



# Department of Commerce

Innovation is in our nature.

## **HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PROGRAM GUIDELINES AND POLICIES**

**(Effective 8/17/2016)**

The HOPWA Program was established by HUD to address the housing needs of persons living with HIV/AIDS and their families. HOPWA makes grants to local communities, states, and nonprofit organizations to support activities that address the housing needs of persons living with HIV/AIDS and their families.

The Department of Commerce's HOPWA program is governed by the provisions of the AIDS Housing Opportunity Act, 42 USC Sections 12901 to 12912 (the Act) and the Housing Opportunities for Persons with AIDS (HOPWA) Program rule, 24 CFR Part 574 as amended (the Regulations). Additional provisions related to the HOPWA REACH Grant are found in the Performance Grant Agreement between the Department of Commerce and the Department of Housing and Urban Development (HUD) Number WA-H140012.

HUD Community Development and Planning has three outcome objectives. The HOPWA program falls under HUD's overall objective to provide decent and affordable housing. HUD will measure this objective through client data collection.

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## I. Eligible Clients

### A. Persons eligible to receive assistance under HOPWA must be:

- Diagnosed with AIDS or related diseases, including HIV (the eligible person can be a minor in a household); and
- Low income (80% of the area median income by family size as determined by HUD)
- Family members of eligible persons may also receive some benefits under HOPWA.
- The HOPWA program does not require criminal background checks. However, if the client moves from HOPWA to other federal subsidies such as Housing Choice Voucher (Section 8), the background check is then required.
- HOPWA defers to the Work Responsibility Act that does not require non-profits or religious organizations to inquire regarding citizenship. It does allow housing authorities to deny or allow prorated assistance to those families with some documented members.

### B. Documentation of Client Eligibility

#### 1. Project Sponsors must document the eligibility of all persons assisted under HOPWA. The documentation should include:

- Medical evidence of HIV/AIDS diagnosis. At a minimum, this must be a signed statement from a qualified health professional from which the client is currently receiving care that includes the name of the client, the date of diagnosis and the name and signature of the health professional. The statement must be on the official letterhead of the health professional's organization. The health organization may use a print out or other form as long as it officially identifies the health professional and the organization. If it does not, a cover memo on letter head can be submitted with the form.

If the client's HIV documentation is from a healthcare provider outside of the Project Sponsors' HOPWA coverage area, including out of state, case managers must follow-up with that provider to confirm that the client's documentation is authentic before approving the client to receive HOPWA services. In addition, within 30 days of acceptance to the HOPWA program, the client must submit verification of diagnosis from a local healthcare professional within the Project Sponsors' HOPWA coverage area.

This process can provide additional assurance that the client has authentic documentation and resides within the Project Sponsors' HOPWA coverage area.

- Income verification documentation. For example, copies of pay stubs, SSI payment statements, personal grant award letters, etc. Sponsor should be using the Benefits Verification System (BVS) as well. If a client has no income, and it is verified that they have no income, self-declaration of that should be signed and dated by the client and the case manager, and kept in the file. Self declaration should only be used as a last resort and every attempt made to verify the client has no other income.

HUD Income Limits can be found at  
<http://www.huduser.org/portal/datasets/il/il13/index.html>

Client eligibility must be recertified annually. It is recommended that the recertification process start 60-90 days before the one-year anniversary date to ensure time to complete the process.

2. Clients with zero income who are applying for TBRA or STRMU assistance must demonstrate that they have sufficient resources or expect to have sufficient resources in the near term, to pay for basic living such as food, clothing, transportation, and utilities beyond the HOPWA subsidy and/or utility allowance credit provided with TBRA. HUD considers regular and reoccurring gifts or contributions to be counted as income and should be considered so in determining income eligibility.
3. Documentation must be obtained and verified for each participant prior to the provision of any HOPWA assistance, and must be kept on file for review and reporting purposes.

The following documentation must be kept in each client file prior to providing services:

- Current signed release of information forms
- HIV Status Verification
- Complete and signed application for HOPWA assistance
- Documentation and verification of need, including appropriate documents, i.e., eviction notices, delinquency of mortgage, utility payment notices, etc., and explanation of why the client cannot pay
- Supporting documents verifying identification and citizenship
- Income eligibility for household members
- HUD Housing Quality Standards or HOPWA Habitability Standards inspection (for tenant based rent assistance)
- Reasonable rent certification for tenant based rent assistance

Once services are being provided, the following additional documentation must be kept in each client file:

- Annual unit inspections
- Income updates as needed based on change in family income and at least annually
- Current lease agreement for tenant based rent assistance
- Household rent calculation worksheets
- Accurate tracking of the 21-week limit on STRMU assistance
- Case notes
- Housing Plan
- Termination Form when appropriate

## **II. Eligible Activities**

### **Housing Subsidy Assistance**

- A. Tenant Based Rent Assistance, including assistance for shared housing

## 1. Housing Inspections

Housing Inspections are not required for Short-term Supportive Housing activities except when using operating costs for short-term housing facilities. **With all HOPWA housing activities lead based paint requirements apply if the unit was built before 1978 and there are children under the age of 6 or a household member is pregnant.**

All units must be inspected prior to the execution of a lease or the start of subsidy payments for those “leasing in place”. Inspections can be based on HUD Housing Quality Standards (HQS) or HOPWA Habitability Standards as described in the HOPWA regulations 24 CFR 574.310(b). The staff member performing the inspection does not need special training, just familiarity with HOPWA or HQS guidelines. Units must be re-inspected annually.

Inspection findings must be documented using HUD-52580-A HQS inspection checklist or equivalent format, including the HOPWA Habitability Standards form, and kept in the client file.

All units must be compliant with federal fire safety standards and each level of the residence must contain at least one battery-operated or hard-wired smoke detector in proper working condition.

As of January 1, 2013, units must comply with the Washington State Carbon Monoxide Alarm Laws (RCW 19.27.530 (2009) and Chapter 132 Laws of 2012 (SSB 6472)). Alarms must be located outside of each separate sleeping area, in the immediate vicinity of the bedroom and on each level of the residence. Single station carbon monoxide alarms must be listed as complying with UL 2034, and installed in accordance with code and the manufacturer’s instructions. Combined CO and smoke alarms are permitted.

Units built prior to 1978 to be occupied by a family with a child under the age of 6 must comply with lead paint regulations. The family must be provided with the HUD brochure, “Protect Your Family from Lead in The Home.”

## 2. Rent Calculation (not applicable to Short-term Housing activities)

All persons receiving rental assistance or residing in any rental housing assisted with HOPWA funds must pay rent.

Rent, including utilities, is the higher of 30 percent of family’s monthly adjusted income (typical adjustments include allowance for dependents, medical expenses, child care expenses in certain cases); or 10 percent of family’s monthly gross income.

**Household** income must be verified at intake to determine the rent amount and verification of all income sources must be documented. Look out for instances where a client is eligible for special deductions or exclusions, i.e., Earned Income Disregard, child care deduction, medical expenses. All low-income persons with

HIV only (even if they have no other defined disability) are eligible for the \$400 per year disability deduction if they are enrolled in a TBRA or facility-based HOPWA program.

Rents must be recalculated, as needed, based on change in family income and should be reviewed at least annually.

If utilities are paid directly by the resident, rent must include a utility allowance. Use the utility schedule provided by the local housing authority.

There are three key elements for determining HOPWA TBRA assistance:

- Calculation of gross and adjusted household income
- Calculation of tenant rent payment (based on income); and
- Calculation of HOPWA subsidy payment

The tenant's payment is based on household income, regardless of the total rent for the unit. The portion that HOPWA pays is the difference between the tenant's portion and the total contract rent for an approved unit.

Rent Calculation Steps:

1. Calculate gross and adjusted household incomes.
2. Determine if a household is eligible for the Earned Income Disregard. If so, deduct disregarded income from total household income.
3. Determine which is highest, 10% of gross income or 30% of adjusted income. This is the base rent payment for the household.
4. Calculate and apply an allowance for utility costs, if applicable, subtracting the allowance from the base rent payment.
5. This amount (which may be a negative number) is the final household portion of the rent.
6. Subtract the final household rent amount from the approved unit rent. This amount is the monthly HOPWA assistance of the household.

• Checkpoints for Rent Calculation:

- Gross Household Income Calculated Correctly
  - Pre-tax wages are used and annualized based on pay cycle (every two weeks = wage x 26)
  - Exclude earned income of full-time students and children under 18, income earned from excluded sources or paid to disabled members eligible for Earned Income Disregard.
  - Do not include any sporadic income or lump sum payments.
- Allowances given for dependents and disabled Head of Household/Co-Head
  - Dependent refers to anyone under the age of 18, full-time students, and disabled individuals.
  - Elderly deduction applies only if head of household/co-head (62 or older)
  - Deductions for eligible medical expenses and disability assistance payments

- Watch for deductions from disability benefit payments to cover Medicaid/Medicare premiums
- Utility allowances correctly calculated
  - Check that this corresponds with utility responsibilities as written in the lease.

The project sponsor establishes the rent standard for their program which is the maximum value of an allowable rental unit. This standard can be no higher than the published Section 8 Fair Market Rent (FMR) or the HUD-approved community wide exception rent for the unit size. On a unit-by-unit basis, the sponsor may increase that amount by up to 10% for up to 20% of the units assisted.

The HOPWA TBRA subsidy payment is the difference between the rent charged for an approved unit and the tenant rent payment.

Be sure to use current FMRs, which are also available at:  
<http://www.huduser.org/portal/datasets/fmr.html>

Clients may NOT pay out of pocket the difference between the FMR/Payment Standard and the actual rent. This is to ensure that if circumstances lower the client's income, they will not lose their housing because they can no longer make up that difference.

### 3. Reasonable Rent

The rent charged for a unit must be reasonable in relation to rents currently being charged in the private unassisted market. The rent is not automatically determined to be reasonable because it falls within the FMR.

The rent cannot be in excess of rents being charged by the owner for comparable unassisted units. Rent reasonableness is determined on a case-by-case basis considering the type, size, quality and location of each unit.

Rent reasonableness should be certified for all new leases and any requests for rent increases and kept on file for review. Rent reasonableness should be recertified annually during the re-inspection process.

### 4. Leases (TBRA, STRMU, Housing Placement)

Long-term leases must be in place. They should be renewable, conform to local tenant-landlord law and have no illegal clauses. They should clearly list all allowable household occupants, and state who is responsible for each utility. Leases must be signed by the landlord and the tenant and a copy must be kept in the client file.

- Reasonable Accommodation: Generally, recipients of HOPWA housing assistance are prohibited from renting from someone who is the parent, child, grandparent, grandchild, sister, or brother of any member of the participating household. The one exception is if approving the unit would provide reasonable accommodation for a family member who is a person with disabilities.

24CFR 982.306 (d) states:” The Public Housing Authority (PHA) must not approve a unit if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless the PHA determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities.”

Because PWAs often rent from family when they need care and support for their illness, and because low-income families may need the rental income to help support the additional household member, a waiver of this rule may be requested. In this case a written rental agreement from the family must be obtained and maintained in the client file for documentation purposes. An inspection of the unit is also required.

Further, HOPWA prohibits renting a room, apartment or home from a family member – whether the family member lives in the unit, or not. This also applies to renting from an unmarried partner who resides at the same residence. If a client lives with a family member and the total household income falls under the 80% AMI, then HOPWA may assist the entire household. In rare cases HUD will allow renting from a family member under “Reasonable Accommodation.”

Information to consider when reviewing a reasonable accommodation request:

“A housing provider may not ordinarily inquire as to the nature and severity of an individual's disability. However, in response to a request for a reasonable accommodation, a housing provider may request reliable disability-related information that (1) is necessary to verify that the person meets the Fair Housing Act’s definition of disability (i.e., has a physical or mental impairment that substantially limits one or more major life activities), (2) describes the needed accommodation, and (3) shows the relationship between the person’s disability and the need for the requested accommodation. Depending on the individual’s circumstances, information verifying that the person meets the Act's definition of disability can usually be provided by the individual himself or herself (e.g., proof that an individual under 65 years of age receives Supplemental Security Income or Social Security Disability Insurance benefits or a credible statement by the individual). A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may also provide verification of a disability.

In most cases, an individual's medical records or detailed information about the nature of a person's disability is not necessary for this inquiry. Once a housing provider has established that a person meets the Act's definition of disability, the provider's request for documentation should seek only the information that is necessary to evaluate if the reasonable accommodation is needed because of a disability. Such information must be kept confidential and must not be shared with other persons unless they need the information to make or assess a decision to grant or deny a reasonable accommodation request or unless disclosure is required by law (e.g., a court-issued subpoena requiring disclosure).”



**Any exception must be approved by the Department of Commerce. There is no limit to the number of reasonable accommodations that can be requested or granted; it depends on disability-related needs.**

5. Collaboration with Housing Choice Voucher (Section 8)

All HOPWA TBRA clients should also apply for the Housing Choice Voucher Program. Project Sponsor policy must state that failure of an eligible client to accept a Housing Choice Voucher when offered may result in termination of HOPWA assistance. The case manager should work closely with the client to ensure the client's needs are being met. If accepting a Housing Choice Voucher would place undue burden on the client, the Project Sponsor in consultation with the Commerce Program Manager, may waive the requirement in special circumstances. Special circumstances may include but are not limited to:

- (a) Client would have to move away from family who are necessary for the client's care and well being.
- (b) Client would have to move but is too sick at the time to do so.
- (c) Client cannot find a suitable residence that will accept a Housing Choice Voucher.

If this requirement is waived, detailed documentation must be included in the client file.

B. Facility-Based Housing

Facility-based housing is housing that is owned or leased by a project sponsor. Eligible activities are:

- Acquisition
- Rehabilitation or Repair
- New construction
- Leasing (includes master leasing)
- Project-based rental assistance
- Operating costs including maintenance, security, operation, insurance, utilities, furnishings, equipment, supplies and other incidental costs (operating funds cannot be used in a housing situation where tenants receive other federal rent subsidies, such as Section 8 or HOPWA rental assistance)
- Hotel/motel stays (HQS not required), not more than 60 days in a 6-month period (not required to be consecutive). In this case, the facility does not have to be leased or owned by the project sponsor.

New construction, substantial rehab or acquisition requires a minimum use period of 10 years. Non-substantial rehab or repair of a building requires a minimum use period of 3 years.

C. Short-Term Rent, Mortgage and Utility Assistance (STRMU)

STRMU is to provide emergency short-term interventions that help maintain stable living environments for households who are experiencing a financial crisis and the potential loss of their housing arrangement. The assistance should provide a bridge to more permanent housing solutions if possible.

STRMU is not a yearly entitlement, rather a homeless prevention intervention. It is intended to prevent homelessness, reduce the risks of homelessness, and improve access to health care and other supportive services. The STRMU program enables income-eligible individuals or families living with HIV/AIDS and who are at risk of becoming homeless to receive short-term rent, mortgage, and/or utility assistance for a period not to exceed 21 weeks worth of assistance in any 52-week period. STRMU funds can be used to pay back and ongoing rent payments, back and ongoing mortgage payments, and back and ongoing utility payments. Late and/or reconnect fees are allowable. Utility and rent security deposits and telephone service costs are not allowable under STRMU.

### **Examples of Emergency Need**

- Applicant experiences a sudden loss of income due to changes in health.
- Applicant has lost employment and has not yet been found eligible for SSDI.
- Applicant's household loses a source of income when family composition changes.
- Due to above, applicant family faces eviction, foreclosure, or utility shut-off.
- Applicant faces extraordinary and unexpected health care costs.

#### 1. STRMU Eligible Activities

Funds are used to provide only rent, mortgage or utility payments to prevent homelessness. Needed supportive services and case management appropriate to individuals to maintain independent living must also be provided. STRMU funds cannot be used for move-in costs (see Permanent Housing Placement). Clients assisted must already be housed in a rent or mortgage situation.

- **Even though housing** inspections are not required for STRMU, Project Sponsors are required to ensure that an operable hard-wired or battery-operated smoke detector is installed in all HOPWA-assisted units. Per Washington State Carbon Monoxide Alarm Laws (RCW 19.27.530 (2009) and Chapter 132 Laws of 2012 (SSB 6472) a working CO2 alarm must also be present. This applies to STRMU with one exception: if the utilities are the only service being subsidized, the requirement for smoke detectors does not apply. STRMU clients must self-certify that there is a working smoke detector in the residence. The self-certification must be signed and included in the client's case file.
- Lead-based paint requirements do apply.

#### 2. Client Eligibility for STRMU

The documentation of need for STRMU assistance has these key elements:

- Documentation of HOPWA eligibility (i.e., income and medical diagnosis)
- The income of all adults in the household must be used to establish eligibility unless it is a house sharing situation (roommates).
- Evidence of tenancy, ownership or residency
- Evidence of need:
  - Verify the applicant's request is for actual costs
  - Verify that other sources such as household income are not reasonably available to address the unmet need
  - Verify that STRMU assistance will meet the need

- Assess the applicant's ongoing housing needs and develop housing plans for more permanent or stable housing solutions.
- Eviction notices, delinquency of mortgage, utility payment overdue notices, etc., and explanation of why the client cannot pay.

This documentation is required at the beginning of the short-term assistance, and a housing plan must be developed that addresses the steps to be taken by the client and case manager to assist in maintaining housing stability in the longer term, **even if the client only accesses STRMU once.**

### 3. STRMU Limits

- STRMU payments are limited to a maximum of 21 weeks during any 52-week period and are not intended to provide continuous or perpetual assistance. Project sponsors can define a year in one of three ways, but the method selected should be used consistently for all households across the region served:
  - Based on the calendar year
  - Based on the project's operating year
  - Based on a particular participant's year (one year from the beginning date of the debt period paid by STRMU).
- Project Sponsors can choose to pay eligible rent, utility and mortgage payments that predate their enrollment in the HOPWA program. The number of weeks covered are included in the 21 weeks of assistance and begins the date of the debt period paid.
- HOPWA cannot be used to pay for property taxes or condominium fees.
- STRMU limits can also be capped, based on program budgets, i.e., limiting funds to a specific amount per household per 21 weeks. However, the cap should be high enough to realistically assist the household in achieving stability with the STRMU payment.
- Each client must have in their file a tracking sheet documenting the number of weeks assistance has been provided to that client.

### 4. Evidence of Responsibility for Debt

For Short-Term Rent, Mortgage and Utility assistance, the client must present evidence that they are the named tenants under a valid lease for property in which they have been residing for a time before seeking HOPWA assistance, or be the owner of a mortgaged dwelling in which they reside, and have responsibility for paying utilities. Evidence includes:

- The lease or a default/late payment notice that identifies the client as the named tenant under the lease (**a lease must be included even if the assistance is utility assistance only**)
- A deed accompanied by a mortgage or deed of trust

- A mortgage or deed of trust default/late payment notice that identifies the client as the property owner/debtor
- A title insurance policy identifying the client as the property owner/debtor
- Copies of money orders or cancelled checks evidencing payment of rent or utility bills for a particular account

## 5. STRMU and Other Rental Assistance

HUD prohibits STRMU payments being made to an individual or household that is already receiving rental assistance through HOPWA or another federal, state, or local housing subsidy program, including Housing Choice Voucher.

### D. Housing Subsidy Miscellaneous

#### 1. Manufactured Homes

Manufactured homes and/or home sites are eligible under tenant-based rental assistance, STRMU and Permanent Housing Placement activities.

The Manufactured Home Construction and Safety Standards established by HUD (24 CFR Part 3280) define a manufactured home to be “a structure, transportable in one or more sections which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.”

In 1976, Congress adopted legislation using the term “manufactured home” to take the place of “mobile home”. A mobile home is a manufactured home. The term manufactured home refers to all types of non-motorized manufactured housing units (**thus excluding recreational vehicles or vehicles that can drive off the property**) that meet the definition of 24 CFR 3280.2.

For home site-only, HUD recommends that a standard developed through the Section 8 program be used. HUD has established the home site manufactured home payment standard at 40% of the 2-bedroom FMR. For manufactured homeowners who rent their home site, utility costs are normally set as a percentage of the FMR, but exceptions are issued for local areas that supply data requesting higher home site rentals.

Rents based on 40 percent of the FMR are reasonable to slightly high for many areas. This figure is traditionally too low for rural areas with significant heating degree-days where liquid propane gas is used for heating and where the more accurate percentage may be as high as 60 or 70 percent of the FMR. Contractors providing home site-only rental assistance are strongly encouraged to adhere to this standard, where appropriate. If an established rent limit is substantially higher than this recommended HUD standard, documentation for the basis of the higher standard is required in the files.

#### 2. Appropriate supportive services must be made available to persons receiving housing.

3. Tenants must not be charged any other program fees beyond the properly calculated rental portion (except for application screening fees for new clients, and late fees on delinquent rent payments).
4. Any services provided to tenants which are not paid for by HOPWA funds must be optional. Payment for such additional services may not be a condition of residency.
5. Payments for any housing assistance may not be paid directly to the tenant but must be paid to the landlord, property owner or mortgage company.
6. In the cases where tenants pay for utilities out-of-pocket and are given a utility allowance credit to offset their rental payment portion, and where the net results in a negative number, project sponsors may refund the negative balance either directly to the client or to the utility company.

#### E. Supportive Services

The primary goal of the HOPWA program is to provide housing assistance to eligible households to ensure housing stability. In general, the emphasis of HOPWA programs should be on housing assistance rather than supportive services. Supportive services provided with HOPWA funds should focus on supporting the housing stability of program participants.

Supportive services include:

- Adult day care and personal assistance
- Alcohol and drug abuse services
- Case management/client advocacy/coordination of benefits
- Child care and other child services (because the parent(s) is actively working or seeking work that lends itself to improving their household stability.)
- Education
- Employment assistance and training
- Health/medical/intensive care services, if approved by HUD and documentation is provided that there is not another available resource for paying (may not be provided to family members and drug payments may not be made in substitution for ADAP payments)
- Some legal services
- Life skills management
- Meals/nutritional services (**not gift cards or grocery vouchers**)
- Mental health services
- Outreach
- Transportation (**not including car repairs or gas vouchers**)

HOPWA funds cannot be used for personal items such as clothing, grooming supplies, furniture, entertainment activities, pets, financial assistance and consumer credit payments.

**Health Services: HOPWA grant funds are not to be used to make payments for health services for any item or service to the extent that payment has been made, or can reasonably be expected to be made with respect to that item or service: (i) under**

**any State compensation program, under an insurance policy, or under any Federal or State health benefits program; or (ii) by an entity that provides health services on a prepaid basis. Project Sponsors must contact Commerce on a case-by-case basis regarding whether costs for a specific health service can be allowed.**

Health and medical-related costs must be related to the client's illness or loss of income. Health expenditures are prohibited unless it can be directly related to housing stability through employment or school in some way. An example is if a client needs help paying for prescription glasses and will not be able to work or go to school without them, HOPWA may cover the cost if no other resource is available to cover it.

It must also be documented that other resources were contacted for help in paying these costs and were unable to assist. Documentation should include date of contact, name of organization and contact person. Results of the contact should be detailed in the client file.

**Additional Nutrition Guidelines:**

- A facility housing program providing community meals as part of their program design shall consider the food items purchase for those meals as a HOPWA facility **Operating** cost, rather than a supportive service cost.
- A non-facility housing program can purchase a limited amount of bulk nutrition products like Ensure, canned chicken, tuna, beans, etc., and if a freezer is available, fresh meat. This would be paid for as a HOPWA **Supportive Service**.
- Another **Supportive Service** activity is to purchase "access slots" from a food bank/pantry that clients can use for emergency nutritional needs, as long as you are sure the food bags provided contain sufficient nutritional items. Clients should sign a confirmation each time they receive food.

For non-facility housing programs it is important to make sure HOPWA funds are not paying for nutrition that is available through other means.

**(Under the HOPWA REACH Grant, Supportive Services are limited to 35% of the grant total)**

F. Housing Placement Activities

1. Permanent housing placement costs can include application fees, related credit checks and reasonable security deposits necessary to move clients into permanent housing. The total deposit assistance should not exceed two months worth of rent plus the application fees and credit check fees. Remaining deposit funds must be returned and are treated as program income. That income must be reinvested in other HOPWA-eligible activities, regardless of what HOPWA program year the funds were originally issued. State or local laws governing deposits (e.g., with respect to paying or accruing interest) apply, as well as the HOPWA program requirements.
2. Housing information services including, but not limited to, counseling, information, and referral services to assist an eligible person to locate, acquire, finance and maintain housing. This may also include fair housing counseling for eligible persons who may encounter discrimination on the basis of race, color, religion, sex, age,

national origin, familial status, or handicap. Housing information services can be provided to any HIV/AIDS person regardless of income.

While these activities are considered housing support, they are not considered rental assistance and should be tracked, reported and billed separately for the purpose of HUD reporting at year-end.

#### G. Housing Plan

HUD's main objective for the HOPWA program is that participants achieve greater housing stability by receiving HOPWA assistance. 24 CFR 574.500(b)(2) states that the grantee (the Department of Commerce) will ensure that each project sponsor agrees to conduct an ongoing assessment of the housing assistance and supportive services required by the participants in the program. The housing assessment process includes gathering participant information about current finances, past rental history, behavioral history and other service needs. A good housing plan includes:

- Information regarding stability of current housing situation
- Information regarding recent housing or homelessness history
- Identification of causes of housing instability
- Identification of barriers to stability
- Individual service and housing plans that address barriers
- Progress tracking

Housing and supportive services needs should be assessed at intake and detailed plans must be kept in the client file. Housing plans should be active documents that detail the client's and case manager's roles in achieving housing stability and they should be regularly updated for maximum effectiveness.

Even though clients can stay on HOPWA as long as needed (as long as funding allows) it is not considered permanent housing. If there are opportunities to move clients to a permanent situation that should be considered in the housing plan. Housing plans can also be used to help clients maintain their current housing. A checkup should be done at least annually and noted on the housing plan.

### **III. Termination and Grievance Process**

- A. Project Sponsors must have in place a procedure that governs the termination and grievance process. These procedures should describe the program requirements and the termination process, as well as a grievance procedure that might, for example, allow participants to request a hearing regarding the termination of their assistance. The procedures should be readily available to participants.

Project Sponsors may terminate assistance provided to participants who violate program requirements, including commission of fraud, bribery or any other corrupt or criminal acts in connection with any federal housing program. Such acts include failure to disclose a material fact used in making a determination as to the client's eligibility to receive services.

- B. The Project Sponsor must have a written policy in place when termination of assistance is due to death of the HOPWA participant and there are surviving family members. The sponsor should establish a reasonable grace period of continued assistance to surviving family members, not to exceed one year, beginning from the date of the participant's death.

#### **IV. Requirements and Administration**

##### **A. Billing Procedures**

Project Sponsors must bill Commerce on a monthly basis for reimbursement of allowable, actual costs using the Commerce Voucher Distribution form. Payment will be made upon receipt of all required documents and reports (one-twelfth billing is prohibited). Failure to submit a monthly invoice within a timely manner will result in delayed or withheld payment.

Project Sponsors must collect information from subrecipients who are requesting reimbursement including income and diagnosis. For STRMU, Project Sponsors must also collect leases, eviction notices, overdue utility bills and need statements. Need statements must explain the need for the assistance per Section II. C.

##### **B. Project Sponsor Administration**

- Admin is limited to 7 percent of the total grant amount.
- Uses include general management, oversight and coordination and reporting
- Admin must be based on documented actual costs. It is not allowable to simply bill 7 percent each month.
- When documenting personnel costs, all employee activity must be documented, not just the HOPWA portion.
- A time sheet must be completed and signed by the employee and supervisor at least monthly.
- Allowable and non-allowable admin costs:
  - Travel is allowed when directly connected to grant activities. Written policies and procedures must be in place for expenses reimbursement.
  - Entertainment costs are not allowed, including social activities and directly associated costs such as food at staff meetings or trainings.
  - Contributions cannot be paid with federal funds.
  - Fines and penalties cannot be paid with federal funds.
  - Lobbying costs are not allowed.

##### **C. Program Costs**

- Costs of managing rental assistance is a **direct program cost, not an administrative cost** and should be charged to the appropriate housing assistance activity, i.e., TBRA, STRMU, Permanent Housing Placement. This may include staff time calculating subsidies, performing housing inspections, etc.
- All staff time associated with a HOPWA housing activity must get tracked, billed and reported as part of that housing activity expense. Time sheets must reflect the



actual time spent with clients. Backup documentation for time sheets must include time tracking in 15-minute increments.

For more information, please refer to the HOPWA Financial Management Training Manual. The manual is also available at:

<http://www.hudhre.info/documents/HOPWAFinancialManagementTrainingManual.pdf>

#### D. Budget Revisions

The HOPWA approved budget is outlined on the Contract Face Sheet. Budget revisions are subject to the following parameters:

- The project sponsor may make budget revisions of up to ten percent (10%) of the total budget without an amendment. Funds may be transferred between any categories as long as Administration never exceeds 7 percent of the total contract amount. A description of the budget change(s), including the amount(s) transferred must be submitted to the Department of Commerce prior to submitting expenditure reports reflecting the revisions.
- Budget revisions exceeding ten percent (10%) of the total contract amount require a contract amendment. Requests must be submitted to, and approved by, the Department of Commerce before the contractor submits expenditure reports reflecting the revisions.
- Any budget revisions requested by REACH grantees must be approved by HUD. Requests may not be made until the second year of the grant period.

#### E. Repayments

HOPWA funds used to assist households who do not meet the eligibility requirements, or to lease units where an inspection has not been completed, or the rent is not reasonable, must be repaid to the Department of Commerce.

#### F. Unexpended Funds (Not Applicable to REACH)

Upon expiration of the contract, Project Sponsors must transfer any unexpended HOPWA funds to the Department of Commerce.

The Department of Commerce will make any unspent funds available to all HOPWA project sponsors as part of the allocation for the next year. However, if a project sponsor can show an emergency need before the next grant year, funds may be allocated according to these criteria:

There are two criteria for the distribution of recaptured funds:

- The extent to which the applicant demonstrates an immediate need for assistance in serving persons with HIV/AIDS or related diseases and their families; and
- The extent to which the applicant can demonstrate the ability to use the funds promptly.

### G. Confidentiality

Project Sponsors must ensure the confidentiality of the name of any person receiving HOPWA assistance, as well as any other information regarding individual receiving assistance. Personal participant eligibility documentation must only be accessible to the Department of Commerce and the project sponsor. HOPWA client files must not be kept in the same location as other non-HOPWA or general files.

Project Sponsors must have written confidentiality policies and procedures in place that describe how a participant's confidentiality is protected. The policy, at a minimum, should address:

- How staff will gather, record and store confidential information
- The consent process for the release of confidential information
- Standards contained in relevant state and federal laws including HIPAA compliance and HIV confidentiality statutes.
- Privacy standards related to data collection and use of participant information for program reporting
- Project sponsors must use a unique identifier for the client files that can be verified against a master list of UI codes during a site monitor visit. Client names must not be on the outside of a file.

### H. Records Retention

HOPWA-related program and financial reports and information, including client files must be kept for four years after the grant period ends.

### I. Fraud

Commission of fraud, bribery or any other corrupt or criminal acts by Project Sponsors will result in termination of the HOPWA grant. Per 24 CFR Part 85, the Department of Commerce may direct the Project Sponsor to reimburse the HOPWA program for costs inappropriately charged to the HOPWA program.

### J. Reports

The Project Sponsor is responsible for submitting required reports by the due dates.	DUE DATE
REPORT	
Request for Reimbursement	The 20 <sup>th</sup> day of the month following the month in which services were provided.
CAPER (for HOPWA Project Sponsors)	On date requested by Commerce
APR (for REACH Project Sponsors)	On date requested by Commerce

K. Monitoring

The Department of Commerce will monitor every Project Sponsor through a desk monitor once every two years and an on-site monitor every three years. Agencies will be given a minimum of four weeks notice and a copy of the monitoring tool will be made available before the review. Project Sponsors must monitor their subcontractors according to this same schedule.

L. Revised Guidelines

The Department of Commerce may issue revised or new guidelines at any time. These guidelines are considered part of the contract. All Project Sponsors will be sent revised copies as they are published.

M. Policies and Procedures

The following policies and procedures are required:

- Confidentiality
- Termination and Grievance
- Absence from Unit
- Re-examination of Client Eligibility
- Continuation of Assistance to Family Members after death of HOPWA Participant
- Collaboration with Housing Choice Voucher (Section 8)

Other policies may be added at any time. Copies of these policies or sample policies can be requested from Department of Commerce.

## Appendix A

### BVS Requirements

#### Consent to Review Information in the Benefits Verification System

- All household members must provide informed consent for lead/subgrantees to review confidential information in the Benefits Verification System (BVS) on the form **DSHS 14-012(x)(REV 02/2003)**. This form must be kept in the client file.

#### Benefits Verification System and eJAS Data Security Requirements

The words and phrases listed below, as used in this Contract, shall each have the following definitions:

- a. "CSD" means the Community Services Division of the Economic Services Administration within DSHS.
- b. "Data" means the information that is disclosed or exchanged as described by this Contract and includes all Data defined in the term Confidential Information.
- c. "Data Provider" means the entity that is disclosing their Data for use by the Data Recipient for completion of this Contract.
- d. "Data Recipient" means the entity that is receiving the Data from the Data Provider for purposes of completion of this Contract.

#### 1. **Purpose.**

The purpose of this Contract is to:

- a. Allow the Contractor's Housing Program Providers access to the Benefit Verification System (BVS) Housing Profile to verify public assistance eligibility and improve access to housing assistance for recipients of CSD programs.

The housing assistance programs include, but are not limited to:

- Emergency Solutions Grant (ESG)
- Consolidated Homeless Grant (CHG)
- Independent Youth Housing Program (IYHP)
- Shelter to Housing Program (SHP)
- Tenant-Based Rental Assistance (TBRA)
- Housing for Persons with HIV/AIDS (HOPWA)

**2. Statement of Work**

The Contractor shall provide the services and staff, and otherwise do all things necessary for, or incidental to the performance of work as set forth below:

- a. The Contractor will work with the DSHS contact listed on page one (1) of this Contract to ensure personnel who specifically require access to the Data in the performance of their assigned duties, are granted access to the appropriate BVS Housing Profile in accordance with the terms and conditions of this Contract.

**3. Consideration**

- a. DSHS will provide the information under this Contract at no charge to the Contractor.
- b. Each party to this Contract shall be responsible for any expenses incurred in providing or receiving the Data.

This includes any costs for hardware/software upgrades, and costs to improve any systems or processors that will enable the Contractor to access the Data.

- c. In exchange for the receipt of Data, the Contractor agrees to abide by the Terms and Conditions in this Contract.
- d. The Contractor shall be responsible for any charges for Data loss.

**4. Data Sharing.**

- a. Purpose:

(1) Activity for which the Data is needed:

To allow the Contractor's Housing Program Providers to verify public assistance eligibility, improve access to housing assistance for recipients of CSD programs, and improve HEN Referral program efforts.

- b. Description of Data

(1) Data Elements:

(a) The Housing Profile consists of the following BVS data elements:

- i. Client First Name
- ii. Client Middle Initial
- iii. Client Last Name
- iv. CSO, HCS, or HCA office
- v. Living Arrangement
- vi. Month of the Year (up to the past 12-months)
- vii. Program Type
- viii Household Number
- ix. DSHS Benefit
- x. Earned Income
- xi. Unearned Income
- xii. WorkFirst Sanction Amount
- xiii Intentional Overpayment Amount
- xiv. HEN Eligibility

(2) Time frames(s) for Data disclosure or exchange:

The duration of the Contract or as amended.

(3) Conditions under which, if any, that Data disclosed or exchanged can be linked to other data:

There are no conditions that permit linking of the Data with other data.

c. Data Access or Transfer

(1) Method.

(a) The Contractor shall access information via the DSHS BVS secure website.

(b) Access to this website requires the user to have an email address approved by DSHS. DSHS will provide the initial password and the strong password must be changed to a unique strong password.

(2) Requirement for Access.

(a) Access to data shall be limited to the Contractor, who specifically requires access to the Data to perform their assigned duties.

(b) The Contractor shall provide the DSHS Contact listed on page one (1) of this Contract, with the names, email addresses, and other contact information as required by DSHS, for all Contractor personnel requesting BVS access.

(c) The Contractor must report within one (1) business day to the DSHS Contact person listed on page one (1) of this Contract after receiving notice that any Contractor personnel with access to the Data is terminated from employment or when their job duties no longer require access to the Data.

(d) Prior to making Data available to their personnel, the Contractor shall notify all personnel of the use, confidentiality, and nondisclosure requirements.

(e) The Contractor shall complete and sign a DSHS Notice of Nondisclosure form and agree to adhere to the use and disclosure requirements before accessing the Data.

(f) The signed DSHS Notice of Nondisclosure forms shall be maintained by the Contractor and be submitted to DSHS upon request.

(3) Frequency of Exchange.

Daily Access

d. Limitations on Use of Data

(1) The Contractor will access client information specific only to the Contractor's caseload.

(2) CSD is the sole authority for any BVS system changes, suspension to BVS access, or BVS data enhancements.

(3) If the Data and analyses generated by the Data Recipient contain personal information about DSHS clients, any and all reports utilizing this Data shall be subject to review and

approval by the Data Provider prior to publication in any medium or presentation in any forum.

- (4) Any and all reports using confidential DSHS data must have all personal identifying information removed.

## 5. Confidentiality and Nondisclosure

- a. Both parties may use Personal information and other information or Data gained by reason of this Contract only for the purposes of this Contract.
- b. Neither party shall disclose, transfer, or sell any such information to any party, except as provided by law or, in the case of Personal information, without the prior written consent of the person to whom the Personal information pertains.
- c. The Data to be shared under this Contract is confidential in nature and is subject to state and federal confidentiality requirement that bind the Contractor to protect the confidentiality of the personal information contained in Economic Services Administration data. The Contractor may use personal data and other data gained by reason of this Contract only for the purpose of this Contract.
- d. The Contractor shall maintain the confidentiality of personal data in accordance with state and federal laws, and shall have adequate policies and procedures in place to ensure compliance with confidentiality requirements, including restrictions on re-disclosure. The Contractor agrees to keep client information according to DSHS policy and procedures.
- e. Neither party shall link the Data with Personal information or individually identifiable data from any other source, nor re-disclose or duplicate the Data unless specifically authorized to do so in this Contract or by the prior written consent of the other party.
- f. The Contractor shall take reasonable precautions to secure against unauthorized physical and electronic access to client data, which shall be protected in a manner that prevents unauthorized persons, including the general public, from retrieving data by means of computer, remote terminal, or other means.
- g. Contract Suspension:

DSHS may take certain actions in the event the Contractor is investigated by a local, county, state, or federal agency, for a matter which DSHS determines may adversely affect the access to or use of, Data provided under this Contract. DSHS May, without prior notice, suspend the access to or use of Data, and disallow the person(s) involved in the allegation(s) from providing services or having contact with clients pending final resolution of the investigation.

## 6. Disputes

Either party may submit a request for resolution of a Contract dispute (rates set by law, regulation, or DSHS policy are not disputable). The requesting party shall submit a written statement identifying the issue(s) in dispute and the relative positions of the parties. A request for a dispute resolution must include the Contractor's name, address, and Contract number, and be mailed to the address listed below within thirty (30) calendar days after the party could reasonably be expected to have knowledge of the issue in dispute.

DSHS/Community Services Division/Attn: Contracts Unit  
PO Box 45440  
Olympia, WA 98504-5440

All other terms and conditions of this Contract remain in full force and effect.



## Appendix B

### Other HOPWA Project Sponsor Requirements

A HOPWA Project Sponsor shall:

- Meet the definition of an applicant which means any unit of general local government or public or private nonprofit organization.
- Possess management capability to administer subcontracts with one or more local agency providers of HOPWA eligible housing and services;
- Have established internal control and fiscal accounting procedures to assure the proper disbursement of, and accounting for, all contracted funds;
- Be able to comply with all federal and state nondiscrimination laws, including, but not limited to chapter 49.60 RCW, Washington's Law Against Discrimination, and 42 U.S.C. 12101 et seq, the Americans with Disabilities Act (ADA); and
- Submit a signed Project Sponsor Certification of Eligibility and Assurances.

Furthermore, a Project Sponsor shall:

- Facilitate the application, planning and proposed allocation of HOPWA funds in collaboration with organizations in the region.
- Distribute HOPWA funds to all participating organizations in accordance with Commerce's grant terms and conditions. If using an advance process, this includes distributing advances to participating programs and/or vendors within seven (7) working days of receipt of funds from Commerce. Supporting documentation must also be submitted for expenditures by the last day of the month following the month in which the expenditure occurred.
- Ensure that all participating organizations can meet the requirements and assurances set forth in the special and general terms and conditions of the HOPWA contract.
- Enter into written subrecipient agreements with participating organizations.
- Collect all required reporting forms and information from subrecipients and submit them to Commerce within specified timeframes.
- Monitor the activities of subrecipients to ensure timely and proper use of HOPWA funds.
- Offer technical assistance or refer subcontractor to an appropriate resource for technical assistance when needed.