



HOPWA Office Hours

Clarification of Rent Standard Requirement for the Housing Opportunities for Persons
With AIDS (HOPWA) Program

August 4, 2022

2 pm – 3:30 pm EST

The Cloudburst Group



Presenters and Panelists

Presenters: The Cloudburst Group

Heather Rhoda, Subject Matter Expert

Steve Ellis, Senior Analyst

Panelists: HUD's Office of HIV Housing (OHH)

Amy Palilonis, Deputy Director

Lisa Steinhauer, Senior Program Specialist

Kate Briddell, Management Analyst

Agenda

This HOPWA office hours is intended to:

- Briefly summarize HOPWA rent standard requirements and [HOPWA Notice CPD-22-10: Clarification of Rent Standard Requirement for the Housing Opportunities for Persons With AIDS \(HOPWA\) Program](#)
- Provide additional information about the three rent standard options outlined in the notice
- Review HOPWA rent standard documentation requirements and next steps
- Answer frequently asked questions about the contents of the Notice and establishing rent standards.

Summary of the Rent Standard Notice



Summary of HOPWA Rent Standards

- HOPWA regulations require grantees to establish Rent Standards.
- These amounts, which include rent and utilities, set the limit of housing costs for unit sizes – ranging from efficiency to six-bedroom units.
- Rent standards are used along with Rent Reasonableness and the Resident Rent Payment to determine the maximum allowable subsidy.
- Rent reasonableness must still be conducted regardless of the rent standard methodology, even if the gross rent for the unit is equal to or below the rent standard.
- Updating your **HOPWA** rent standard **does not** require a waiver request!
 - Please follow specific program guidance for the CoC, YHDP, and ESG programs



Establishing a HOPWA Rent Standard

How to Establish a HOPWA Rent standard

The rent standard (unit rent plus utilities) for unit sizes from **efficiency (0-bedroom) to 6-bedrooms** shall be established **by the grantee** and shall be:

- The published section 8 fair market rent (FMR), **or**
- The HUD-approved community-wide exception rent (either the basic range, or the exception payment standard), **or**
- A rent standard proposed and justified by the grantee and approved by the local HUD field office.

Remember, even after setting rent standards, the grantee may increase the maximum rent allowed by up to 10 percent for up to 20 percent of the units assisted on a unit-by-unit basis.



Option 1: FMR as the HOPWA Rent Standard

- Grantees using the FMR or **all applicable** FMRs as their rent standard (if their service area includes multiple FMRs)
- FMRs for each unit size includes the rent for the unit plus the cost of tenant-paid utilities (not cable, television or internet)
- FMRs are published annually (usually around October of each year) at <https://www.huduser.gov/portal/datasets/fmr.html>
- This methodology does not require field office approval
 - However, if a grantee only wants to use **one** FMR for their service area which normally includes multiple FMRs, this **does** need Field Office approval

Option 2: HUD-Approved Community-Wide Exception Rent as the HOPWA Rent Standard

HOPWA grantees may adopt the Housing Choice Voucher (HCV) payment standard set by local Public Housing Agencies (PHAs) WHEN those amounts are set within the *basic range* or at an *exception payment standard* amount of the FMR.

Definitions:

- *Basic range* - PHAs may set their payment standard within the “basic range,” which is between 90 percent to 110 percent of the FMR without HUD approval
- *Exception payment standard* - A PHA may also set exception payment standards below 90 percent, or above 110 percent, of the FMR, for designated parts of the FMR area with HUD’s approval.

To use this option, Grantees must adopt **each** of the local PHAs payment standards within the grantee’s HOPWA service area

- The applicable HOPWA rent standard then applies based upon where a HOPWA assisted family wants to reside, not the service area of the project sponsor implementing HOPWA in a specific area.

Option 2: HUD-Approved Community-Wide Exception Rent as the HOPWA Rent Standard

The option to adopt the HCV payment standard described on the previous slide **do not** apply to using a PHA's payment standards if those amounts are set using Small-Area Fair Market Rents (SAFMRs).

- BUT using SAFMRS may be considered by grantees when developing/justifying a rent standard proposal. This will require field office approval.

Grantees **do not** need permission from its field office to use the community-wide exception rent as their rent standard unless:

- The PHA uses SAFMR for any portion of its payment standards, **or**
- The grantee wants to use only **one** of multiple PHA payment standards for their entire service area

Option 3: A Rent Standard Proposed and Justified by the Grantee and Approved by the Local HUD Field Office

This notice allows HOPWA grantees a third option, to propose and receive HUD approval for a rent standard outside of FMR or the HCV payment standard (basic range or the exception payment standard) set by the local PHA(s), such as:

- Adopt the HCV payment standard of **one of multiple PHAs** in the grantee's service area to apply as the rent standard throughout the service area (e.g., one standard for the eligible metropolitan statistical area or eligible state's service area).
- Small Area FMRs (SAFMRs) published by HUD.
- A mix of different methods (for example, FMR in part of a service area, community-wide exception rent in another part, and SAFMR rent in a third part of the service area)
- A rent standard based on the documented housing costs and the housing needs of low-income people living with HIV in the grantee's service area or a defined subset of that area, such as:
 - Defined percentage above or below the local PHA's HCV payment standard
 - Defined percentage above or below FMR
 - Previous HUD-issued FMR
 - Other



Option 3: A Rent Standard Proposed and Justified by the Grantee and Approved by the Local HUD Field Office

- Rent standard options which require FO review/approval, will only be approved in circumstances where grantees are able to document that other allowable options for establishing the rent standard do not provide eligible families a reasonable selection of decent, safe, and sanitary units.
- Grantees should direct such requests to the Community Planning and Development (CPD) Director of the HUD Field Office serving the grantee. CPD Field Office contact information is available online at: https://www.hud.gov/program_offices/comm_planning/staff.
- For more information on required documentation when needing to request field office approval, please review the July 6, 2022, webinar, [Clarification of Rent Standard Requirements for HOPWA](#)

Rent Standard Documentation Requirements – All Options

HOPWA grantees must:

- Document rent standards in program policies and procedures and have available for HUD review the method used to establish rent standard amounts.
- Identify rent standard amounts in project sponsor agreements
- Monitor project sponsors to ensure compliance with rent standard amounts for assisted units throughout its service area
- If you aren't using FMR, grantees must maintain documentation supporting their determination that use of the FMR would not provide families a reasonable selection of decent, safe, and sanitary units in a range of neighborhoods in the grantee's service area

Next Steps for Grantees

- Review the Notice **carefully**
- Review rental assistance budgets (both housing assistance payment costs and relevant overhead costs)
- Review the current number of households receiving assistance and applicable waitlists
- Review and assess community need to ensure rent standards are set to afford a range of housing options in different neighborhoods within your service area
 - Involve **both** your project sponsors and persons with lived expertise currently utilizing (or seeking to use) HOPWA rental assistance
- Review your service area housing stock/current portfolio of housing options (units where assistance is being utilized and where assistance is not being utilized and determine why)
- If field office approval is needed, submit all necessary information within 120 days from the publication of the Notice
- All grantees must be in compliance, as outlined by this notice, by October 27, 2022

Questions regarding the content of this Notice may be directed to HUD OHH's email address at HOPWA@hud.gov.



Frequently Asked Questions

Per HOPWA regulations, to which HOPWA funded activities do rent standards apply?

Rent standard regulatory requirements only apply to HOPWA Tenant-Based Rent Assistance (TBRA), Permanent and Transitional Housing Facility-Based Housing, and Master Leasing units.

What should be included in a rent standard?

Rent standards set the limit for housing costs (rent, including tenant-paid utilities) for units of different sizes, ranging from efficiency (0-bedroom) units to six-bedroom units

How do HOPWA rent standards effect the amount an assisted household must pay as rent?

HOPWA rent standards have no effect on the amount of rent paid by an assisted household. An assisted household's portion of rent is based on income only.

In summary, HOPWA resident rent requirements state that except for persons in short-term supported housing, each person receiving rental assistance or residing in any rental housing must pay as rent, including utilities, an amount which is the higher of:

1. 30 percent of the family's monthly adjusted income
2. 10 percent of the family's monthly gross income; or
3. Welfare rent

Households cannot be required to nor voluntarily choose to pay a portion of rent higher than 30% adjusted monthly income, 10% gross monthly income or the welfare rent.

Which rent standards options do not require Field Office approval?

Field Office approval is not required when a grantee chooses to:

- Establish its payment standard using all the Fair Market Rent amounts associated with its service area, **or**
- Establish its payment standards using each of the PHA's HCV payment standards that are set within the basic range (90% to 110% of the FMR) or exception payment standards (below 90 percent or above 110 percent of the FMR) associated with its service area
 - Remember this does not apply if a PHA has set any of its payment standard amounts using SAFMRs.

NOTE: If your PHA uses FMR as their payment standard (so both above options are the same), any grantee choosing to use a different methodology must seek field office approval for their rent standard.

What rent standard options require Field Office approval?

All other options require Field Office approval, which include:

1. Use the HCV payment standard of one of multiple PHA payment standards to serve as the HOPWA rent standard throughout the entire service area
 - Unless there is ONLY one PHA located in the grantee's entire service area
2. SAFMRs published by HUD
3. Grantee-defined rent standard based on the documented community housing costs and/or housing needs of low-income people living with HIV in the grantee's service area, including:
 - Defined percentage range above or below the local PHA's HCV payment standard amount(s)
 - Defined percentage range above or below FMR
 - Previous HUD-issued FMR
 - Other options (e.g., this might include rent standard set using a combination of amounts that otherwise require Field Office approval)

What are some ways to obtain information about or a copy of PHA payment standard schedules?

Many PHA's post HCV payment standards on their website – those could be downloaded and printed for reference.

In other cases, you may need to contact the PHA directly – we recommend HOPWA Grantee program management level staff contact PHA management level staff.

You may also contact your local HUD Field Office for assistance with obtaining PHA payment standard schedules.

Can we use rent reasonableness as our rent standard?

No. HOPWA regulations require that all units meet the rent standard AND meet rent reasonableness, and this notice does not waive HOPWA regulations requiring grantees to establish rent standards.

How long is the HUD Field Office approval process?

The Notice does not provide a time frame for how long an approval will take, but the goal is for relatively quick approval if the grantee submits all necessary information.

Remember, if your rent standard option requires field office approval, you cannot implement that requested community-wide exception rent standard until it is approved by the field office.

If our HOPWA rent standard requires Field Office approval, do we need to seek re-approval each year?

No. For rent standards requiring field office approval, annual approval is not required, assuming you continue to use the same rent standard method previously approved. The only time a grantee will need to seek re-approval is if a grantee wants to change the previously approved method.

For example, if grantee is approved for Small Area Fair Market Rents and decides they would like to change their rent standard to 150% of the FMR, this change requires re-approval.

Once we've established rent standards for our HOPWA program, when do we need to update those amounts?

Grantees should reassess rent standard amounts annually and adjust (decrease or increase amounts) if necessary to correspond to HUD's annual updates to the FMRs or the SAFMR (if approved by local FO), which usually occurs in the fall. If the FMR/SAFMR amounts requires changing rent standards, those amounts should be adjusted within 90 days following the release of the new FMRs/SAFMRs.

This also applies if a grantee is using the local PHA payment standard schedule (baseline or exception payment standard) as the HOPWA rent standard. Grantees should reassess the rent standard amount annually and adjust if necessary to correspond to local PHA payment standards.

Grantees should have written policies and procedures detailing the process and timing for implementing rent standard adjustments, including for families in HOPWA-assisted units under existing leases at the time of the adjustment.

Scenario

HOPWA Community-Wide Exception Rent Standard

Port Landing is a HOPWA grantee, and its service area covers 10 counties. Across the 10 counties, there are a total of three PHAs. Port Landing would like to adopt as its rent standards the payment standards for all three PHAs. Upon review of each PHA's payment standard schedule, Port Landing found the following information:

- Happy PHA payment standard amounts are **set at 110% of the FMR**
- Joyful PHA payment standard amounts are **set at a combination of 120% of the FMR and the SAFMR**
- Laughing PHA payment standard amounts are **set at 120% of the FMR**

Question: Does the grantee need to approval from its Field Office to use any of the PHA payment standards listed above?

Answer:

Yes, Port Landing must obtain approval from its Field Office to use Joyful PHA's payment standard amounts because the PHA includes SAFMRs as part of its payment standard schedule.

Scenario

HOPWA Community-Wide Exception Rent Standard

Port Landing is a HOPWA grantee, and its service area includes three PHAs. Port Landing was hoping to adopt the local PHA payment standards set within the baseline at 110% of the FMR. But upon further review of the PHA payment standard amounts, Port Landing noticed that each payment standard is set within the baseline at 100% of the FMR (not at 110% of the FMR).

Question: Does Port Landing need approval from its Field Office to set its rent standard at 110% of the FMR?

Answer: Yes, because Port Landing is proposing to use a rent standard outside of the FMR **or** the PHA HCV payment standard amount, Port Landing must request approval from its Field Office.

Scenario

Example – Timing associated with applying/using new Rent Standards

Port Landing is a HOPWA grantee whose rent standard is set at 150% of the FMR. HUD recently released new FMRs so Port Landing will review those amounts against its current rent standards to determine if any adjustments should be made.

The HUD FMRs increased, and it is Port Landing policies to update its rent standard amounts to correspond with FMR changes. Port Landing will make its new rent standards effective 90-days after the release of the FMR.

It is Port Landing's policy to apply new rent standards as follows:

- Newly approved households seeking to use HOPWA rental assistance
- Currently assisted clients who are moving to new units

Scenario

Example – Timing associated with applying/using new Rent Standards

Port Landing is a HOPWA grantee whose rent standard is set at 150% of the FMR. HUD recently released new FMRs so Port Landing will review those amounts against its current rent standards to determine if any adjustments should be made.

The HUD FMRs decreased, and it is Port Landing policies to update its rent standard amounts to correspond with FMR changes. Port Landing will make its new rent standards effective 90-days after the release of the FMR.

It is Port Landing's policy to apply new lower rent standard amounts as follows:

- Newly approved households seeking to use HOPWA rental assistance
- Currently assisted clients who are moving to new units
- Decreased rent standard amounts will not be applied to currently assisted household where the gross rent for the unit was approved based on previous higher rent standard amount

HOPWA Resources and Information

- July 6 Webinar - [Clarification of Rent Standard Requirements for HOPWA](#)
- [HOPWA Notice CPD-22-10: Clarification of Rent Standard Requirement for the Housing Opportunities for Persons With AIDS \(HOPWA\) Program](#)
- [HOPWA Regulations](#)
- [AIDS Housing Opportunity Act](#)
- [CPD Field Office Contact Info](#)

HOPWA Resources and Information

- [Rent Reasonableness Refresher under the HOPWA Property Standards and Rent Standards Waivers Webinar](#)
- [HOPWA Income and Rent Calculation Curriculum](#)
- [HUD Fair Market Rents](#)
- [HUD Small Area Fair Market Rents](#)

Additional Questions



Upcoming HOPWA Webinars & Office Hours

Topic	Dates
New HOPWA Consolidated APR/CAPER Orientation Webinar	August 9, 2022 (3-4:30 pm EST)
HOPWA Allocation Increases: Best Practices for Managing Budgets and Balances	August 17, 2022 (1-3:30 pm EST)
New HOPWA APR/CAPER Office Hours	TBD Fall 2022
Use of Client-Centered Low-Barrier Methods – Webinar Series	TBD Fall 2022

HOPWA Technical Assistance and Ask-A-Question

Get Assistance!

HOPWA Technical Assistance (TA)

- HUD is making additional TA available to grantees to support HOPWA/COVID-19 planning, program development, problem-solving. Those needing TA assistance in managing COVID-19-related program issues may submit an online request through the HUD Exchange at:
<https://www.hudexchange.info/program-support/technical-assistance/>

Get Answers!

- Submit a question to the HOPWA Ask-A-Question (AAQ) desk
 - Grantees and Project Sponsors may ask program, policy, and COVID-related questions through the HOPWA AAQ: [HOPWA Ask A Question \(AAQ\) Portal](#)