

## HOPWA Community-Wide Exception Rent Standard Submission Checklist

This optional checklist may be used by HOPWA grantees when submitting a request for approval of a HOPWA Community-Wide Exception Rent Standard per Section III.C.2. of [Notice CPD-22-10](#). HOPWA grantees must submit such requests to the Community Planning and Development (CPD) Director at their local HUD Field Office via email using “[Grantee]\_HOPWA Community-Wide Exception Rent Request\_[date]” as the naming convention in the email subject line.

Submitted requests must include the following:

### Grantee Information

- Grantee Organization
- Defined Service Area (or a subset of the service area)

### Requested HOPWA Community-Wide Exception Rent Standard

HOPWA grantees must clearly define the type of community-wide exception rent standard they are requesting. Each request should contain the following information:

- 1) The methodology used to determine the proposed rent standard.
- 2) The proposed rent standard limits by unit size for efficiency through 6-bedroom units.
  - Note: The grantee should document the frequency at which the limits will be updated in their policies and procedures. Resubmission of the rent standard limits is not required when rent standards are updated unless changes to the approved methodology have been made.
- 3) A description of how utilities are incorporated into the proposed rent standard.
  - Note: The proposed rent standard amount for each unit size must include the unit rent plus the cost of all tenant-paid utilities, excluding cable, television, and/or internet services.

Below are possible options that grantees may use as their HOPWA Community-Wide Exception Rent Standard:

- 1) Housing Choice Voucher (HCV) payment standard (basic range or exception payment standard) of **one** of multiple Public Housing Agencies (PHAs) in the grantee’s service area to apply as the payment standard throughout the service area;
- 2) Small Area FMRs (SAFMRs) published by HUD; or
- 3) Grantee-defined rent standard based on the documented community housing costs and/or the housing needs of low-income people living with HIV in the grantee’s service area.
  - a. Defined percentage range above or below the local PHA’s HCV payment standard
  - b. Defined percentage range above or below FMR
  - c. Previous HUD-issued FMR
  - d. Other: \_\_\_\_\_

*For each of the three options listed above, here is a checklist that provides more details on the information needed for an approvable request.*

- 1) HCV payment standard of **one** of multiple PHAs in the grantee’s service area to apply as the payment standard throughout the service area (e.g., one standard for the eligible metropolitan statistical area or eligible state’s service area).

*Information to include in the submission:*

- Name of PHA

**Type of rent standard the PHA uses. The choices are below.**

- Basic Range (90 percent to 110 percent of the FMR)
- Exception Payment Standard (below 90 percent, or above 110 percent, of the FMR, for designated parts of the FMR area with HUD's approval)

2) Small Area FMRs (SAFMRs) published by HUD.

Note: Small Area Fair Market Rents (SAFMRs) are FMRs calculated for ZIP Codes within Metropolitan Areas. Small Area FMRs are required to be used to set Section 8 Housing Choice Voucher payment standards in areas designated by HUD (available [here](#)). HOPWA grantees **cannot** use SAFMRs without approval from their Field Office.

*Information to include in the submission:*

**Metropolitan areas within the grantee service area**

**The zip codes where SAFMR will be used within the grantee's service area**

**If HUD does not publish SAFMR for all zip codes in the grantee's service area, the grantee must provide a plan to establish rent standards for the uncovered areas. The plan should include all the following:**

- Identified portion of the grantee's service area where HUD does not provide SAFMRs
- Methodology used to determine a rent standard in the uncovered area. This could include options such as defaulting to FMR or using local PHA payment standards (basic range or exception payment standard).
- Defined rent standard limits by unit size for efficiency through 6-bedroom units for the uncovered area

3) Grantee-defined rent standard based on the documented community housing costs and/or the housing needs of low-income people living with HIV in the grantee's service area.

*Information to include in the submission:*

**Type of grantee-defined community-wide exception rent standard proposed:**

- Defined percentage range above or below the local PHA's HCV payment standard
- Defined percentage range above or below FMR
- Previous HUD-issued FMR
- Other: \_\_\_\_\_

**Supporting documentation that clearly defines and justifies the grantee-defined community-wide exception rent standard being proposed, including:**

- Reason for choosing a grantee-defined community-wide exception rent standard
- Methodology used to determine the proposed rent standard
- Proposed rent standard limits by unit size for efficiency through 6-bedroom units
- Description of how utilities are incorporated into the proposed rent standard. Note – The proposed rent standard amount for each unit size must include the unit rent plus the cost of all tenant-paid utilities, excluding cable, television, and/or internet services.

### Grantee Justification and Supporting Documentation

HOPWA grantees must submit a written justification on why a community-wide exception rent is being requested. The grantee must document how other allowable options for establishing the rent standard (i.e., FMR or HCV payment standard (basic range or exception payment standard) set by local PHAs throughout the service area) do not provide eligible families a reasonable selection of decent, safe, and sanitary units.

*The justification should include the following information:*

- Reason for requesting a community-wide exception rent for HUD approval**
- Information on FMR(s) in the defined service area to include:**
  - FMR amounts for efficiency through 6-bedroom units
  - Justification for why the usage of HUD-published FMR rates will not provide eligible families a reasonable selection of decent, safe, and sanitary units
- Information on HCV payment standard set by local PHA(s) to include:**
  - Type of HCV payment standard set by local PHA(s) - whether the local PHA(s) use FMR or another payment standard
  - HCV payment standard amounts set by local PHA(s) for efficiency through 6-bedroom units
  - Justification for why the HCV payment standard set by local PHA(s) will not provide eligible families a reasonable selection of decent, safe, and sanitary units
- Information on actual rent costs in the defined service area**
  - Documentation of actual housing costs in the defined service area for efficiency through 6-bedroom units that support the need for the proposed community-wide exception rent standard to ensure a reasonable selection of decent, safe, and sanitary units.
    - Grantees can include a table that includes a range of housing costs for each unit size in the zip codes where clients prefer to live but have been priced out of safe, decent, and sanitary units in those areas. Grantees can prepare this data and back it up with the source documentation in the bullets below.
  - Documentation of currently available units
    - Comparable units and examples of current rentals available (from any source from which information about local units can be reasonably obtained – socialserve.com, apartments.com, Zillow, etc.)
    - Documentation on units where the rental amounts exceed current payment standards, if applicable to the Grantee's service area.
  - Documentation of housing needs for HOPWA clients in the service area
    - Local information regarding issues securing units that fit within the current rent standard may include:
      - Information (numbers or narratives) regarding rental assistance unable to be utilized or search periods needing to be extended due to households not being able to secure units
      - Documentation of housing costs in neighborhoods that provide better amenities, including access to medical services, quality schools, transportation, grocery stores, etc.
      - Documentation of lack of amenities in neighborhoods that currently fall within the current HOPWA rent standard, including access to medical services, quality schools, transportation, grocery stores, etc.
      - Information on the number of assisted households required to move or vacate units to retain HOPWA assistance once requested rent is above the current rent standard.

If you do not include the components listed in the guidance above, the processing of your request may be delayed as you will be asked to submit additional information to justify your request.

*This resource is prepared by technical assistance providers and intended to help Grantees and Project Sponsors understand guidance related to the HOPWA Program and COVID-19. The contents of this document, except when based on statutory or regulatory authority or law, do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.*