

Jan 2023 Rent Standards Recording

Heather Rhoda: Hello, everybody. Welcome to today's HOPWA Office Hours Clarification of Risk Standard Requirements for the HOPWA program. For today's Office Hours, we have some presenters and panelists. Presenters from the Cloudburst group include Steve Ellis, and myself, Heather Rhoda.

And from HUD's Office of HIV housing, we have Amy Palilonis, Lisa Steinhauer, Kate Briddell, and Vanessa Larkin. Before we go into the agenda, Amy Palilonis just wanted to give a quick welcome and talk about the importance of this Notice. Amy?

Amy Palilonis: Thanks, Heather, and hello, everyone. Thank you for participating in today's Office Hours on HOPWA program rent standard requirements. We really wanted to use this Office Hours to provide a short refresher on the options and flexibilities available to HOPWA grantees in setting their local program rent standards. And we also wanted to provide some time to answer any, any questions that you all may have about the Notice that we released back in June of 2022.

That was Notice CPD-22-10, and that Notice outlines the requirements, the options, and flexibilities that grantees have in setting their local rent standards. And if you all have not read that Notice yet, I definitely encourage you to do so.

The reason that we put out that Notice is that we recognize that housing costs have really skyrocketed in many communities across the country in recent years. And we just wanted to provide some clarity and and some more information about the flexibilities that grantees have in setting rent standards that allow for more decent, safe, and sanitary housing opportunities in a range of neighborhoods in the grantee service area.

And so we really are encouraging grantees to assess the housing costs in their communities, assess their budgets, as well as the housing needs of your clients, and developing, or requesting rent standards that help improve housing options in your local HOPWA programs.

And as always we really encourage you to utilize this time today to ask any questions that you may have. And if you don't, if you think of questions later as you're working through the Notice, please don't hesitate to reach out to HUD Field Office staff, OHH staff, utilizing your desk officer, or your TA providers through the Ask a Question portal.



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There really is no wrong door for asking your questions. With that, I just want to thank everyone again for participating today. And I will turn things back over to Heather.

Heather Rhoda: Great, thank you, Amy. So, let's move on to the agenda. And, of course, before I read through the agenda, just a couple of housekeeping items. The chat function is available. And I see that folks are introducing each other, too. So it's great to see all these names and everybody participating. Thank you for joining us.

And as usual, if you have a specific question about the content of this presentation in this topic area, please do your best to submit the question to the Q&A box rather than the chat box. We do have some presentation present, presenters, and panelists today who are going to be actively answering questions throughout.

If we're not able to get to your question, we'll make sure we follow up after today's Office Hours. So the agenda today is to provide a very brief overview and reminder about the HOPWA rent standard requirements and the flexibilities described in HOPWA Notice CPD-22-10.

We are also going to describe HOPWA rent standard options, and the requirements as included in that Notice. And then we're going to, the last part of this, today's Office Hours, we're going to look at some common questions and answers regarding establishing HOPWA rent standards.

The next slide, so first a summary of HOPWA Notice CPD-22-10. So we just wanted to give some major bullet points about the Notice, and HOPWA rent standard, specifically. And the first key piece we wanted to talk about is that there is no expiration date associated with the guidance and the flexibilities that are contained in the Notice.

The Notice and the rent standard options described in the Notice remain in effect until the Notice is amended, superseded, or rescinded. So there, there is, like, a date compliance requirement included in the Notice, and we'll describe that more as we get further along into today's Office Hours. But we just wanted to make sure folks understood that the Notice hasn't expired. So you still have an opportunity to absolutely take advantage of all the flexibilities that are described.

The purpose of the Notice was to clarify HUD's guidance on applying program rent standards at the requirements described in HOPWA in the



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HOPWA regulatory citation here on the screen, all while HUD considers potential rulemaking to update HOPWA rental assistance requirements.

Rent standards are used in conjunction with rent reasonableness, and the resident rent payment to determine the maximum amount of subsidy for a family receiving HOPWA assistance. And to use HOPWA rent, rental assistance in a unit gross rent, which includes the unit rent requested by the landlord, and any applicable utility allowance – that's the gross rent – must meet HOPWA rent standards, and must meet rent reasonableness.

The next slide - a couple of other pieces to be aware of in the Notice. The rent standards options that require Field Office approval will only be approved in circumstances where the grantee – so remember, the grantee is key here – the grantee is the organization or the agency that establishes rent standards. And it is the grantee that does need to contact its Field Office when they do need to get approval for some of the rent standard options we're going to talk about later.

But the only way that those could be approved is that the grantee can document that other allowable options for establishing rent standards do not provide eligible families with a reasonable selection of decent, safe, and sanitary units.

If you have any questions about this, and for requests regarding changing rent standards, or obtaining permission for some of the options that we're going to describe, you need to direct those requests to the community and planning, Community Planning and Development Director, the CPD director of the Field Office serving the grantee. Here, there's a link to contact information for CPD Field Offices across the U.S.

The next slide, please, so rent standard options and requirements. What are they? What are the options and what are the requirements? So first, let's talk about the options, the options that were described in the Notice. There are three. And we like to, kind of, like, put them in three kinds of buckets to think about them clearly.

So the first option is you can establish rent standards using the fair market rent, right, all the fair market rent amounts that are applicable to your area, to your service area. Option two is you can establish the HUD community-wide exception rent where that amount, you're adopting the Housing Choice Voucher payment standard set by your local public housing agency, or Public Housing Authority, but only if those amounts are set in the basic range or exception payment standards amount.



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And we'll, we'll get into a reminder description about what that means later on. A third option is also adopting a HUD community-wide exception rent. But this is a rent standard proposed and justified by the grantee, and then subsequently approved by the Local Field Office.

So now, let's look at each of the options. Option one, a grantee may use all of the applicable FMR amounts as the HOPWA program rent standard without Field Office approval. So this means if you have, if you're serving, like, a statewide area you can use every FMR set of amounts in your whole service area.

And you do not need Field Office approval for that. But when you are serving an area where there are multiple, different sets of FMR for which you should be using because of your service, because of the coverage of your service area, if you want to use only one amount, then you will need to get Field Office approval because this is not covered under option one.

So if you use them all, you're good. You don't need Field Office approval. And if you want to use less than one, or only one amount, then you would need to get Field Office approval.

Option two, community-wide exception rent when you're using the HCV payment standard, Housing Choice Voucher payment standard. A grantee may adopt that HCV payment standard set by the local Public Housing Authority when those amounts are set within the basic range or exception payment standard amount without Field Office approval.

The basic range is defined as where the PHA payment standards are set between 90% to 110% of the FMR, applicable FMRs. An exception payment standard would be when the PHA payment standard amounts are either set below 90% or above 120% of the FMRs.

The next slide. To use the HCV payment standard option a grantee must adopt each of the local PHA payment standards within their applicable service area. So if you have four different public housing agencies in your service area, and you want to adopt the HCV payment standard amount, either at the basic range or at the exception payment standard, you have to use all four sets of PHA payment standards to do this. And you would not need HUD permission to do that.

When you're doing that, though, the applicable HOPWA rent standard that applies based on where the HOPWA-assisted family wants to reside, not



the service area of the HOPWA project sponsor implemented HOPWA in a specific area. Grantees do not need approval from their Field Office to use each of the PHA payment standards as their rent standard unless the PHA uses small area FMR amounts for any portion of its rent standard or a grantee wants to use only one of multiple PHA payment standards for their entire service area.

While these are not covered under option two, you could do a kind of mix-and-match under option three. But we'll get to that in the next couple of slides. Well, actually, the actual next slide; so option three, how to prove you could adopt a HUD-approved, community-wide exception rent? That is a rent standard, which you've proposed, and justified, and then received approval from the Local HUD Field Office.

You could do this for different sorts of examples. Some examples include, you could adopt one FMR, one set of FMR amounts where there were multiple FMRs in the service area. You could adopt one PHA payment standard amount for your whole service area when there are multiple PHAs located in that service area. You could, here you could adopt as your HOPWA rent standard, the small area FMRs published by HUD, whether your local PHA is using those amounts or not.

And you could also do a mix of different methods. For example, you could use the FMR in part of your service area. You could use the HCV payment standard in another part, and small area rent standards in a third part of your service area. So it gives you quite a bit of flexibility to choose and adopt a payment standard that best fits your community.

And not only that, but you could also propose, justify, and receive approval from the Field Office to include these examples as payments rent standards: a defined percentage above or below a local PHA's payment standard or a defined percentage above or below the FMR. For example, some HOPWA grantees have proposed, justified, and received approval to adopt as their rent standard, amounts that are, say, for example, 130% above the FMR, or 150% above the FMR.

You could also, other examples include, you could propose using a previous HUD-issued FMR or some other combination. But all of these would require Field Office approval. The next slide.

And now, we're going to turn it over to Steve. He's going to go through some common questions and some responses, answers about HOPWA rent standard options.



Steve Ellis:

Thank you, Heather. So as a reminder, while we're going to go through some common questions, and some answers that, either technical assistance has seen since this Notice has come out, or that HUD has seen, we still will strongly encourage you all to submit any questions to the Q&A.

And also as a reminder, we may not be able to get to every question because there might be additional follow-up needed to fully address it. So if we don't address your question today during the webinar, we apologize but someone will definitely follow up with you after to make sure we can answer the question correctly, sometimes depending on some specifics in your community.

So the very first question, right, what is a rent standard, and who establishes it? So the rent standard, what this whole Notice is about, is established by the grantee. Right, so not the project sponsors, but the grantee, and it sets the maximum allowable rent for unit sizes from an efficiency to six bedrooms?

This rent standard means that the total amount of rent or gross rent for any unit must meet the established rent standard. So, in the next slide, we're going to go through some examples of this to really think this through. But what this means is that the gross unit rent cannot exceed your rent standard.

So your rent standard amounts should include rent, and utilities, and utilities are established by, usually a local PHA utility allowance schedule. So if you have any questions about a utility allowance schedule or where to find it, you can find a lot of these right online. Some PHAs publish them online, some don't. But if you reach out to your local PHA, they might be willing to share them.

In some instances, we would recommend that it's higher level program staff, including, possibly the grantee that reaches out to a PHA to request any documentation that you might need for your HOPWA program. And sometimes the PHAs aren't sure why you, someone at a project sponsor are requesting this if you aren't delivering HCV or Section 8 assistance. So sometimes it is helpful to loop in your grantee even to contact some of those local PHAs.

And when in doubt, and you're still unable to get some of the documentation you need from a local PHA such as the utility allowance



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schedule, always have the grantee reach out to your Local Field Office. They can always help in those situations to help explain the reason why your HOPWA program might need them, and help make sure that any communication flows properly.

So let's go through an example of what gross rent means. Because once again, your rent standard is setting that maximum gross rent per unit. So the gross rent equals the unit rent plus the utility allowance amount. So, you're going to add some numbers together to figure out that gross rent. When a tenant is not responsible for utilities, the unit rent, and gross rent are the same. So here on this slide, example one, we have a tenant who is responsible for utilities. So the unit rent or what the landlord is requesting for that space is \$1,500.

We know that the tenant is responsible for utilities because either we've asked the landlord, or we have a form that we have the landlord fill out to not just talk about what utilities, but what specific type of utilities. Right, so not just heat, but is it gas heat? Is it electric heat? Is it oil heat? So that we can ultimately tie that together to a PHA utility allowance schedule.

When we give utility allowance for all of those utilities that the tenant pays, we come up with \$223.00. When we add those two together, the gross rent for that unit is \$1,723.00. So that means in example one, that gross rent has to meet or be below your rent standard.

In example two, we have a unit rent of \$1,500.00. But in this specific example, the tenant is not responsible for any of the basic utilities needed to make the unit safe and livable. So this was also verified by the landlord via a call, or via a form, or some other, sort of, documentation so that we're sure the gross rent is \$1,500.00. Is now what the landlord requested for the unit rent, right, plus \$0.00 for the utility allowance schedule equals 1500.

So the same in this one, now your gross rent has to be at or below the rent standard that you have established. We do want to stress this idea, though, that the utility allowance amount is only added when the assisted household is responsible for that utility supplied to the unit.

For instance, sometimes we've seen situations where programs get a little overzealous, and a landlord will tell you the landlord will provide heat. And it's electric heat, and people start circling everything. But the purpose of a utility allowance schedule, particularly in this instance, is only to apply when the tenant pays for utilities.



Heather Rhoda: And this, yeah, example also illustrates, too, because sometimes I think there's been some confusion about, about adding a utility allowance to something. Like, right, like what amount? Because we say rent standards, right, Steve, rent standards include rent, including utilities. So you're not ever adding a utility allowance amount to the rent standard. Right? You add the utility allowance amount to the unit rent to figure out the gross rent to see if the gross rent meets your rent standard amount. That ceiling that you set.

So I think this is particularly key to not just making sure that your assisted units meet your rent standard, but also when it comes to what we're going to talk about here in a few slides, about making sure that your rent standard meets all HOPWA requirements. You're going to want to make sure your rent standard includes all utilities, and that if the unit rent doesn't include those utilities, you're able to factor in a utility allowance or note.

So, the next question, is did the rent standard option described in the Notice expire? So Heather went over this, but we really want to stress it again, that the options have not expired. So if your program has not yet looked at your rent standard, or determined if you needed to change.

Let's say this year, or later this year, you do determine that you need to adjust your rent standard. You can continue to follow the options outlined in this Notice and outlined on these office hours. But one thing that was key is the Notice did include a compliance deadline.

So we have the exact quote here: "Due to the prior lack of clear and consistent HUD guidance regarding HUD-approved community-wide exception rent, HUD will not make finding, and discourages auditors from making findings against grantees that on, or before the date of this CPD Notice, or during the 120 days following this publication of this Notice. However, after 120 days following the publication of this Notice, HUD expects grantees to update their policies for determining rent standards, and to make sure their current rent standard meets this Notice.

So, we're going to sit with that, with it for a moment. And then let's start to break that down. Because what this means is every grantee, even if you didn't change your rent standard, there was something that you needed to do by October 29, 2022.

So let's go over what every grantee should be doing. So the first thing is every grantee, even if they don't plan on changing their rent standard,



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should review their current rent standard amounts to make sure that it meets the current methodology. And then to see if that does or does not require a Field Office approval?

For example, some programs determine that their project sponsors are actually using small area fair market rents. So now they're using small area fair market rents as their HOPWA rent standard, they have to obtain Field Office approval to continue doing that.

There are also some grantees that realize the project sponsor had multiple PHAs in their service area, but they were only using one set for their entire EMSA. So that's another example of the grantee looking through and realizing it doesn't meet the methodology outlined in this Notice. And then they needed to go through their Local Field Office for approval to continue using that one set.

So once again, we very strongly recommend that all grantees look over the current rent standard for their program and make sure it meets the methodology outlined in the Notice. And if you decide to keep something that requires Field Office approval, make sure to request that.

Some additional requirements every grantee should have done by that compliance deadline is to update their program policies and procedures to make sure it clarifies what methodology they use to set a rent standard. So, do use FMR? Do you use the community-wide exemption standard that is established by your local PHA? Are you using a community-wide exception rent, it was something that you proposed, and you see, got approval for?

So, make sure that it's very clear. We have policies about when your rent standards are updated. Right, so FMRs are generally updated every fall. And when FMRs update, then other rent standards are generally updated. So make sure that you're looking at this yearly, and that you have some policy that says to everyone when you're going to do that.

Make sure to have some policies around how and when an updated rent standard will apply to newly assisted households, or new units versus currently assisted households, or current units. And we are going to break that down a little bit more here at the end. But make sure you have these policies because I think these policies were also something that a lot of grantees realized they lacked until they started reviewing their program against the Notice.



HOPWA was also asking that grantees identify rent standard amounts in their project sponsor agreements. So if your project sponsor agreements, or contracts, or whatever you call them have already gone out, and you don't include this, you should start to work on including that in the agreement that way it's very clear as part of the contracting process - this standard amount.

To make sure you are doing this, you should also monitor your project sponsors to ensure compliance with this Notice. I think that was one thing that was also key for a lot of grantees, that once they read this Notice, and attended some of the webinars, and Office Hours, they started asking project sponsors, and monitoring to make sure that they met these requirements.

In some instances, that's when they realized that their project sponsors were inadvertently using small area fair market rents, right, weren't using all the FMRs. But they only did that because they went ahead and asked the questions, monitored, and didn't just make the assumption that things have always been happening for years, or the correct thing.

And if you do need to request an approval, or you're going to use something else, make sure to maintain the documentation, particularly around this idea that FMR would not provide families a reasonable selection of decent, safe, and sanitary units. Right, so make sure to keep that documentation. So that way at future monitoring, either by HUD, or any auditor, it's clear what you did, and why you did it. And everything is together.

So, this is another question that has come up quite a lot. Is, particularly, per HOPWA regulations, to which HOPWA-funded activities do rent standards apply? So according to regulations, rent standards, only apply to tenant-based rental assistance, TBRA, or permanent and transitional facility-based housing, including if you're doing master leasing for permanent, or transitional facility-based housing

That means the HOPWA rent standards regulatorily do not apply to Short-term Rental, Mortgage, and Utility Assistance, STRMU, or Permanent Housing Placement, PHP

So we are aware that many programs have caps on assistance for STRMU or PHP when it comes to security deposits, or first, or last month's rent. And all of that would be a local requirement, they are not federally regulatorily required. So as we're going through all of this Notice, and



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these questions, and the requirements, please make sure at the grantee level, you're at least making sure you meet these requirements for TBRA, and permanent, and transitional facility-based housing. Because those are the two key activities to make sure you are meeting this Notice.

So did we miss our chance to update the rent standard since the 120-day period mentioned in the Notice passed? Once again, not at all, right, so that 120-day Notice, the date in the Notice tied to October 29th was only related to the number of days that grantees had to try to get into compliance.

Once again, if you do you want to change your rent standard; if you change your rent standard and, or want to change it again, you can continue to do so as this Notice does not end until it's otherwise rescinded, or amended. So please continue to look at your rent standard and make sure you're meeting the needs of your community while also looking at your budget, and looking at these requirements.

So which rent standards do not require Field Office approval? So we went over on the other side, but let's just bring those two together. Right, so option one and option two do not require Field Office approval. So if your rent standard is using all of the fair market rents in your service area, or your rent standard is using each of your PHAs payment standards that are within the basic range or exception range, you are not required to seek Field Office approval.

But as a reminder, this option two does not apply if your PHA is using small area fair market rents. If they are using small area fair market rents, it may be possible, but then we're talking about option three. And option three does require Field Office approval.

And then finally, if your PHA uses FMR as their payment standard, so basically these two options for you are the same, any grantee choosing to use something different than what is listed must seek Field Office approval. So we have seen some seen, seen some scenarios where a HOPWA grantee looked at fair market rent. They looked at their PHA payment standard and realized they were the same, right? The PHA was using FMR.

So now they are left with one, and only one option that does not require Field Office approval. So if that HOPWA grantee wants to seek something different, there is only one option, and that's to get approval. So the rent



standard options required for Field Office approval, or anything else, right, so some of those other things that Heather hit on an option three.

So if you want to use only one HCV payment standard across your entire service area, that's going to require Field Office approval. If you want to use small area fair market rents, it's going to require Field Office approval – for all of those other options that you might use as the grantee to set your own, Field Office approval.

Heather Rhoda: And if it's approved, if you're able to propose it, justify it, and if your Field Office approves it, then it's allowable. Right? So think about it and be mindful of your service area, and how far your reach is. Are you reaching the entire state that has some rural areas, right? Where you may need to have different rent standard amounts.

Are you serving a largely metropolitan area? Are you in a college town? Are you in a very heavy tourist area? So you may have one set of rent standards for all of your service area, or it may very well make sense to have a different set based on the characteristics of the housing, the opportunities, and the geography of your service area.

So, none of these are, are incorrect. It is just that they need Field Office approval. That you need to be able to justify it. And you need to get Field Office approval to be able to do it, and or continue doing it.

Steve Ellis: Absolutely. And I think what Heather said is really key for that last bullet point because there are some HOPWA grantees that we're aware of, particularly state grantees that are using, sort of, a mixed-and-match methodology. Because in some of the rural areas, the FMR is fine and continues to be fine. But in some of the more metropolitan areas in these college towns, the FMR hasn't been useful for years, and clients have basically been boxed out of those communities. So instead of just saying 150% FMR for everywhere, then therefore, artificially raising, potentially raising rents in rural areas where it's not needed, right, they're going to have to mix, and match. So definitely, think through those needs for your community to see what the best options are. But if it isn't option one or two, it's going to require Field Office approval before you can start to utilize it.

Heather Rhoda: Right.

Steve Ellis: So how do you request approval for community-wide exception rent, exception rent standard? So as a reminder when it's required, the grantee,



not the project sponsor, must submit that request to their Local HUD Field Office. So to help grantees think through some possible documentation requirements, OHH published an optional checklist. So the checklist highlights the type of information that HUD is looking for and an approvable request. It doesn't list all of the documentation that might be needed. It just gives examples. So definitely, think through what it is that you need, what you're requesting, and what you're going to use to back that up. But at least that hyperlink listed here, which gives that optional checklist will list some of the most common documentation requirements that HUD is asking for if you need Field Office approval.

Once again, as a reminder, you cannot begin to use these until you receive Field Office approval. So please, make sure you have that approval before you start to roll out option three.

Heather Rhoda: Right. And if you are, and I think we're getting to this, Steve. But if you're actually currently using a payments standard, rent standard amounts that now would require Field Office approval, you need to get approval to continue doing that. So if you were using small area FMR all along because you thought you could, without permission, you do need to get HUD Field Office approval to continue doing that going forward. But I think you do get to that soon.

Steve Ellis: Yes. Well, absolutely, right, because at this point, if you were inadvertently using small area fair market rents, you were out of compliance.

Heather Rhoda: Right.

Steve Ellis: Because that 120-day period has passed. So keep that in mind, that particularly if you've not made sure that you're in compliance, or maybe you do know, and thought, "HUD's never noticed it before." They're out to compliance, they will notice. And it will be an issue at monitoring. So please make sure, and then seek approval when needed.

So, a common question we've also got is how do we even know if the local PHA is using small area fair market rents? So, it might be obvious, right? But the first thing is just to ask. Right? So we as TA providers, OHHs, or HOPWA staff, we don't directly know whether your PHA is using small air fair market rents or not.

So it's always best to go directly to the source. So if you can ask your small area – if you can ask your local PHA about what they're using, and



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what methodology they use, that's key. Or as we talked about earlier that PHAs, many of them, publish things online. You might be able to see their payment standards online or if they e-mail them to you. So if you've seen anything associated with zip codes, as you'll see on this slide here, they are using small area fair market rents.

So the same would go if you are asking project sponsors what they are doing, and they send you a list of payment standards by zip code. Right, like this chart here, that means your project sponsor is using small area fair market rent.

When you all get this slide deck, you'll see here that we do have the hyperlink for small area fair market rents, if there's something you want to look into or see what's currently in your area to help align it up with what other programs might be doing. But we do want to stress, the FMR, fair market rent, is different than small area fair market rent. Right, there are two different sets of numbers.

So please, make sure, if you are going online to the HUD Exchange, if you're looking at what project sponsors are doing, if you're looking at what your local Housing Authority is doing, make sure to keep in mind the two differences, so you don't conflate the two ideas, and assume that they're the same.

So we have a question, can we use a rent standard that is different than a HOPWA grantee operating in the same state? Right, so for some of you, you have multiple HOPWA grantees within your state. So you all are not required to use the exact same rent standard. Because, for example, as you see on the picture here, FMRs are also different within a state.

So the FMR for one EMSA might be different than an FMR for a different EMSA, which might be different than an FMR for a third EMSA. So there's no HOPWA requirement that grantees that are within the same state use the exact, same rent standard. However, particularly if you are overlapping with another grantee, say you're a competitive grantee serving the same area as a formula grantee, you should at least be aware of what each other is doing.

And do your best to try to align, depending on all situations that you can, right? So depending on the population you're serving, we want to try to create or avoid situations where one program is paying way more than another because of the way we're all aware that the clients will talk.



And so you don't want to be that one program that pays way more than another program, even if people are living in the exact, same building. So definitely, speak to other HOPWA grantees within your state, and see what they are doing. See what methodology they determined to use, and their reasoning why? Particularly, if you're a competitive grantee, or you're a formula grantee who is aware of the competitive grantee, do that communication. Figure out what each other is doing, and do your best to try to make sure you aren't inadvertently causing any issues.

So many programs are aware of what we call the 10/20 rule. And so the question is, can you still use the 10/20 rule if your rent standard isn't FMR? So, the answer is absolutely yes. As a reminder about what the 10/20 rule is - HOPWA regulations allow the grantee to increase a rent standard amount by an additional 10%, or no more than 20% of their total assisted units on a case-by-case basis.

So, what this means is that regardless of the methodology that you use for your rent standard. So whether your rent standard is FMR, whether your rent standard is community-wide exception rent, PHA payment standard, or your rent standard is community-wide exception rent, you proposed your rent and got approval, you can still apply the 10/20 rule on a case-by-case basis. So this Notice does not get rid of that 10/20 rule when needed.

So one of the last common questions that we've been seeing a lot is when you update your rent standard, if your rent standard's amount decreased, or is less than the previous year, what do you do? So the answer to this comes down to everyone's favorite topic, your policies, and procedures. Right, so grantees should have written policies, and procedures detailing the process, and timing for implementing rent standard adjustments.

Right, so you've looked at your rent standard, and it's changing. Your policies should say how this is going to affect HOPWA-assisted units under existing leases at the time of the change in the rent standard. And how this is going to apply to brand-new units or brand-new households.

So the policies and procedures should cover the timing for implementing increases and decreases in the rent standards. How and when changes are affecting newly assisted households, currently assisted households, and landlord-requested rent increases. So please, make sure all of this is in your policies and procedures as this guidance is a little different than traditional guidance that has gone out in the past about when you were required to adjust your rent standards, and how it affects your units.



So, we are reaching the end of our slides. So once again, I strongly encourage individuals that have questions to submit them to the Q&A as we won't have time to answer some of them. So these next slides just go over some of the resources, either tied to this topic that has already been presented or some of the things that we have mentioned during this presentation, including the rent standard documentation checklist, the Notice itself, and some of the regulations that have been cited.

There are always questions about rent reasonableness because that ties into making sure the unit meets eligibility. So you'll see some links here about the rent reasonableness refresher that had been provided in the past. And the key, too, is to make sure not only do you have the rent standard, and the unit that meets that standard, but that all parts of your rental assistance program meet HOPWA requirements. So, this also includes the hyperlink to the HOPWA income and rent curriculum to make sure you're annualizing income and doing rent calculations correctly.

Heather Rhoda: I also included that link, too, Steve, in the chat. Because there have been a few questions about utility allowances, and utility reimbursements, and, kind of, conflating those two concepts a little bit. So included the curriculum in the chat because that curriculum does go through applying utility allowances when determining gross rent.

Right, which is different than when you're subtracting utility allowance, and calculating income. And then when the whole utility of reimbursement comes into play, so I strongly encourage everybody to take that curriculum.

Steve Ellis: Okay. I want to remind people, too, about the curriculum -- is that you can jump to different parts. So say you took the curriculum when it came out, and now you just need a refresher on some of these topics. You can absolutely go specifically to those topics on the curriculum, and learn about those topics that Heather just mentioned without having to go through annualizing income if you're sure you have that down. So definitely, review that when it comes to all of these questions and you can probably get some answers directly from looking at that curriculum.

All right those are wonderful. And we have some time to answer some questions. One question that I saw came up that I think should be for OHH. So, the checklist talks about some of the things that should be included if a grantee needs to seek approval for their rent standard. What are some things that should not be included, though, if they do need to seek approval?



Amy Palilonis: That is a good question, and I will start by strongly encouraging you all to check out the checklist, if you have not checked it out already, and really utilizing that to guide any community-wide exception rent standard request that you're submitting to your Field Office. Think, and you'll see the types of things that we're looking for in that checklist. I will say that confidentiality under HOPWA is always extremely important. And so in submitting your request we do not need any client-level information, personalize, and person – I'm going to miss -of person, PII.

We do not need any PII. I don't know why I can't get that word out right now, Personally-Identifying Information. That is what it is. Please do not include those in your, in any rent standard requests, or really any, any communications with, with HUD. For the most part, those will not be necessary. I don't know, other OHH folks on the call, can you think of anything else that we definitely do not need to see in these requests?

And again, I would say that checklist that was published is not, you're not required to use that when putting together a community-wide exception rent standard request for HUD approval, but we strongly encourage you to use it as a resource as you're putting together those requests. Because it will make the approval process much, much smoother, and easier for all parties.

Steve Ellis: Are there any other Q&A that we should share with everyone during this webinar?

Heather Rhoda: Not that I could see, Steve, unless most of everything was answered. And we could certainly do, like, a quick little fact sheet, or Q&A to go along with the presentation as this is posted on the HUD Exchange, so everybody could see the questions and the responses.

Amy Palilonis: Yeah and there were a few questions where we needed some additional information or clarification. And we'll definitely be following up with folks afterward.

Heather Rhoda: Add that, too.

Steve Ellis: I think other than that, right, just a reminder to everyone that this presentation will be shared with everyone who registered. And as always all of these materials, including the presentation, the recording, and a transcript will end up on the HUD Exchange as soon as possible to make



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sure that those of you who need to reference back, can. But also for people who missed it, can also refer back to it.

Well, then, everyone as we wrap up today's Office Hours, once again, please continue to submit any Q&A for the last few moments. But as Amy mentioned earlier, if you have questions, you can always reach out to your Local Field Office. You can reach out to the Office of HIV and Housing. And you could also reach out to technical assistance through the AAQ for any follow-up. Otherwise, just a quick reminder of upcoming HOPWA webinars and Office Hours.

So there will be another Office Hours on the new HOPWA consolidated APR/CAPER report at the end of January, Wednesday, January 25th. A definite do not miss for those of you who are not yet familiar with the new HOPWA reporting tool, as many of you are studying to enter the new operating year, well, soon, you need to worry about it

Heather Rhoda: Also to add, the user manual for the HOPWA consolidated APR/CAPER is now posted and available on the HUD Exchange the HOPWA reporting landing page.

Steve Ellis: And there are many other HOPWA webinars and Office Hours in the works that just weren't finalized before today's presentation. So as always, pay attention to your HUD Exchange and listserv e-mail for the most recent news on HOPWA, and upcoming webinars and Office Hours. Because there's lots of great stuff getting ready to come out.

Other than that, once again, if you have questions, you know how to reach everyone about this topic, or anything related to HOPWA, feel free to reach out. Amy or anyone at OHH, any final thoughts?

Amy Palilonis: I just want to thank everyone for participating today and asking such good questions. And as we've said a few times today, please don't hesitate to reach out with any questions that you have.

Steve Ellis: Thank you, everyone. Take care and we will see everyone soon.

[END OF TAPE]

