortium member under the consortium agreement;

(2) The functions to be performed by each consortium member during the term of the consortium, including for the demonstration;

(3) The structure of the single HCV funding contract consortium, which shall address, at a minimum, the establishment of a board of directors or similar governing body and designated officials;

(4) The process for merging the consortium members' waiting lists upon formation of the single HCV funding contract consortium, including the adoption of waiting list preferences (e.g., homeless) by the single HCV funding contract consortium. This process must not have the purpose or effect of delaying or otherwise denying admission to the program based on race, color, national origin, sex, religion, disability, or familial status of any member of the applicant family;

(5) The terms under which a PHA may join or withdraw from the single HCV funding contract consortium. The consortium agreement shall conform to section 7 of these requirements (Withdrawals from or additions to a single HCV funding contract consortium) of these requirements;

(6) How new incremental vouchers under a special purpose voucher program will be distributed among consortium members upon dissolution or withdrawal from the consortium; and

(7) Which consortium member, upon dissolution or withdrawal, shall have jurisdiction over converted projects with overlapping jurisdictions under a multifamily housing tenant protection action.

(b) The agreement must acknowledge that all consortium members are subject to the single HCV funding contract consortiums' PHA Plan.

(c) The agreement must be signed by an authorized representative of each consortium member.

#### **7. Withdrawals from or additions to a single HCV funding contract consortium.**

(a) Withdrawal refers to one or more consortium members leaving the single HCV funding contract consortium without resulting in dissolution of the single HCV funding contract consortium.

(b) Withdrawals from a single HCV funding contract consortium may not occur until the initial consortium term has expired, which is the term of participation in the demonstration. HUD may, upon showing of good cause, allow withdrawals from a single HCV funding contract consortium before completion of the initial term.

(c) If the consortium has any outstanding civil rights matters, withdrawals from a single HCV funding contract consortium may not occur unless the withdrawal is consistent with the action(s) to resolve such matters.

(d) To provide for orderly transition, withdrawal of a PHA must take effect on the last day of the consortium's fiscal year, and addition of a PHA must take effect on the first day of the consortium's fiscal year. The single HCV funding contract consortium must notify HUD in writing of any additions or withdrawals at least 120 days in advance. This notification must include submission of the withdrawing member's replacement 5-Year Plan and Annual Plan, as applicable, in accordance with 24 CFR part 903 and any other statutory or HUD requirements.

(e) Upon withdrawal from the single HCV funding contract consortium, the withdrawing member must offer to each applicant currently on the single HCV funding contract consortium's waiting list the opportunity to be placed on the withdrawing member's waiting list, with the date and time of their original application to the single HCV funding contract consortium's waiting list. These applicants must not be considered nonresident applicants (for the purposes of restriction of portability under § 982.353(c)) if the applicant was a resident applicant at the time of application to the single HCV funding contract consortium's waiting list.

(f) Upon a member's withdrawal from the single HCV funding contract consortium, vouchers and funding, including net restricted assets and unrestricted net assets, will be distributed to the withdrawing member as specified in section 9 of these requirements (voucher and funding distribution upon dissolution or withdrawal) of these requirements.

## **8. Dissolution of a single HCV funding contract consortium.**

(a) A single HCV funding contract consortium may not be dissolved during the demonstration. HUD may, upon showing of good cause, allow dissolution of a consortium prior to completion of the demonstration. A single HCV funding contract consortium will continue to exist beyond the demonstration, unless dissolved.

(b) If the consortium has any outstanding civil rights matters, dissolution of a single HCV funding contract consortium may not occur unless the dissolution is consistent with the action(s) to resolve such matters.

(c) To provide for orderly transition, dissolution of the single HCV funding contract consortium must take effect on the last day of the consortium's fiscal year. The single HCV funding contract consortium must notify HUD in writing of dissolution at least 120 days in advance of the dissolution effective date. This notification must include submission of all members' replacement 5-Year Plans and Annual Plans, as applicable, in accordance with 24 CFR part 903 and any other statutory or HUD requirements.

(d) Upon dissolution, all withdrawing members must offer to each applicant currently on the single HCV funding contract consortium's waiting list the opportunity to be placed on all of the withdrawing members' waiting lists, with the date and time of their original application to the single HCV funding contract consortium's waiting list. These applicants must not be considered nonresident applicants (for the purposes of restriction of portability under § 982.353(c)) if the applicant was a resident applicant at the time of application to the single HCV funding contract consortium's waiting list.

(e) Upon dissolution, vouchers and funding, including net restricted assets and unrestricted net assets, will be distributed among consortium members as specified in section 9 of these requirements (voucher and funding distribution upon dissolution or withdrawal) of these requirements.

### **9. Voucher and funding distribution upon dissolution or withdrawal.**

(a) Vouchers will be distributed in the following manner upon dissolution or withdrawal:

(1) Each consortium member will leave the consortium upon dissolution or withdrawal with at least the same number of authorized baseline units that the consortium member brought into the consortium at the time of its formation. HUD may, for good cause, allow for an alternative distribution of baseline units.

(2) Each consortium member shall receive contract renewal funding allocations based on the number of leased vouchers located within their original jurisdiction at the time of withdrawal or dissolution, up to their original baseline number. HUD may, for good cause, allow for an alternative distribution of leased vouchers.

(3) Tenant protection vouchers allocated to cover a public housing demolition, disposition, or conversion action will remain with the PHA that has ownership over the property. Tenant protection vouchers allocated to cover a multifamily housing conversion action shall remain with the PHA that has jurisdiction over the converted project. Administration of tenant protection vouchers under converted projects with overlapping jurisdictions shall remain with the PHA that has jurisdiction over the converted project as specified in the consortium agreement.

(4) New incremental vouchers under a special purpose voucher program will be distributed as specified in the consortium agreement, provided that such voucher distribution is made in accordance with program requirements under each respective special purpose voucher program.

(b) Funding will be distributed in the following manner upon dissolution or withdrawal:

(1) Budget authority will be divided proportionately, based on the percentage of all leased units in the consortium that each consortium member will receive.

(2) Administrative fees will be paid to the withdrawing PHA and the remaining consortium per the current appropriations requirements.

(3) Net Restricted Assets and Unrestricted Net Assets will be distributed based upon the percentage of the initial balance that was contributed by each consortium member.

#### **10. The relationship between HUD and a single HCV funding contract consortium.**

(a) HUD has a direct relationship with the single HCV funding contract consortium, the same as it would have with any other PHA. Program funds will be disbursed to the single HCV funding contract consortium in accordance with the consortium's ACC. Funding must be used in accordance with the consortium agreement, the PHA Plan, the demonstration, and HUD regulations and requirements.

(b) HUD may take any of the remedies described in the ACC against an individual member in a single HCV funding contract consortium, or against the single HCV funding contract consortium as a whole, if it determines that either has substantially violated—or is improperly administering—the requirements of the HCV program or the demonstration.

#### **11. Organizational costs and administrative fees.**

(a) The administrative fee for a single HCV funding contract consortium will be determined based on the published administrative fee rates for the area in which the single HCV funding contract consortium has the greatest proportion of its participants on a date in time and the total number of vouchers under lease for the single HCV funding contract consortium as of the first of the month, up to the baseline number of vouchers under the single HCV funding contract consortium's ACC.

(b) A single HCV funding contract consortium may apply to HUD for blended rates, which are determined based on a weighted average of the published administrative fee rates for all areas in which program participants are located within the single HCV funding contract consortium and all participants under lease in each of the areas on a date in time. The blended rates will be based on the published administrative fee rate for each consortium member, effective for the year for which the blended rate is requested. Blended rates will only be applied if they result in a higher administrative fee rate for the single HCV funding contract consortium. Blended rates apply only to the year for which requested.

(c) If appropriations are available, a single HCV funding contract consortium may be eligible for a higher administrative fee in accordance with 24 CFR 982.152(b)(2) if it operates over a large geographic area.

(d) If appropriations are available, a single HCV funding contract consortium may be eligible for administrative fees to cover extraordinary costs determined necessary by HUD, in accordance with 24 CFR 982.152(a)(1)(iii)(C), during the initial year of operation of the consortium to provide for the organization and implementation of the single HCV funding contract consortium.

## **12. Planning, reporting, and financial accountability.**

(a) A single HCV funding contract consortium is considered one PHA for purposes of Section 8 HCV program administration, including but not limited to, program accounts and records, audit requirements, and all PHA responsibilities under the ACC, the PHA administrative plan, and HUD regulations and other requirements, including the demonstration.

(b) Planning, reporting, and financial accountability apply to a single HCV funding contract consortium as follows:

(1) Upon creation of the single HCV funding contract consortium, each member's assets, liabilities, and equity accounts, as related to the HCV program, are consolidated and reported on a consolidated balance sheet for purposes of single reporting in the Financial Assessment Subsystem for Public Housing Agencies (FASS-PH) and the Voucher Management System (VMS).

(2) Prior to entering a single HCV funding contract consortium, each PHA must agree to the completion of a final audit to close-out program accounts for all HCV programs, up to the effective date of the consortium. The final audit must be completed in accordance with 24 CFR 982.159. Once the audit is completed, remaining funds from all the PHAs' accounts must be transferred to the consortium.

(3) During the term of the consortium agreement, the single HCV funding contract consortium must submit a 5-Year Plan and Annual Plan, as applicable, for the consortium, in accordance with 24 CFR part 903 and any other statutory or HUD requirements. For any programs not covered by the single HCV funding contract consortium (e.g., a consortium member administers a public housing program separately from the single HCV funding contract consortium), consortium members must submit a separate 5-Year Plan and Annual Plan to HUD for those programs, as applicable, in accordance with 24 CFR part 903 and any other statutory or HUD requirements.

(4) During the term of the consortium agreement, the single HCV funding contract consortium must have a single Section 8 HCV administrative plan for the consortium, in accordance with 24 CFR 982.54 (Administrative plan).

(5) The single HCV funding contract consortium must maintain records and submit reports to HUD as a single PHA for purposes of Section 8 HCV program administration and the demonstration, in accordance with HUD regulations and requirements that account for all activities of the consortium. All consortium members will be bound by the 5-Year and Annual Plans and reports submitted to HUD by the single HCV funding contract consortium for programs covered by the consortium.

(6) Financial accountability rests with the single HCV funding contract consortium and, thus, HUD will apply independent audit and performance assessment requirements on a consortium-wide basis.

(7) A single HCV funding contract consortium must keep a copy of the consortium agreement on file for inspection. The consortium agreement must also be a supporting statement to the PHA plan.

### **13. Responsibilities of a single HCV funding contract consortium.**

Each consortium member is responsible for the performance of the consortium and has an obligation to assure that all program funds are used in accordance with HUD regulations, requirements, and that the programs under the consortium are administered in accordance with HUD regulations and requirements, including the demonstration. Any breach of program requirements is a breach of the consortium ACC, so each consortium member is responsible for the performance of the consortium as a whole.

#### **14. Responsibilities of member PHAs.**

Despite participation in a consortium, each member PHA remains responsible for its own obligations under its ACC with HUD. This means that each member PHA has an obligation to assure that all program funds, including funds paid to the lead agency for administration by the consortium, are used in accordance with HUD regulations and requirements, and that the PHA's program is administered in accordance with HUD regulations and requirements, including the demonstration. Any breach of program requirements with respect to a program covered by the consortium agreement is a breach of the ACC with each of the member PHAs, so each PHA is responsible for the performance of the consortium.

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