



Department of Commerce

Guidelines

FOR THE

Housing Opportunities for Persons with AIDS (HOPWA)

Effective January 1, 2018

Formula Grants

July 1, 2015 — June 30, 2018

Competitive Grants

January 1, 2015 — May 31, 2018

Contents

1	Program Overview	4
2	Eligible Households	4
2.1	Documentation of Household Eligibility	4
2.1.1	HIV/AIDS Diagnosis Documentation	4
2.1.2	Income Documentation.....	5
2.1.3	Other Documentation	6
3	Housing Assistance.....	6
3.1	Rental Agreements and Leases	6
3.2	Tenant Based Rental Assistance (TBRA)	7
3.2.1	Rent Standard.....	7
3.2.2	Tenant Rent Share Calculation	7
3.2.3	Reasonable Rent.....	8
3.2.4	Housing Inspections	8
3.2.5	Collaboration with Housing Choice Voucher	9
3.3	Short-Term Rent, Mortgage, and Utility Assistance (STRMU)	9
3.3.1	STRMU Eligible Activities.....	10
3.3.2	Household Eligibility for STRMU	10
3.3.3	STRMU Limits	11
3.3.4	Evidence of Responsibility for Debt	11
3.3.5	STRMU and Other Rental Assistance	12
3.4	Facility-Based Housing	12
3.5	Permanent Housing Placement	12
3.6	Housing Plan.....	13
3.7	Manufactured Housing	13
4	Supportive Services.....	13
5	Housing Information Services.....	15
6	Termination and Grievance Pocess.....	15
7	Requirements and Administration.....	16
7.1	Billing Procedures	16
7.2	Project Sponsor Administration.....	16
7.2.1	Unallowable Costs	17

7.3	Program Costs	17
7.4	Repayments	18
7.5	Unexpended Funds (Formula funds only).....	18
7.6	Confidentiality.....	18
7.7	Records Retention.....	19
7.8	Fraud	19
7.9	Reports.....	19
7.10	Monitoring	19
7.11	Policies and Procedures	19
7.12	Subgranting	20
7.12.1	Subgrantee Risk Assessment and Monitoring.....	20
8	Appendix A - BVS Requirements.....	21
9	Appendix B – Rent Reasonableness	26
10	Appendix C – Reasonable Accommodations	29
11	Appendix D – Lead-Based Paint	31

1 Program Overview

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 (Commerce) 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 Commerce and the Department of Housing and Urban Development (HUD) Number WA-H140012.

"Project Sponsor" refers to grant recipients under contract with Commerce, and (STRMU) is Short Term Rental, Mortgage, and Utility.

HOPWA REACH (Regionally Assisted Collaborative Housing) will be referred to as HOPWA competitive grants throughout this document.

2 Eligible Households

Households eligible to receive assistance under HOPWA must be:

- Diagnosed with HIV/AIDS or related diseases
- Low income ($\leq 80\%$ of area median income, by household)

2.1 Documentation of Household Eligibility

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

- Evidence of an HIV/AIDS diagnosis and evidence
- Evidence that household income is at or below 80 percent Area Median Income

2.1.1 HIV/AIDS Diagnosis Documentation

Project Sponsors must have a signed statement from the household's health care professional on official letterhead of the organization with the following:

- Name of the household member with an HIV+ diagnosis
- Date of diagnosis
- Name and signature of the health professional

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 household'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 household's documentation is authentic before approving the household to receive HOPWA services. In addition, within 30 days of acceptance to the HOPWA program, the household must submit verification of diagnosis from a local healthcare professional within the Project Sponsors' HOPWA coverage area.

2.1.2 Income Documentation

Project Sponsors must document household income as at or below 80 percent of Area Median Income.

HUD Income Limits are published on the HUD website at <https://www.huduser.gov/portal/datasets/il.html>

Documentation must be obtained and verified for each household prior to the provision of any HOPWA assistance, and must be kept on file. In cases where a household member reports income, but refuses to produce documentation of income, the household must be determined ineligible for assistance. If a household reports zero income, the file must contain a zero-income affidavit. Self-declaration should only be used as a last resort and every attempt made to verify the household has no other income.

Documentation can include:

- Copies of pay stubs
- Social Security payment statements
- Personal grant award letters
- Print-out from the DSHS Benefits Verification System (BVS)

HUD considers regular and reoccurring gifts or contributions to be counted as income and should be considered so in determining income eligibility.

Income Recertification

Household income eligibility must be recertified annually.

Additional Documentation for TBRA or STRMU

Households with zero income who are applying for TBRA or STRMU assistance must also 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.

2.1.3 Other Documentation

The following documentation must be collected prior to providing services:

- Complete and signed application for HOPWA assistance
- Current signed release of information forms
- HIV+ Status Verification
- Documentation and verification of need, including appropriate documents, i.e., eviction notices, delinquency of mortgage, utility payment notices, etc., and explanation of why the household cannot pay (*Short-Term Rent, Mortgage, and Utility assistance only*)
- HUD Housing Quality Standards or HOPWA Habitability Standards inspection (*for Tenant-Based Rent Assistance only*)
- Reasonable rent certification (*For Tenant-Based Rent Assistance only*)
- Unit inspections, if applicable
- Income updates as needed based on change in household 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

3 Housing Assistance

Payments for housing assistance must be directly paid to the landlord, property owner, or mortgage company.

Tenants may not be charged any other program fees beyond the calculated rental share except for application screening fees for new households, and late fees on delinquent rent payments.

3.1 Rental Agreements and Leases

Rental agreements or leases between a landlord and household must be in effect when Tenant Based Rental Assistance (TBRA), (STRMU), or Housing Placement assistance is provided.

At a minimum, the lease or rental agreement between the household and the landlord must contain the following elements and be kept in the household file:

- Name of tenant and occupants
- Utility responsibilities

- Name of landlord
- Address of rental property
- Occupancy (who gets to live at the rental)
- Terms of agreement (lease start and end date)
- Rent rate and date due
- Deposits (if any and what for/term)
- Signature of tenant/date
- Signature of landlord/date

Reasonable Accommodations

Generally, recipients of HOPWA are prohibited from renting from a family member of the participating household. Exceptions may be approved if the unit would provide a reasonable accommodation for a household member with disabilities. See [Appendix C – Reasonable Accommodations](#) for more detail.

3.2 Tenant Based Rental Assistance (TBRA)

Tenant-Based Rental Assistance (TBRA) is a rental subsidy that helps make up the difference between what a renter can afford to pay and actual rent for a home.

3.2.1 Rent Standard

Project Sponsors are responsible for establishing a rent standard as specified in [24 CFR 574.320 \(a\)\(2\)](#). Project Sponsors may use HUD's published Fair Market Rent (FMR) schedules OR the local Public Housing Authority's (PHA) Housing Choice Voucher payment standard. HUD allows PHAs to set the Housing Choice Voucher payment standard between 90 percent and 110 percent of FMR.

Project Sponsors using FMR as the rent standard may increase the rent standard by up to 110 percent of FMR, on a unit-by-unit basis, but may do so for no more than 20 percent of HOPWA households served.

Current FMRs are published on the HUD website at <http://www.huduser.org/portal/datasets/fmr.html>

3.2.2 Tenant Rent Share Calculation

Project Sponsors must use the HUD Income and Resident Rent Calculation Worksheet or equivalent in determining household annual income and monthly rent share. The worksheet can be found on the Commerce [HOPWA webpage](#).

Tenant Rent Share

Households with income that are receiving rental assistance or residing in any rental housing assisted with HOPWA funds must pay a share of monthly rent as described below.

The tenant rent share, including utilities, must be the higher of:

- 30 percent of household's monthly adjusted income (typical adjustments include allowance for dependents, medical expenses, child care expenses in certain cases)

OR

- 10 percent of household's monthly gross income.

Income Deductions

Households may be eligible for special deductions or exclusions, such as the Earned Income Disregard, childcare deduction, or 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.

For more detail regarding the deductions households may be eligible for, see Chapter 4 of the HUD [HOPWA Rental Assistance Guidebook](#).

Recalculation of Rent

Rents must be recalculated as needed, based on changes in household income and should be reviewed regardless, at least annually.

Utilities and Utility Allowances

If households pay utilities out-of-pocket, rents must include a utility allowance. Use the utility schedule provided by the local housing authority. In cases where a utility allowance credit results in a negative number, project sponsors must refund the negative balance either directly to the household OR to the utility company.

Households may NOT pay out of pocket the difference between the FMR/Payment Standard and the actual rent.

3.2.3 Reasonable Rent

Project Sponsors must ensure that the rents being charged for the assisted units are reasonable, as described in the HOPWA regulations [24 CFR 574.320 \(a\)\(3\)](#). Rent reasonableness is conducted to ensure that rent charged for a unit is comparable to similar units in the private unassisted market. See [Appendix B – Rent Reasonableness](#)

3.2.4 Housing Inspections

All units must be inspected prior to the start of subsidy payments and they must be re-inspected annually.

Inspections can be based on HUD Housing Quality Standards (HQS) or HOPWA Habitability Standards as described in the HOPWA regulations [24 CFR 574.310\(b\)](#).

Inspection findings must be documented using HUD-52580-A HQS inspection checklist or equivalent format and kept in the household file.

Lead-Based Paint Inspections

For a guide to compliance see [Appendix D – Lead-Based Paint](#)

3.2.5 Collaboration with Housing Choice Voucher

All HOPWA TBRA households should also apply for the Housing Choice Voucher (“Section 8”) Program. Project Sponsor policy must state that failure of an eligible household to accept a Housing Choice Voucher when offered may result in termination of HOPWA assistance. Project Sponsors should work closely with the household to ensure the household’s needs are being met. If accepting a Housing Choice Voucher would place undue burden on the household, the Project Sponsor in consultation with the Commerce HOPWA Grant Manager, may waive the requirement in special circumstances. Special circumstances may include but are not limited to:

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

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

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

STRMU provides emergency short-term assistance that helps maintain stable living environments for households who are experiencing a financial crisis, and may face homelessness. The assistance should provide a bridge to more permanent housing solutions if possible.

STRMU is a homeless prevention intervention and is intended to improve access to health care and other supportive services. STRMU assistance 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 in any 52-week period. STRMU funds can be used to pay past-due and ongoing rent payments, mortgage payments, and/or 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 Needs

- 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 household composition changes
- Applicant’s household faces eviction, foreclosure, or utility shut-off
- Applicant faces extraordinary and unexpected health care costs

3.3.1 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 may not be used for move-in costs (see Permanent Housing Placement). Households 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 households must self-certify that there is a working smoke detector in the residence. The self-certification must be signed and included in the household's case file.

Lead-based paint requirements apply, see Appendix D.

3.3.2 Household Eligibility for STRMU

Documentation requirements for STRMU assistance:

- Documentation of HOPWA eligibility (Section 2.1)
- Evidence of tenancy, ownership, or residency:
 - Lease naming the tenant as the leaseholder or eligible household occupant.
 - Default/late payment notice that identifies eligible client, or a resident member of the family, as a named tenant under the lease.
 - A deed accompanied by a mortgage or deed of trust.
 - mortgage or deed of trust default/late payment notice which identifies the eligible client or resident member of a family as the property owner/debtor.
- Evidence of need (See [Evidence of Responsibility for Debt](#)):
 - 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 household 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 household and Project Sponsor to

assist in maintaining housing stability in the longer term, **even if the household only accesses STRMU once.**

3.3.3 STRMU Limits

STRMU payments are limited to a maximum of 21 weeks during any 52-week period and are not intended to provide continuous assistance. Project sponsors can define a year in one of three ways and the method selected should be used consistently for all households across the region:

- 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.

Household client files must have a tracking sheet documenting the number of weeks assistance is provided.

3.3.4 Evidence of Responsibility for Debt

For Short-Term Rent, Mortgage, and Utility assistance, the household 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 household 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 household as the property owner/debtor
- A title insurance policy identifying the household as the property owner/debtor
- Copies of money orders or cancelled checks evidencing payment of rent or utility bills for a particular account

3.3.5 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.

3.4 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.

A facility-based housing program providing community meals as a 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.

3.5 Permanent Housing Placement

Permanent Housing Placement (PHP) expenses should be charged to the Permanent Housing Placement budget category.

PHP costs can include application fees, related credit checks, and reasonable security deposits necessary to move households 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 to the Project Sponsor 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.

Recovery of Deposits

- Security deposits are program funds that must be returned to the program when the assisted tenant leaves the unit.
- Programs must maintain a record of all security deposits.
- Good faith effort must be made to recover program funds upon the departure of the beneficiary from the unit.

3.6 Housing Plan

Households must have a housing stability plan. Effective housing stability plans clearly link barriers to obtaining or maintaining stable housing to the action items that overcome barriers. Action items should be customized and specific to the household. Regular and frequent progress updates should be made to the plan itself or noted in household file case notes.

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 plans should detail the household's and Project Sponsor's roles.

HOPWA assistance is not considered permanent housing. Moving households to a permanent situation should be considered in the housing plan.

3.7 Manufactured Housing

Manufactured homes and/or home sites are eligible under tenant-based rental assistance, STRMU, and Permanent Housing Placement activities. For details of assisting households in manufactured housing, see Chapter 4 of the HUD [HOPWA Grantee Oversight Resource Guide](#).

4 Supportive Services

Appropriate supportive services must be made available to persons receiving housing and must be optional for the household. Payment for such additional services may not be a condition of residency. The primary goal of HOPWA is to provide housing assistance to eligible households to ensure housing stability. In general, the emphasis of HOPWA 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/household 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 household members and drug payments may not be made in substitution for ADAP payments)
- Some legal services
- Life skills management
- Meals/nutritional services (no gift cards or grocery vouchers)
- Mental health services
- Outreach
- Transportation (no car repairs or gas vouchers)

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

Health Services

HOPWA regulations and additional HUD guidance place strong limitations on the direct use of HOPWA for health-related expenses.

The limitations are:

- Health services can only be provided to persons living with HIV or AIDS (24 CFR 574.300b(7)).
- Payments for health services may not be made to the extent that payment can come from another public or private source (24 CFR 574.310a(2)).
- Payments may not be made in substitution for AIDS Drug Assistance Program (ADAP) payments.
- Any health services to be paid by HOPWA must be approved directly by HUD.
- Health-related payments can only be considered for approval on a case-by-case basis.
- Organizations must document reasonable efforts to qualify beneficiaries for available types of health care support, including health insurance and other programs.

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 household'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 household 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 household file.

Nutritional Services

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 Services.

Another Supportive Service activity is to purchase “access slots” from a food bank/pantry that households can use for emergency nutritional needs, as long as you are sure the food bags provided contain sufficient nutritional items. Households 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 Competitive Grants, Supportive Services are limited to 35 percent of the grant total.

5 Housing Information Services

Housing Information Services expenses should be billed to the Housing Information Services budget category.

Housing information services include, but are 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 may be considered housing support, they are not considered rental assistance and should be tracked, reported, and billed separately.

6 Termination and Grievance Process

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 household's eligibility to receive services.

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 household members. The sponsor should establish a reasonable grace period of continued assistance to surviving household members, not to exceed one year, beginning from the date of the participant's death.

7 Requirements and Administration

7.1 Billing Procedures

Project Sponsors must bill Commerce on a monthly basis for reimbursement of allowable, actual costs using the Commerce Online Invoicing System no later than the 20th of the month following the service month. The HOPWA Monthly Invoice Report must be attached to each invoice submitted. The form can be found on the [Commerce HOPWA webpage](#). 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.

7.2 Project Sponsor Administration

Project Sponsors may spend up to 57 per cent of their HOPWA award on Administrative costs. Allowable administrative costs benefit the organization as a whole and cannot be attributed specifically to a particular program or to the homeless crisis response system. Administrative costs may include the same types of expenses that are listed in program operations (such as IT staff and office supplies), in the case that these costs are benefiting the agency as a whole and are not attributed to a particular program or the homeless system. Administrative costs may include, but are not limited to, the following:

- Executive director salary and benefits.
- General organization insurance.
- Organization wide audits.
- Board expenses.
- Organization-wide membership fees and dues.
- General agency facilities costs (including those associated with executive positions) such as

rent, depreciation expenses, and operations and maintenance.

All amounts billed to administration must be supported by actual costs. If actual costs exceed the budgeted limit, they may be charged in equal monthly amounts. These costs must be charged to grant cost centers by one of the following three methods:

- Billed directly such as IT services that are billed by the hour.
- Shared costs that are allocated directly by means of a cost allocation plan.
- Costs related to executive personnel such that a direct relationship between the cost and the benefit cannot be established must be charged indirectly by use of an indirect cost rate which has been appropriately negotiated with an approved cognizant agency or by use of the 10 percent de minimus rate.

7.2.1 Unallowable Costs

- Entertainment costs, including social activities and directly associated costs such as food at staff meetings or trainings
- Contributions
- Fines or penalties
- Lobbying costs

7.3 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 be tracked, billed, and reported as part of that housing activity expense. Time sheets must reflect the actual time spent with households.

For more information, please refer to the HOPWA [Financial Management Training Manual](#).

Budget Revisions

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

- The Project Sponsor may make budget revisions of up to 10 percent 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 grant amount. A description of the budget change(s), including the amount(s) transferred, must be submitted to Commerce prior to submitting expenditure reports reflecting the revisions.

- Budget revisions exceeding 10 percent of the total grant amount require a grant amendment. Requests must be submitted to, and approved by, Commerce before the Project Sponsor 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.

7.4 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 Commerce.

7.5 Unexpended Funds (Formula funds only)

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

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 the 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
- The extent to which the applicant can demonstrate the ability to use the funds promptly.

7.6 Confidentiality

Project Sponsors must ensure the confidentiality of the identity of any person receiving HOPWA assistance. Personal participant eligibility documentation must only be accessible to Commerce and the Project Sponsor. HOPWA household 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 household files that can be verified against a master list of UI codes during a site monitor visit. Household names must not be on the outside of a file.

7.7 Records Retention

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

7.8 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, Commerce may direct the Project Sponsor to reimburse the HOPWA program for costs inappropriately charged to the HOPWA program.

7.9 Reports

The Project Sponsor is responsible for submitting required reports by the due dates:

REPORT	DUE DATE
Request for Reimbursement	The 20 th 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

7.10 Monitoring

Commerce will monitor every Project Sponsor on a schedule determined from the results of a grant risk assessment. Monitoring may be on-site or remote.

Project Sponsors must have monitoring plans for sub-recipients based on a risk assessment.

7.11 Policies and Procedures

The following policies and procedures are required:

- Confidentiality
- Termination and Grievance
- Absence from Unit
- Re-certification of Household Eligibility
- Continuation of Assistance to Household Members after death of HOPWA Participant
- Collaboration with Housing Choice Voucher (Section 8)
- Rent Reasonableness assessment methodology and frequency

7.12 Subgranting

Project Sponsors must enter into written subgrantee agreements with participating organizations if electing to sub-grant any part of the HOPWA funds. In addition, all subgrantee agreements must be time-limited and have defined roles and responsibilities for each party, and detailed budgets. Commerce reserves the right to directly contact subgrantees at any time for data quality, monitoring, fiscal and other issues. Project Sponsors must pass along all Commerce terms and conditions in the written subgrantee agreements.

Project Sponsors must:

- Provide Commerce with copies of sub-grant agreements (upon request) and notify Commerce if sub-grants are terminated during the grant period.
- Notify Commerce of any changes in selection of subgrantees funded with HOPWA, or changes in the activities of those subgrantees.
- Ensure that all participating organizations can meet the requirements and assurances set forth in the special and general terms and conditions of the HOPWA Grant.

7.12.1 Subgrantee Risk Assessment and Monitoring

Project Sponsors are responsible for ensuring subgrantee compliance with all requirements identified in the HOPWA guidelines. The Project Sponsor must conduct a risk assessment and develop a monitoring plan for each subgrantee. The risk assessment must inform the monitoring plan for each subgrantee. Monitoring plans must include monitoring dates, the type of monitoring (remote, on-site), and the program requirements being reviewed.

The Project Sponsor must maintain policies and procedures that guide the risk assessment, monitoring activities, and monitoring frequency.

Commerce reserves the right to require Project Sponsors to undertake special reviews when an audit or other emerging issue demands prompt intervention and/or investigation.

8 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 household file.

Benefits Verification System and eJAS Data Security Requirements

The words and phrases listed below, as used in the HOPWA grant, 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 the HOPWA grant 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 grant.
- d) "Data Recipient" means the entity that is receiving the Data from the Data Provider for purposes of completion of the HOPWA grant.

1. Purpose

The purpose of the HOPWA grant is to:

- a. Allow the Grantee'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 Grantee 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 Grantee will work with the DSHS contact listed on page one (1) of the HOPWA grant 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 the HOPWA grant.

3. Consideration

- a. DSHS will provide the information under the HOPWA grant at no charge to the Grantee.
- b. Each party to the HOPWA grant 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 Grantee to access the Data.
- c. In exchange for the receipt of Data, the Grantee agrees to abide by the Terms and Conditions in the HOPWA grant.
- d. The Grantee 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 Grantee'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. Household First Name
- ii. Household Middle Initial
- iii. Household 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 Grant 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 Grantee 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 Grantee, who specifically requires access to the Data to perform their assigned duties.
- (b) The Grantee shall provide the DSHS Contact listed on page one (1) of this Grant, with the names, email addresses, and other contact information as required by DSHS for all Grantee personnel requesting BVS access.
- (c) The Grantee must report within one (1) business day to the DSHS Contact person listed on page one (1) of the HOPWA grant after receiving notice that any Grantee 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 Grantee shall notify all personnel of the use, confidentiality, and nondisclosure requirements.
- (e) The Grantee 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 Grantee and be submitted to DSHS upon request.

(3) Frequency of Exchange

Daily Access

d. Limitations on Use of Data

- (1) The Grantee will access household information specific only to the Grantee'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 households, 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 the HOPWA grant only for the purposes of the HOPWA grant.
- 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 the HOPWA grant is confidential in nature and is subject to state and federal confidentiality requirement that bind the Grantee to protect the confidentiality of the personal information contained in Economic Services Administration data. The Grantee may use personal data and other data gained by reason of the HOPWA grant only for the purpose of the HOPWA grant.
- d. The Grantee 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 Grantee agrees to keep household 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 the HOPWA grant or by the prior written consent of the other party.
- f. The Grantee shall take reasonable precautions to secure against unauthorized physical and electronic access to household 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. Grant Suspension:

DSHS may take certain actions in the event the Grantee 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 the HOPWA grant. 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 households 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 Grantee's name, address, and Grant 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 Grant remain in full force and effect.

9 Appendix B – Rent Reasonableness

When to Conduct a Rent Reasonableness Assessment

Program staff are required to assess rent reasonableness of a unit:

- Before entering into an agreement with a landlord
- Before increasing the rent to a landlord
- When FMR *decreases* by 5 percent or more from the previous year's FMR.

Determining Rent Reasonableness

HOPWA Project Sponsors must establish and maintain a policy and procedure for determining rent reasonableness. Program staff must document the rent reasonableness assessment in the household file. The Commerce Rent Reasonableness form must be used for this assessment, and can be found on the Commerce [HOPWA webpage](#).

Determining Rent Reasonableness

Program staff should not assume that if the rent of an assisted unit is within the established rent standard (usually FMR) that the unit's rent is reasonable. It is possible that a unit may be within the rent standard established by the Project Sponsor and still not be reasonable.

Program staff must document for each unit that a reasonable rent is being charged compared to other units in the private market and must verify, if applicable, that the rent of a unit is reasonable compared to the rent of other comparable unassisted units owned by the same landlord. There are two acceptable methods for determining rent reasonableness:

- **Using a market study.** A market study conducted by a local Public Housing Agency (PHA) or other entity in conducting their rent reasonableness assessment may be used. In some cases, HOPWA grantees and Project Sponsors have worked in partnership with their local PHA to gain access to rent reasonableness assessments conducted by, or for, the PHA. Such information can provide the necessary data needed to complete the rent reasonableness assessment in the household file.
- **Review of comparable units.** A grantee or project sponsor may also choose to conduct their own periodic review of comparable units (performed quarterly at a minimum). This is usually the best option for smaller programs or for programs that serve a large or varied geographic region that may be different than any one PHA. A review of rent reasonableness can often be completed during the HOPWA habitability standards review. The rental assistance program should develop clear policies detailing how the reviews will be completed. The policies should include resources regarding factors to consider when comparing units, finding comparable units, and methods of documentation. The periodic market study can provide the necessary data needed to complete the rent reasonableness assessment in the household file.

Comparison factors. Factors to consider in conducting the assessment, include the following:

- Location of the unit: in what neighborhood is the unit located? What are the distances to public transportation, shopping, work, and other services?
- Size of unit: how many bedrooms does the unit have?
- Type of unit: is the unit attached or unattached? Is it in a large or small complex?
- Age of unit: when was the unit built?
- Utilities: which utilities, if any, are included in the rent of the unit?

These first five factors are often the most important for determining variances in rent. The following factors usually do not create substantial differences in rent, although they are addressed in the lease and can affect how quickly a unit leases:

- Amenities: is a washer/dryer, dishwasher, or new carpet provided in the unit? Do tenants need to pay for washing clothes and linens?
- Housing services: are services provided to tenants?
- Maintenance: does the lease specify some form of tenant responsibility for maintenance of the unit (i.e. lawn care)?

Locating Units for Comparison

There are a variety of methods for locating units for comparison, including newspaper advertisements, internet sites (e.g., www.craigslist.org, www.rent.com), and apartment guides. Additionally, some communities have developed 211 systems that include affordable housing as a part of their listed services. Based on the factors discussed above, each unit should be reviewed with at least three other comparable units. When comparable units are not available, best efforts should be made to find similar units in other complexes or in similar geographic areas that are comparable to the location of the unit to be assisted.

Documenting the Comparison

The Commerce form must be used to document the rent reasonableness assessment, in each household file. The form addresses the factors listed above and compares the unit to be assisted to three other comparable units. The contract rent for the unit to be assisted should be at or below the contract rent of the three comparable units. If the unit rent is determined to be unreasonable, negotiations with the landlord to adjust the rent appropriately should be pursued, or rental assistance should not be provided for this unit.

In addition to ensuring the rent reasonableness of a unit compared to other private market units, program staff must ensure the rent of a unit is reasonable compared to the rent of other comparable unassisted units owned by the landlord. To meet this second reasonableness requirement, program staff must request certification from the landlord that the rent being charged for the assisted unit is comparable to rents charged for other comparable unassisted units owned by the landlord. The landlord should provide previous rent charged for the unit to be assisted, current rent charged by the landlord for comparable unassisted units, and estimated rent for a comparable unassisted unit, if the unit was vacant. If the requested rent is not reasonable,

meaning the rent is not comparable to rent charged for other comparable units owned by the landlord, assistance may not be provided for this unit unless an adjustment in the requested rent is made.

10 Appendix C – Reasonable Accommodations

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 household, unless the PHA determines that approving the unit would provide reasonable accommodation for a household member who is a person with disabilities.”

Because PWAs often rent from household 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 household must be obtained and maintained in the household file for documentation purposes. An inspection of the unit is also required.

Further, HOPWA prohibits renting a room, apartment, or home from a household member – whether the household member lives in the unit, or not. This also applies to renting from an unmarried partner who resides at the same residence. If a household lives with a household 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 household 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 Commerce. There is no limit to the number of reasonable accommodations that can be requested or granted; it depends on disability-related needs.

11 Appendix D – Lead-Based Paint

To prevent lead-poisoning in young children, Lead/Subgrantees must comply with the Lead-Based Paint Poisoning Prevention Act of 1973 and its applicable regulations found at 24 CFR 35, Parts A, B, M, and R.

Disclosure Requirements

For ALL properties constructed prior to 1978, landlords must provide tenants with:

- Disclosure form for rental properties disclosing the presence of known and unknown lead-based paint
- A copy of the “Protect Your Family from Lead in the Home” pamphlet

Both the disclosure form and pamphlet are available at:

<http://www.hud.gov/offices/lead/enforcement/disclosure.cfm>. It is recommended that rent assistance providers also share this information with their households.

Determining the Age of the Unit

Lead/Subgrantees should use formal public records, such as tax assessment records, to establish the age of a unit. These records are typically maintained by the state or county and will include the year built or age of the property. To find online, search for your county name with one of the following phrases:

- “property tax records”
- “property tax database”
- “real property sales”

Print the screenshot for the case file. If not available online, the information is public and can be requested from the local authorities.

Conducting a Visual Assessment

Visual assessments are required when:

- The leased property was constructed before 1978;

AND

- A child under the age of six or a pregnant woman will be living in the unit occupied by the household receiving HOPWA rent assistance.

A visual assessment must be conducted prior to providing HOPWA rent assistance to the unit and on an annual basis thereafter (as long as assistance is provided.) Lead/Subgrantees may choose to have their program staff complete the visual assessments or they may procure services from a contractor. Visual assessments must be conducted by a HUD-Certified Visual Assessor. Anyone

may become a HUD-Certified Visual Assessor by successfully completing a 20-minute online training on HUD's website at:

<http://www.hud.gov/offices/lead/training/visualassessment/h00101.htm>

If a visual assessment reveals problems with paint surfaces, Lead/Subgrantees cannot approve the unit for HOPWA assistance until the deteriorating paint has been repaired.

Lead/Subgrantees may wait until the repairs are completed or work with the household to locate a different (lead-safe) unit.

Locating a Certified Lead Professional and Further Training

To locate a certified lead professional in your area:

- Call your state government (health department, lead poison prevention program, or housing authority).
- Call the National Lead Information Center at 1-800-424-LEAD (5323).
- Go to the US Environmental Protection Agency website at <http://cfpub.epa.gov/flpp/> and click on "certified abatement/inspection firms."

Information on lead-based programs in Washington State can be found at

<http://www.commerce.wa.gov/building-infrastructure/housing/lead-based-paint/>.

For more information on the Federal Training and Certification Program for lead professionals, contact the National Lead Information Center (NLIC) at <http://www.epa.gov/lead/pubs/nlic.htm> or 1-800-424-LEAD to speak with an information specialist.

The Lead Safe Housing Rule as well as a HUD training module can be accessed at

http://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/enforcement/lshr