

HOPWA Office Hours Recording - Clarification of Rent Standards

Steve Ellis:

Welcome, everyone, to today's HOPWA's, HOPWA Office Hours on the clarification of the rent standard requirement. Welcome, everyone, today's HOPWA's Office Hours on the clarification of the rent standard requirement. We're gonna get started in two minutes.

Hi, everyone, nice to, for you all to join us today. I just wanted to offer a welcome to you all for today's HOPWA Office Hours on the clarification of rent standard requirements for the HOPWA program. Just some quick, some things as we get started, so please feel free to use the chat function to introduce yourself, your name, where you're from, and any important information you would like to share about yourself such as pronouns, or any other way you identify.

But we did want to make sure that if you all have any questions that you would like formally answered, whether now, or after, please use the Q&A function. That way, it's easy for us to sift through, and figure out what's a question, and what's just a comment?

So, my name is Steve Ellis. I'm with the Cloudburst Group. I'm joined today by my co-worker, Heather Rhoda, also with the Cloudburst Group. And in the background, we have three staff from the Office of HIV Housing, OHH, Amy, Lisa, and Kate. There'll be helping to field our Q&A. And they'll be joining us at the end to help answer any live questions that still need to be addressed.

So, thank you, OHH for being here today. And once again, thank you all for taking time out of your busy, busy schedules to talk about this important topic.

So, let's discuss what this Office Hour is intended to do. Right, so a few weeks ago we had a HOPWA webinar that we went over in greater detail, this notice, the clarification of rent standard requirements for the HOPWA program. So today, we're going to spend some time just briefly summarizing that. We're going to provide some additional information about the three rent standard options outlined in the notice.

We're going to review some of the documentation requirements as well as to remind everyone about next steps. If you need to adjust your rent standard, then we're going to answer some frequently asked questions about the contents of the notice. So particularly, some of the questions that have either come up on the AAQ, to HUD, or e-mail to us; and hopefully, address some of those questions that you all have. And time permitting, we'll also answer any live questions that might exist that aren't addressed as part of those FAQs.

So, let's jump right in and talk about the summary of the rent notice itself. So as a reminder, HOPWA regulations require grantees and each grantee to establish a rent standard. So those rent standards, those amounts include the

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rent and utilities, set the limit of housing costs for unit sizes ranging from an efficiency to six-bedroom units. So, all HOPWA grantees should already have some sort of rent standard.

As a reminder, though, rent standards are used along with rent, rent reasonableness, and your resident rent payment to determine the maximum allowable subsidy. So, you know, rent reasonableness must be conducted, regardless of the rent standard methodology that you use, even if the gross rent is equal, or below the rent standard. So real quick, what that means is you need to do rent reasonableness on every unit regardless of how you set your rent standard.

So, if you set your rent standard at FMR, that's your methodology. If you set your rent standard, and get approval for small area fair market rent, that's your methodology. So, no matter what, you still need to make sure units meet the rent reasonableness required, requirement. And finally, as just a quick note, that for those of you who were trying to figure out the waiver process that a lot of the CPD programs recently put out, the expedited waivers, as well as this.

So, updating your HOPWA rent standard does not require a waiver request. So even though that date has passed, it was July 31st, if those of you still want to update your rent standard, you still have time.

So, but we did want to clarify as some of the other CEP [PH] programs like the CoC, or the ESG program, did require a waiver, if you wanted to go above FMR. So, while today we're just going to be discussing HOPWA rent standard, and the additional flexibilities that you have, and the process you need to take, please follow the specific program guidance for all other programs as we won't be discussing that today.

So, let's just do a quick refresh on establishing a HOPWA rent standard. So once again, that rent standard, which is your unit rent plus utilities, should range for your unit sizes from an efficiency to a 6-bedroom. That rent standard should be established by the grantee. Right, so in many of these situations, they get feedback, and information from project sponsors. But it's the grantee that sets it.

And according to the notice, you all have some options or flexibilities that we'll make sure to clarify today. So, your HOPWA rent standard can be the fair market rent, the FMR. The HUD approved community wide exception rent, either the basic range, or the exception payment standard, which we'll define here in a moment. Or this third option, a rent standard proposed, and justified by the grantee, and approved by the local Field Office.

So, the next few slides, we're going to break down all three of those about what you need to know. Whether it requires Field Office approval or not? So, we'll give you that information. But we just want to remind people that even

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after setting your rent standard at either of these three options, the grantee in conjunction with the project sponsors can still increase the rent up to 10% for 20% of your assisted units on a case-by-case basis.

So that flexibility, what some people call the 10/20 rule is still in effect regardless of what you set your rent standard at. So that's something to think about, that as you do establish your rent standard, that you do have a little flexibility to go a little higher, if needed.

Heather Rhoda: Hey, Steve, I just wanted to jump in real quick. The chat function was actually closed, and I just opened it. So, attendees could submit a chat to say hello, and hi. But just as a reminder, if you do have a question, please submit that in the Q&A box function. But we'd also be happy to chat. So, it's open to everybody. Sorry about that, thank you.

Steve Ellis: Thank you, Heather. And particularly now that it's open, once again, feel free to throw into the chat to introduce yourself. Where you're from, and any identifying information you think is important for us to know. Otherwise, feel free to throw the things you need addressed into the Q&A, so that our moderators can definitely see it. So, let's discuss that first option, the FMR is your HOPWA rent standard. Right?

So, this is something that I think most programs thought they always had to set the rent standard at. And so, this was something you could have set your rent standard at, but it wasn't always, it isn't required to do that. Right, so it's still one of your options now as you move forward. So, it is worth noting that you can use the FMR or all applicable FMRs as your HOPWA rent standard.

Now, we stress all applicable because for many of you grantees, you're going to have more than one FMR in your service area. Right? So, if you're a state, you're clearly going to have multiple FMRs. So, for you to use the FMR as your HOPWA rent standard, you need to use all applicable FMRs for your service area.

As that reminder, the FMR includes for each unit size, the rent, plus the utilities. That does exclude cable television or Internet. As the reminder, the FMRs are published annually. Right? So, if you set this as your rent standard, you're going to want to pay attention because usually around October of each year the FMR is updated.

And it is worth noting that if you as a community, as the grantee choose to use FMR as your rent standard, this does not require a Field Office approval. However, and we've heard from this in some communities, if you have multiple FMRs in your area, but you want to use just one for your entire service area, that does need Field Office approval. Right? So, for an example, right, let's say the state of Maine wanted to use one FMR for the entire state.

Clearly, there's going to be multiple FMRs because it's an entire state. In that

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example, because they want to use one FMR for the entire state, they are going to need to go through the process to get Field Office approval. So, when we talk about option three, if this is one thing that your community is thinking about, pay attention, so you know what documentation you need to submit. But otherwise, if you're going to use all applicable FMRs, you do not require Field Office approval.

So, option two is the HUD approved community-wide exception rent, using that as your HOPWA rent standard. So, HOPWA grantees can adopt the Housing Choice Voucher, HCV payment standard, set by their local public Housing Authority or agency, otherwise known as a PHA when those amounts are set within the basic range, or an exception payment standard amount of the FMR.

Right, so we'll, we want to take a moment to define the basic range, and the exception payment standard so that as you reach out to your PHA, if this is something you want to use, you might have to take a moment to figure out, is your PHA using the basic range, the exception payment standard, or is it something else?

Because depending on how your PHA sets their own standard, you might have additional steps. So, the basic range as defined in the notice, is there a payment standard, which is between 90% to 110% of the FMR? The exception payment standard is when your PHA sets a payment standard below 90%, or above 110% of the FMR. So, as you are reaching out to your PHA, make sure you keep those definitions in mind because different PHAs may not use either one of these, which is going to be those additional steps that you need to take.

It is worth noting that to use this option, grantees must adopt each of the local PHA payment standards within their service area, right, so similar to that FMR. For some of you, it is likely that you have multiple PHAs within your entire HOPWA jurisdiction. So, for you to use this particular option, you have to adopt each of the PHA payment standards, which means you might have different paths forward to get approval.

It's also worth noting that if you adopt each of your PHA payment standards, then you're gonna need to operationalize this in such a way that all of your project sponsors that might cover an area have all of those, so that you can apply the correct payment standard to wherever the client is living. Right, so for many of you, project sponsors might overlap. And so, you want to make sure that regardless of where that client moves, they're following the correct payment standard.

So, some of the options that we just discussed on the previous slide do not apply to using a – well, there are options that a Housing Authority can use that we didn't review on that previous slide, particularly when a Housing Authority uses Small Area Fair Market Rents. So, you all could use Small

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Area Fair Market Rents, if that's what your Housing Authority has opted to use or is required to use.

But in this instance, you're still going to require a Field Office approval. So if you contact your Housing Authority, and they use Small Area Fair Market Rents, or use that as a basis for whatever they do approve because it uses Small Area Fair Market Rents in any way, shape, or form, you as the HOPWA grantee are going to need to request Field Office approval for your HOPWA rent standard.

Heather Rhoda: Let's see HOPWA here.

Steve Ellis: Yes.

Heather Rhoda: So, this is where it would be really, really important if you are going to, if you are a grantee, and you're choosing to adopt your local PHA into the payment standards, you're going to have to pay really close attention to what those amounts look like, and how they're set up on your local PHA's payment standard schedule. Or even ask them, you know, what are these amounts and what are they representative of?

Steve Ellis: Right.

Heather Rhoda: Because there, it may seem like you don't need permission at first glance, but once you dig into it a little bit, and find some additional information, you may find that you do need Field Office permission.

Steve Ellis: And that's an excellent point. And one of the FAQs we're going to talk about later on is about contacting the Housing Authority. And so, this is another great example of when in doubt; and you're not sure about what methodology your Housing Authority uses. Just ask, don't make assumptions. So, if you use this method, particularly the basic range, or the exception, you do not need permission from your Field Office to use this.

But remember that there might be options under here, or you think that are under here that do require a Field Office approval. So once again, if the PHA uses Small Area Fair Market Rent as the basis, or any portion of their payment standard, and you want to use it, you're going to need Field Office approval. That should also be true that you're going to need Field Office approval if you only want to use one payment standard for your entire service area.

So, let's use the state of Maine again as an example. Let's say the state of Maine's HOPWA program wants to use one PHA payment standard for the entire state. So clearly, the state of Maine would have multiple PHAs. So, the fact that they want to use one for their entire rent standard means they're going to need to go through the process to get approval from their Field Office.

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And it is worth noting, particularly as we move forward, that we will make sure to share these slides with everyone who registered for the webinar. And all these materials will end up on the HUD Exchange as quickly as possible. So that as you spend the next few days thinking through this, and you need to refer to any of this about what might need Field Office approval, and what doesn't, you'll have quick access to all these materials.

So, the third option is a rent standard proposed by and justified by the grantee and approved by the HUD local Field Office. So, this option, sort of, encapsulates everything else that might be possible. Right, so a lot of the last webinar, there were a lot of questions of can we use this? Can we use that? Right? And so, if we haven't talked about those options yet, something you're thinking about, and it's going to fall under option three.

So, this is when you don't want to use FMR or the HCV payment standard whether the basic range, or the exception payment standard. So, examples might be, as we talked about using the payment standard of one PHA for your entire service area. Another example, if you choose to use the Small Area Fair Market Rent or your Housing Authority uses Small Area Fair Market Rent, or, I think what we're seeing in real-time for some communities wrestling with this, a mix of different methods.

Right, so a lot of grantees are really trying to be conscientious about their rent standard, and particularly finding a rent standard that not only meets client needs, but also meets the rents in the community, and still meeting their budget. Right, so increasing your rent standard, you know, doubling it, might not work, and may not be needed.

So, a lot of communities are using a mix of the different methods. So, for example, some communities might use FMR, and part of their service area because that's a fair rent for some. Or they might use a community-wide exception rent in another and Small Area Fair Market Rent in a third.

So, if you are mixing, and matching any of these options, you're also going to need to seek permission from your local Field Office for your entire rent standard. Right, so just don't, don't exclude that one part that uses Fair Market Rent. Your entire service area, make sure you're listing out your entire service area.

So, some other options that have come up as a rent standard; according to the notice, a rent standard based upon documented housing costs, and housing needs of low-income people living with HIV within your service area could be a percentage above, or below the PHA's payment standard. Or a defined percentage above, or below FMR, I think we're seeing that a lot operationally on the ground now where communities are thinking about using a percentage above or below FMR.

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You can also use previous or previously issued HUD FMRs, if there was a past one that worked well. Or once again, that other, right, whatever you think you might need. As long as you can document some of those housing costs and document the needs of low-income persons living with HIV, it's an option that you can submit for.

So, it's worth noting that rent standard options which require Field Office approval, a review and approval, will only be approved in circumstances where the grantee is able to document the other allowable options for establishing the rent standard do not provide eligible families a reasonable selection of decent, safe, and sanitary units. So, what this means is you can't just increase your rent standard because you want to, right, or you think you need to.

Somehow, you're going to need to go through the process of documenting that the FMR, or your community-wide exception rent, that PHA payment standard, isn't meeting your needs. And so, there are different ways to do that, right, most of you have, you have data on this, right. You know how many clients have called you saying, "I can't find a unit within what you told me." You all know communities or neighborhoods for which your clients are priced out of, particularly those communities that might have better amenities, so they're closer to grocery stores, doctors' offices, pharmacies, public transportation, schools, work, right, all of those things.

Right, so some of these documentation requirements will just be you documenting, or self-certifying what you know, what you're aware of. Stories that clients have told you, right. Some of you might have data on the number of vouchers that got turned down because a client couldn't find something, or clients had been priced out, right. So, you know how many clients had to move because you couldn't increase the rent standard.

Some communities are using actual data that already exists, right, so looking through studies, or different websites like Apartments dot com, or Redfin. Because many of them always list the current going rates for apartments. So, what I would say is, I think deep down inside, many of you know how to document this. So, it's just thinking through what you are sure of, and how to get that on paper. If you do have any questions about how to document this, feel free to reach out through the usual methods. We'll review that in the last slide. But, and particular, you can always reach out to your Field Office.

And so, they're going to be the ones reviewing this anyway. You can reach out to the Field Office about documentation requirements. And if need be, they can check with the office of HIV Housing to make sure that you're submitting everything that you need to. So, it is worth noting, right, once again for this, that because you need your local Field Office review and approval, that you do need to submit all of the required information to your local Field Office.

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So, this slide has some of the contact information for your local Field Office staff, if you aren't aware of who they are. It's also worth noting that in our webinar from July 6th, we also went over a few more documentation requirements. So, when you all get this slide deck, you also have the hyperlink to that webinar. Anything to add Heather?

Heather Rhoda: No, I don't. You're doing a wonderful job, Steve.

Steve Ellis: Well, thank you.

Heather Rhoda: I'm excited for the Frequently Asked Questions because –

Steve Ellis: Yeah.

Heather Rhoda: – That's –

Steve Ellis: Yeah that's –

Heather Rhoda: – Sort of, like the game show portion.

Steve Ellis: That's what we're –

Heather Rhoda: So, I'm looking forward to that.

Steve Ellis: – really – everyone, we'll break a lot of this down to simple questions, and answers.

Heather Rhoda: Right. I'm looking forward to, like, you know, some, giving some examples.

Steve Ellis: Perfect.

Heather Rhoda: So, I'll be able to take out take over a little bit of that, at that point. I think I'm doing okay.

Steve Ellis: So just some other quick notes on documentation requirements, particularly for all options, right. So regardless of what methodology you use, please make sure your rent standards are in your program policies, and procedures, and that they are available for HUD review. Particularly, outline in your policies your methodology. Right, so you don't need to submit your policies and procedures if you need Field Office approval.

But if your Field Office or HOPWA reaches out, and says, hey HOPWA program, we want to see your policies for how you establish a rent standard, and what your methodology is, that should be readily available. At some point, if not in this current contract, in future contracts, you should try to identify your rent standard amounts within your project sponsor agreements. That way, they are very clear before you start spending your money of what the maximum rent is for these units.

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And as always, make sure to monitor your project sponsors to ensure compliance with the rent standards, particularly now, if you're going to change it. Right, so for so many years, some of you might have been running on autopilot and just using FMR.

So, if you're just using one methodology, staff got used to it; right, you got used to it. But if you're using something different, and particularly if you're going to use a mix of methods, you might want to closely monitor this at the beginning to make sure people aren't using the wrong rent standard for the wrong service area.

And then particularly for those of you who are not going to be using FMR, make sure to keep copies of the documentation that we just talked about, right? So, all of the documentation of why you're seeking to increase your rent standard. Right, if it's about costs, if it's about opening up new neighborhoods, keep copies of all of that as well.

So that way at future monitoring as well, all of the pieces to the puzzle are within your office. Right, so everyone is aware of what you did, and why you did it, and you have the documentation to back it up.

So, let's review some next steps for the grantees. So, this is some of the materials we covered in the last webinar, but we just want to remind people, again, particularly to add a deadline to this. So first, review the notice carefully, right. We did not go into the notice in detail today. So, make sure to read this notice, reread this notice, take notes, ask questions before you get too far ahead of yourself.

Heather Rhoda: And you have to –

Steve Ellis: It's –

Heather Rhoda: – Take a look at the presentation that we did in July, too.

Steve Ellis: Absolutely.

Heather Rhoda: Because we broke the notice down in bite-sized pieces in the first webinar, so take a look at that in conjunction with the notice. That would be very helpful.

Steve Ellis: Make sure to review your rental assistance budgets. Right, you can't increase your rent standard if you don't have money to increase your rent standard. So particularly, looking at not what you have now, also not what you have now, but projecting forward. Because particularly some of your rents are just going to go up anyway.

And we always like to remind people that your rental assistance and budget line items are more than just client assistance. Right, you should most likely

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be charging overhead cost to those as well. So, what are your, what are your rental assistance costs right now for TBRA staff, and salary, and other fringe?

Right, what is going to be the inflation for those pay increases for benefit increases, right? So just, sort of, think through what your rental assistance budget will look like now, and over the next few years as you try to figure this out. Make sure to review your current number of households receiving assistance as well as any applicable wait lists. Because clearly, changing your rent standard might change some of those, how many vouchers you can offer in the future.

Make sure to review and assess your community need to ensure that your rent standards are set to afford a range of housing options in different neighborhoods in your service area. Right, so this is definitely that place where you're going to have to think through and know.

I'll take a quick step back, to remind people you are an expert in your community. Right. Steve Ellis, Heather Rhoda, we know some stuff. We know some stuff well. We do not know what a good rent is for particular neighborhoods in particular cities and states.

Heather Rhoda: Right.

Steve Ellis: You all do; the staff on the ground do. Right. So, you're really going to need, need to think through, what are the different options you're going to need for different cities, or different neighborhoods within your service area? So, this is where it's going to be particularly important to involve, not only your project sponsor staff, right, because for many of you grantees listening, you're not administering the direct assistance.

Right, you are contracting with project sponsors who are doing this. So, you're going to include their feedback. And we would also highly recommend involving persons with lived expertise. So those people with HIV/AIDS who are utilizing your rental assistance to see their feedback also.

Heather Rhoda: Right.

Steve Ellis: Right. Because I think some communities, right, we don't, you don't want to assume that clients are a-okay with their current neighborhoods that they're living. Because maybe no one has ever asked to move to a neighborhood, a different neighborhood? But maybe that's because they knew they could never use their voucher there.

So now is that time to get feedback from those persons with lived expertise, those people utilizing your HOPWA dollars to say where would you want to live in our service area, right? Is this a place that we need to be mindful of? And try to make a rent standard that works.

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Heather Rhoda: And that would include gathering information and questions like what type of services and educational institutions do you need, or wish you, wish you could be living near where a broader reach of a rent standard would be helpful to that end? So, any information you can, you can gather from those folks would be extremely helpful for you.

Steve Ellis: Right. Particularly the, those individuals, and project sponsors that might bring up other issues that HOPWA should address. Right, so we hear issues that transportation is a problem, or something else is a problem. Right, so if you increasing your rent standard where people could move closer to where there is a bus line that would pick them up within minutes, versus a bus line that only comes once an hour, this could be one of those ways to address some of those underlying issues that you thought you could never address.

So that's why any piece of data that you can get from project sponsors, and persons with lived expertise will really be useful as you try to figure out what you should do. So, review your service area housing stock, the, where you're currently utilizing housing, and where you're not utilizing housing, and try to figure out why, if you can. That would be really key to documenting why you aren't using FMR.

And then finally, for those people who function with deadlines, make sure that if Field Office approval is needed, you need to submit all necessary information within 120 days from the publication of the notice that HOPWA put out. So that means for those of you who are calendar people like myself, all unnecessary information has to be submitted to your Field Office by October 27th, 2022.

And while that might seem like it's a little bit away, many of you are aware, between vacations, and time off, and just life, that October 27th deadline is going to come fast and quick. And so, if you do not submit by this day, you won't be able to adjust your rent standard through this first round.

Finally, if you have any big picture questions about the contents of this notice, you can also e-mail any questions to HOPWA at HUD dot gov. They would love to see any questions about this and help operationalize things with you can make sure you're submitting what you need to submit to help the clients on the ground for where you live.

That's enough at the summary. So, let's get to those FAQs as we keep hinting to, right. So, there was a number of questions on the last webinar. There are questions that have come through via e-mail. There are questions that have just, sort of, popped up everywhere. So, our goal is to answer a bunch of those for you now. So hopefully, we're addressing most of the major issues that some of you are thinking through.

Heather Rhoda: I can jump in here.

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Steve Ellis: Go ahead.

Heather Rhoda: Okay, per HOPWA regulations, to which HOPWA funded activities do rent standards apply? Rent standards only apply to HOPWA tenant-based rental assistance, to VRA, permanent, or transitional facility-based housing, including master leasing units. So rent standards do not apply to supportive services. It does not apply to permanent housing placement, and does not apply to short-term, or emergency housing, hotel voucher assistance, and does not apply to STRMU.

Steve Ellis: So, when you all are thinking about setting up this rent standard, really look at those funded activities. Because those are regulatorily the ones that you need to focus on.

Heather Rhoda: What should be included in a rent standard? Well, just like the FMR or the HCV payment standard, or Small Area FMR amounts, rent standards set the limit of housing costs. I think we've said this over, and over, and over, right, in many webinars, and presentations. Rent standards set the limit for housing costs.

Rent, including tenant paid utilities for units of different sizes, ranging from 0-bedroom to 6-bedroom units, so it includes the landlord, like, requested rent, what, an assumption of what a landlord were requested rent would be for a unit size, including utilities. Meaning that utilities would be included in that rent amount.

Doesn't mean that they are included, but the baseline is, is that rent standards include rent, and utilities.

How do HOPWA rent standards affect the amount an assisted household must pay as rent? We get this question a lot, not as direct as this but, sort of, in a roundabout way when people ask about decreasing rent standards or increasing rent standards. So, when you set, or apply, or establish a HOPWA rent standard, that rent standard has zero effect on the amount of rent paid by an assisted household.

An assisted household's portion of rent is based on their income only or if they have no income. Income is the only factor. As a reminder, HOPWA resident rents requirements state that except for persons in short-term supported housing, each person receiving rental assistance, or residing in any rental housing must pay his rent, including utilities, and amount which is the higher up 30% adjusted monthly income, 10% gross monthly income, or the welfare rent.

This means that households cannot be required to, nor voluntarily choose to pay a portion of rent that is higher than 30% adjusted monthly, 10% gross, or the welfare rent. So, if you had a rent standard amount set, and you happen to decrease your rent standard, or the landlord wanted to raise the rent, but your

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rent standard was at a certain amount, this means that the assisted household cannot make up the difference between the rent, and the rent standard amount. So, they can only pay the higher of 30% adjusted monthly, 10% Gross, or the welfare rent, no higher than either of the higher of the three.

Steve Ellis: And we really want to stress that, right.

Heather Rhoda: Ever, never.

Steve Ellis: Because there are programs that allow clients to pay more than 30%.

Heather Rhoda: Exactly.

Steve Ellis: That this isn't it. There are programs –

Heather Rhoda: This isn't it.

Steve Ellis: – That don't require rent calculation, a formal one. Right, some programs, they can set their own rate, and how that's calculated.

Heather Rhoda: Right.

Steve Ellis: That's also not this. Right, so for questions for any of those programs, reach out to those particular programs. But HOPWA requires a formal rent calc that ends up with these portions of rent.

Heather Rhoda: And this was a little bit different for the grantees, for the folks on the call that that might, a grantee, or rather a project sponsor, who might be a public housing agency, or a public Housing Authority. Your rent, your resident requirements are a little bit different than the HOPWA program. So, what applies for a PHA does not apply to HOPWA.

Steve Ellis: Quickly summarize, your rent standards have zero effect on what the households have to pay.

Heather Rhoda: Which rent standard options do not require Field Office approval? Field Office approval is not required when a grantee chooses to establish its payment standards using every single FMR that's applicable to its service area. Or if they choose to establish its payment standards using each of the PHAs, HCV payment standards, and those can be set sometimes during their – like, a basic range. Right? So, they're either at 90 to 100%, 110% of FMR, which means they can be anywhere along that basic range.

Or the HCV payment standard could be at an exception amount. And when it's an exception amount, that means it's either below the FMR amount, or it's above the FMR amount, usually right around 110% of the FMR. Remember, though, the HCV option, payment standard option, does not apply if the PHA has any part of this payment standard set using Small Area FMRs.

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And there are examples out there where a Public Housing Authority may have their normally established payment standard amounts, but because they're required to, or opt in to, they might have subsets of their jurisdiction, or their service area where their payment standard is set at the Small Area FMR.

So that's where you need to be careful, and make sure you're looking at the schedule correctly. Or reach out to your Field Office, if you're not sure, or or reach out to your desk officer OHH. Or, if you're working with a current HOPWA TA provider, you could also reach out to them to walk, talk through it a little bit more.

Steve Ellis: So, this last point is just a reminder that we are aware in some situations.

Heather Rhoda: Yes.

Steve Ellis: Those two bullet points are the same, right? Your PHA is using 100% FMR. So, if you, right, so basically you lose an option.

Heather Rhoda: Yes.

Steve Ellis: If you don't want to use that, you still need to seek Field Office approval. Right, so we've had some people ask about, they're the same, now do I have to seek Field Office approval if I want to use something different? The answer is, yes, because you're not using one of the two of these.

Heather Rhoda: Right. And we have an example of that one spelling it out Because, because they do have a range where they could set it, some, some of your PHA payment standard might be exactly the FMR. So, then it looks like you, yeah, you lose an option that's available to you. Which rent standard options require Field Office approval? Steve went through some of this, so we're going to talk about it again.

Right, because repeating is a good thing. All other options require Field Office approval, which could include use the HCV payment standard of one, of multiple PHA payment standards to serve for your entire service area unless of course, you're a small service area, and you only have one PHA in your area. Then you don't need permission unless it's Small Area FMR. Right?

But assuming it's not, and it's just the standard way it's, standard PHA formula, then your, you should be all set. You will need permission if you want to use Small Area FMR; and also, for the option described as a grantee defined rent standard based on the documented community housing costs, and our housing needs of low-income people living with HIV in the grantee service area.

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And this is just a repeat of what we included on the later slides – on the earlier slides; a defined percentage above or below the HCV payment standard, defined percentage above or below FMR, previous issued FMR, or other options, some, like a hybrid combination rent standard

What are some ways to obtain information about, or get a copy of a PHA payments standard schedule? And if there are any project sponsors or grantees that happen to be on, on the call that are a PHA, feel free to add some additional information. But there are many PHAs that do post their HCV payment standards on their websites. Those could be simply downloaded, and printed for reference, and used as a baseline.

In other cases, you may need to contact the PHA directly. We do recommend that someone at the HOPWA grantee level, program management staff level contact PHA management staff, so you can explain what it is you're looking for, and why you need that information. And if you find that you're having more difficulty getting that information, you can contact your local Field Office for assistance with obtaining PHA payment standard payment schedules, too.

Steve Ellis: And I'll echo what Heather said. If there are, if there, if there is anyone listening that is part of a PHA, and you can think of other ways for grantees to get this information, please throw it into the chat. And we'll make sure to share it with people as they ask.

Heather Rhoda: Can we use rent reasonableness as our rent standard? No. HOPWA regulations require that all units meet the rent standard and rent reasonableness. This notice does not waive HOPWA regulations requiring grantees to establish rent standards. So, you still have to establish a rent standard. And then you still have to do rent reasonableness. You're in – they're entirely different methods and functions.

How long is the HUD Field Office approval process? The notice doesn't provide for a timeline of how long approval will take, but the goal is to make sure and to hope that it gets done very quickly. Remember, if you, if your rent standard option, or the option you're considering does require Field Office approval, you cannot implement it, or use it until you have gotten approval from your Field Office.

If our HOPWA rent standard does require approval, do we need to seek re-approval each year? Good news, no. For HOPWA rent standards requiring Field Office approval, annual approval is not required assuming you continue to use the same method that was previously approved. The only time a grantee would need to seek re-approval, if a grantee wants to change the previously approved method.

For example, say Steve worked at a, at a – he was a HOPWA grantee. And last year he was approved, or this year he was approved to use Small Area

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FMR rents as his rent standard. But later he decided that maybe changing the rent standard to 150% FMR would be a better fit. He would need to get re-approval from his Field Office to use that because he wants to change his methodology. So, if you're not changing what you're doing, then you don't need approval, re-approval.

Steve Ellis: And I think I want to stress, particularly one reason that this isn't included as a waiver, so you don't need to go through a waiver, or expedited waiver process to do this, is this doesn't end. Right, there is not an arbitrary deadline for when you have to stop and go back to your old rent standard. Right, so if you set your rent standard at something, and you're happy with that, you can just keep chugging along for as long as you need to.

And if you needed Field Office approval, you could keep chugging along at that until, maybe one day you decide you want to use a different methodology. So there have been a lot of questions about, we want to do this, but does this expire in March, or next May? So that's why this is not a waiver. And we wanted to stress that this is not a waiver, so you are aware, this isn't just a way to inflate rents, your maximum rent for a little bit, and then you're gonna have this wild swing back to fit your old standard. So, once you put –

Heather Rhoda: Right.

Steve Ellis: – Something out, you're good unless you realize you need to readjust it. Or until HOPWA regulations are updated because the notice did state, right, this is only as good until updated guidance come out, or regulations are updated.

Heather Rhoda: Once you've established your rent standards, when do you need to update those? So, grantees here to reassess rent standards amounts, amount annually, and adjust those mounts, either lower them, or increase them if necessary to correspond to HUD's annual updates to the FMR, or the Small Area FMR. If that's what you're using, approved by the local Field Office. This usually occurs in the fall. Right, and we talked about earlier how the FMR and the Small Area FMR, those amounts are usually issued in the fall.

If the FMR or the Small Area FMR amount requires changing your rent standards, those amounts should be adjusted within 90 days following the release of the FMR, or Small Area FMR. Now, if you're not using FMR or Small Area FMR, meaning your rent standard, your rent standards were not set using FMR, or Small Area as a baseline, right.

For example, this would apply if you're using the local PHA payment standard schedule. So, say, you're, you've adopted as your rent standard the local PHA payment standard amount, either at the baseline exception rent. Whatever those amounts are is your rent standard. You should reassess your rent standard annually and adjust if necessary to correspond to any updates that might have occurred from the PHA's rent standard schedule. So, your updates and your adjustments are, are, would correspond to the methodology

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that you used.

Grantees should have written policies and procedures detailing the process, like how you're going to update rent standards; and the timing for implementing rent standard adjustments, including for families that are currently residing in HOPWA assisted housing under existing leases at the time of the adjustment. We'll get into this one, the last point here, a little bit later in a scenario. So, we're not going to get into depth about that one right now.

Steve Ellis: One thing that's come up in some of our conversations, communities, and I want to stress with this point. Right, is that a policy to set a rent standard, and a policy, when to actually update your amounts doesn't equal necessarily needing to increase all of the rents for all of your units, or even to approve rent increases.

Right, so you as a program should have policies and procedures established where if a landlord wants to request a rent increase, how do they do that? How do you as a project sponsor then process that to see, is the unit worth the rent increase? Is it – does it fit within your budget? Does it fit within your rent standard? Does the unit still meet rent reasonableness?

Heather Rhoda: Right.

Steve Ellis: Right? So, keep in mind, you might update your rent standard off of FMR, and then 90 days later, you need to update it. But that doesn't mean 90 days later everyone gets a higher rent. Matter of fact, that doesn't mean anyone gets a higher rent. So once again, setting your rent standard and updating those numbers is totally, 100% separate from what you do when rent increases are requested.

So, if that's something that you don't have a policy and procedure, and how to review, and approve rent increases, we highly recommend you figure that out as you start to adjust your rent standard. So, you're sure of what to do before all of a sudden, clients start to find out, and you get a million rent increases, and you're not sure what, what you should do.

Heather Rhoda: Okay so here we have a a scenario. And in this scenario, we have Port Landing. Excuse me. Port Landing is a HOPWA grantee. And its service area covers ten counties. Across the ten counties there are a total of three PHAs. Now, in reality there is probably more, but we'll stick with three for this example. Port Landing would like to adopt as its rent standard, the payment standard amounts for all three PHAs.

Okay, so they want to use every payment standard for every PHA in a service area. Okay so you might be thinking, I don't need permission, right? Well, upon review of each PHA payment standard schedule, Port Landing found the following information. Happy PHA, their payment standard is set at

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110% of the FMR. Good, wouldn't need HUD permission, right?

Well, we're not done. Joyful PHA payment standard set are at a combination of 120% of the FMR, and the Small Area FMR. Don't let the 120% scare you. Well, not the Small Area FMR, either but the 120% wouldn't be the trigger. That would, where you'd need permission. But let's keep going. Laughing PHA payment standard amount are set at 120% of the FMR also.

Does the grantee need approval from its Field Office to use any of the PHA payment standards listed above? The answer would be, yes. And it's because Port Landing would need to obtain permission from its Field Office to use Joyful PHA payment standards, because this PHA includes a subset of its payment standard amounts that are set at the Small Area FMR.

So here you have a situation where you're using each PHA in your service area, but one of them happens to have Small Area FMR. So, if you want to use all three, and if it has that little caveat of Small Area FMR in this example, you will need to get permission from your Field Office to do that. Now, if we were to take it away; Steve, if we were to take this away, Joyful PHA payment standard set at 120% of FMR, and and Small Area FMR was deleted, what would that look like?

Steve Ellis: So, if you are using the, the PHA payment standard set at either the basic range, or the exception rent range, and nothing else, you would not necessarily need Field Office approval as long as as, sort of, Heather was talking about. Right?

Heather Rhoda: Yes.

Steve Ellis: Assuming that you only have those three. If you have –

Heather Rhoda: Yeah.

Steve Ellis: – If you're using three, but they're actually ten PHAs –

Heather Rhoda: No.

Steve Ellis: – Then still.

Heather Rhoda: They're only a total of three.

Steve Ellis: Yeah, right.

Heather Rhoda: Yep.

Steve Ellis: So that's the one reason we want to make sure you all's get these slides. If you are going to do a little mixing and matching, hopefully we, you can put the slides together to figure out. But once again, when push comes to shove,

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reach out to your Field Office.

Heather Rhoda: Absolutely.

Steve Ellis: Because I think for many of you, you're going to end up needing to do some sort of mixing, and matching.

Heather Rhoda: Yeah, the next slide. Okay, Port, Port Landing is a busy, a very, very busy HOPWA grantee. They do things with APR Caper reporting. They do things with HOPWA income and rent calculation currently in rent calculations. They do things with rent standard. So, Port Landing is a HOPWA grantee, and its service area includes three PHAs, three again.

That's, it must be the magic number. Port Landing was hoping to adopt the local PHA payment standards within the baseline, and they were hoping that their PHA established their payment standard at the upper baseline, right, of the FMR at a 110%. Because they figured that's all they really need to do.

But on further review, they gather all the information from their PHAs, the payment standard amounts. And they notice that each PHA payment standard, while it is set within the baseline, they're, they're exactly the FMR. Every single PHA's payment standard is 100% equal to the FMR, not at 110%.

But Port Landing still wants to set their rent standard at 110% of FMR. Do they need permission? Yes. Because Port Landing is proposing to use a rent standard outside of the FMR, or the PHA payment standard amount. And because of this, Port Landing must request approval from its Field Office.

Steve Ellis: So, remember, it's not about what a PHA can do. It's what –

Heather Rhoda: Right.

Steve Ellis: – A PHA actually did.

Heather Rhoda: Does and is doing. And here we have an example, some scenarios where we want to talk about timing associated with applying and using new rent standards. So, Port Landing, again, has been very, very busy, and they have established their rent standard now at 150% of the FMR. So, they're using the FMR, so they need to then pay attention to annual release of the FMR. Right, because that's what they're going to be using as their floor when they're going to be updating and assessing to see if they need to make changes to their rent standard.

So, HUD recently released new FMR, so Port Landing needs to review these amounts against their rent standard to see if they need to make any changes. The FMR increased, so that's great. So, it's Port Landing's policy to update its rent standard amounts to correspond to changes, to correspond with changes

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to the FMR amounts. So that means Port Landing, which we discussed earlier, will need to make its new rent standards effective 90 days after the release of the FMR.

And when they apply that, and to whom they apply it, and how, their policy is as follows: They're going to use these new rent standard amounts to newly household, newly approved households seeking to use HOPWA rental assistance, and to currently assisted clients who want to move to a new unit. Right, so you have people seeking to use assistance. I was recently approved for HOPWA TBRA.

The rent standard for the unit I was approved for previously was lower. Now it's higher. I am approved to look for that higher amount because that's the rent standard amount that is effective now, for me, and for movers. So, people that are assisted and moving to a new unit based on whatever their unit size and the amount is.

Just one second, okay. So here we have another example about timing. Port Landing is a HOPWA grantee. We already discussed this, they set their rent standard at 150% of the FMR. They, HUD recently released the FMRs. But this, this time, the FMR decreased, and it's still Port Landing's policy to review and update its FMRs corresponding to the new – I'm sorry, their rent standards to the FMR amounts.

So, Port Landing, again, is going to make its new rent standards effective 90 days after the release of the FMR. This means that port landing will apply the decreased amounts to newly approved households seeking to use rental assistance, currently assisted clients who are moving to new units.

So, they're in a unit at a current rent standard amount. They want to move out of that unit to a new unit. The lowered updated rent standard that's in effect would apply to the new unit.

But for units, for clients who are currently assisted, and who are not moving, who are remaining in the units, the decreased rent standard amounts will not be applied to currently assisted household, households, with a gross rent where the unit was approved based on a previously higher rent standard amount. So, if that assisted household remains in that unit, even though the rent standard amount has decreased, you do not need to do anything with the gross rent for the unit for that household while that remaining in that unit.

You don't have to change it at the first annual. You don't have to, and you can't change it, right. You'd have to negotiate with the landlord to reduce it. At the first annual, the second annual you don't need to do that. This is an example of where you could leave the gross, the client could remain in the unit, and they would not have to move because of rent standard changes, rent standard reduction amounts. This is huge.

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Steve Ellis: I'm speechless. This is huge, right, and these are all topics we'll definitely circle back with during the fall when FMRs changes. But we wanted to stress this now because for so many communities, this idea of needing to up end housing stability for clients when an FMR went down, right.

So, here's that opportunity now to make sure it's in your policies and procedures. That in these situations here, housing stability is important, right. So, they can remain in that unit. But as you see here on this slide as Heather stressed, if they want to move, now you have to worry about the decreased rent standard.

Heather Rhoda: Right.

Steve Ellis: So, right, so it's not that that household is forever set at an old rent standard –

Heather Rhoda: Exactly, yeah.

Steve Ellis: – But as long as they remain in that unit. Housing stability is key.

Heather Rhoda: Right.

Steve Ellis: All right, everyone, we are circling the end of today's Office Hours. So, thank you for your time and attention. The next few, two slides just list a lot of the resources, and information that we either mentioned today, or on our July 6th webinar. So, we just wanted to make sure you all had that hyperlink, right. So, I know, and thank you to OHH, who have thrown many of these into the chat box, into the Q&A, but it will also be on the slide deck.

So, if you need to review the July 6th webinar, where we went into detail for this notice, it's there. The notice is also listed there. So, if you, when you need to review it. But we've also included things like HOPWA regulations, and the AIDS Housing Opportunity Act, the basis of HOPWA. Right, so for, I think, a lot of people, sometimes they start asking questions. And we'll answer, say, well, regulatorily, rent standards applied to TBRA, permanent transitional facilities, and master lease units.

So being able to look at regulations is key to, sort of, start figuring out particularly, if you did barriers in your program that don't need to be there. Right, so really, to think through that program design, and you'll have that. This includes the Field Office contact info.

We've had a lot of questions about rent reasonableness. So as a reminder, they're part of one of the CARES Act national webinars. There was a rent reasonableness refresher. So, there are links there. There's always questions about income and rents, right, rent calculations. That, that curriculum's there, as well as where you can find Fair Market Rents and Small Area Fair Market Rents. So, you have everything that we think that you'll need together that could be provided by a national TA firm onto two slides.

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So OHH, thank you again for fielding all of the Q&A, and chat. Are there any particular questions that have come up that we would want to address that weren't covered in the FAQ?

Heather Rhoda: I'm – go ahead, Amy. I'm looking, and it looks like....

Amy Palilonis: I wanted to clarify something, actually.

Heather Rhoda: Sure.

Amy Palilonis: And it was about that October 27th date. And I saw that some folks had, were a little bit confused about it in the Q&A. And I actually understand why based on, sort of, how we had it in the slides. And so, I'm going to try my best to clarify this. I feel like I might ramble. So, Lisa and Kate, you jump in if, if I'm off base on anything. But basically, this isn't like a one-time, there isn't just a one-time opportunity to update your rent standard or submit a request for approval for a community-wide exception rent, if that's what you want.

And that October 27th deadline is also not, like, a hard deadline for anyone that wants approval for a community-wide exception grant. Basically, what the notice is saying is that grantees have 120 days to be in compliance with the notice. So, if you are just utilizing – if you're a grantee, and you are just utilizing Fair Market Rent, and you want to keep doing that, just review the notice, and make sure you're in compliance with some of the documentation requirements in there.

Like, it specifically says that the rent standard needs to be in project sponsor agreements and things like that. So just make sure that by that deadline, if you still want to use FMR, you're compliant with the, what the notice says about doing so. Also, if you want, if you're already based on previous guidance, if you're already using the PHA payment standards in your community, and you want to keep doing so, again just make sure that you have read the, the documentation requirements.

And just make sure that your policies and procedures reflect that by that October 27th deadline. And if you are using Small Area FMRs, or something already, which there might be some communities that were doing that, that is okay. In that case, you will need to get your, your request in, and approved by HUD by that October 27th deadline. So that, basically, your program is reflecting what this notice says about how rent standards are implemented.

So, to, I guess to clarify, so say you're using just FMR right now, or you're using the PHA payment standards. And you think, hey, I'm not ready. Like, I might want to get a HUD approval for a different community-wide exception grant, but I'm not ready to do that by that October deadline. You don't need to submit it. You don't need to submit that request by that deadline. You can

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submit that request whenever you want.

But no matter what, you need to be in compliance with what the notice says about rent standards by October 27th. And I do feel like I rambled there. So, Lisa or Kate, if I misspoke, or if I said anything that you could add clarity to, please jump in.

Unidentified Female: I fully support everything you said, Amy, good work.

Unidentified Female: Good job.

Amy Palilonis: Good job. So, it's really more about compliance. It's not necessarily specifically about getting that request in by that deadline unless, right now, you are, sort of, operating your program in a way that that you need to submit that request to be in compliance by then.

Steve Ellis: Yeah. Thank you for the clarification, Amy. I think that's helpful, particularly for communities who aren't quite ready by that October 27th deadline, assuming they are currently within the regulations that are allowable. And that they just need to make sure everything's updated.

Amy Palilonis: Correct, yeah.

Steve Ellis: One question that I did see come up. And I, I, you answered it well, but I just want to clarify for everyone. That grantees should be submitting things to the Field Office. Right, so there's some questions about, like, which Field Office, and who submits it. So once again, this is the grantees that are submitting all the required documentation to the Field Office.

Right, so grantees, you should know who to reach out to because you are aware of who your Field Office is in your area. So, project sponsors if you have interesting data, or points, reach out to your grantee, and give them that information. Please do not submit to your Field Office. Are there any other questions that have come up?

Heather Rhoda: Everything's been answered. I think; let me see. Unless you want to bring up some things live, that, about, Amy?

Amy Palilonis: There's just one about the the rent standard decreases. So just to clarify, the notice says grantees should have written policies, and procedures that detail 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. So, basically, what that means is that the grantee must have policies and procedures that address how those rent standard decreases are going to be handled for clients in existing, in existing leases.

So that, that guidance has changed a little bit. We used to say that those changes must be implemented at the second annual re-certification after the

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change. But now, it is a little bit more – there is more discretion there to set policies that work for your program.

Steve Ellis:

So, as we start to wrap up, please, everyone feel free to throw in any additional ideas, questions, topics into the chat and Q&A. Because that will all be shared with everyone with, with HUD, and the TA providers. Otherwise, if there's no additional questions, just a quick reminder of what else is coming up. It is a busy summer for the HOPWA program, and particularly for national webinars and Office Hours.

So, I wanted to remind everyone of next week's webinar on the new consolidated APR Caper orientation webinar. So, there's a lot of changes coming to HOPWA. So please make sure to look for registration for that. There's an August 17th webinar on best practices for managing budgets and balances, particularly if you've received an increase in your HOPWA allocation.

And some things to be aware of that will be scheduled and out soon, there'll be some Office Hours to help people operationalize the new HOPWA data reporting tool. And there will also be a whole series of webinars around how to do client-centered low-barrier method when delivering HOPWA assistance. So, if you aren't signed up for the HUD Exchange to get these announcements, please do so, so that you can be aware of one of these that are coming up.

Because clearly, future Office Hours and webinars are going to be geared towards all levels of HOPWA program staff. Whether you're the case manager, or you're the grantee, there is going to be relevant information for all of you. Finally, once again, if you have any questions about this topic, if you have any questions on anything HOPWA related.

If you're not connected with technical assistance, you can request technical assistance. There is always the HOPWA AAQ, and also always feel, feel free to reach out to your Field Office and HOPWA at HUD dot gov. We are all here to help however we can. OHH, any closing remarks as we wrap up today?

Amy Palilonis:

I just want to thank you all for being so engaged, and for all of your questions. I hope that this webinar was helpful. But if you do have any lingering questions at any point in time, definitely don't hesitate to, to reach out. And I just thank you all for all of the work that you do.

Steve Ellis:

And I'll, I'll echo one OHH just said, thank you all for taking time out of your precious, busy schedules, and for all of the hard work you do, particularly with everything going on. Right, there's a lot in professional, and personal lives, so spending 90 minutes with some TA providers in the office of HIV Housing is not lost on us as the privilege that we've been given.

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So, thank you all for that time. Otherwise, we wish you all a good day, and happy adjusting your rent standard. Reach out if you need help.

Heather Rhoda: I thank you, everybody. Take care.

Steve Ellis: Bye, everyone.

[END OF TAPE]