Virginia Homeless Solutions Program Guidelines
2016 – 2018

EQUAL HOUSING
OPPORTUNITY

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Virginia Homeless Solutions Program Overview

The Department of Housing and Community Development (DHCD) administers the Commonwealth of Virginia's homeless services resources through the Virginia Homeless Solutions Program (VHSP). These resources include approximately $15.9 million in state and federal annual funding:

- To reduce the number of individuals/households who become homeless;
- To shorten the length of time an individual or household is homeless; and
- To reduce the number of individuals/households that return to homelessness

Specific funding sources include:

Funding Sources (approximate annual amounts)		
Name	*Source*	*Amount*
Emergency Solutions Grant	Federal -HUD	$2,752,294
State General Funds – Homeless Assistance	Virginia	$8,401,820 (including $1,000,000 for rapid re-housing- $100,000 of which is veteran-specific)
State General Funds - Homeless Prevention	Virginia	$4,050,000
Housing Opportunities for Person with AIDS/HIV (HOPWA)*	Federal -HUD	$731,898
	TOTAL	**$15,936,012**

**See Appendix A (page 45 for HOPWA program guidelines including program participant eligibility and eligible costs).*

Note that actual funding levels have not been determined at the writing of this document and could vary significantly from estimated amounts.

DHCD will support continuum of care (CoC)/local planning group (LPG) strategies and homeless service and prevention programs that align with these goals to ensure that there is an effective emergency crisis response system to homelessness in communities throughout the commonwealth.

Virginia Homeless Solutions Program funding will be administered based on a two year funding cycle. DHCD will issue one-year (July 1, 2016 - June 30, 2017) grants to grantees as a result of an application process. These grants will be renewable based on performance, compliance and available funds for a second year of funding (July 1, 2017 – June 30, 2018).

Each CoC (or local planning group in the case of the Balance of State CoC) is required to submit an application that includes a local spending plan where specific activities and grantees will be identified. See the *Application Instructions* for more details.

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Funding Levels
Approximately $15.9 million dollars (based on anticipated funding levels) in Virginia Homeless Solutions Program funds will be allocated through the community-based application process.

The amount of funding received within any CoC or local planning group is based on the following:

- Application score;
- Local spending plan;
- Local need;
- Alignment of the approach with state and federal goals;
- Alignment of proposed activities with state goals;
- Performance measures; and
- Available funds.

While applications are community-based, grants are provided to specific organizations for eligible homeless service and prevention programs. While there is a minimum contract amount of $25,000 per grantee, DHCD reserves the right to enter into contracts with grantees for less than $25,000. See Eligible Activities for more details.

Match Requirement
Virginia Homeless Solutions Program funds require a 25 percent match. This is based on the total amount of funds allocated to the local CoC or planning group, excluding HOPWA funding. This match requirement may be met at the community and/or grantee level. This allows communities to use programs or services funded by local and private resources as a match for this funding. The match must be used to meet the VHSP goals: to reduce the number of persons who become homeless, to shorten the length of time persons are homeless, and to reduce the number of persons that return to homelessness. Match must be received and expended within the grant year and may not be used to meet multiple match requirements.

Allowable sources of match are cash, the fair rental value of any donated material or space and any salary paid from local or private sources which, have not otherwise been charged to VHSP. Match resources also may include in-kind donations, and volunteer labor. The worth of in-kind donations and labor are based on the value at the time of the donation or service rendered.

As documented on the Corporation for National and Community Service website - http://www.volunteeringinamerica.gov/pressroom/value_states.cfm, Virginia's volunteer hourly rate is $24.49. The value of the volunteer rate presented here is the average wage of non-management, non-agricultural workers. If a volunteer is providing a specialized skill, The Bureau of Labor Statistics has hourly wages by occupation that can be used to determine the value of a specialized skill (http://www.bls.gov/oes/current/oes_va.htm). Hourly rates are based on the volunteer's work, not based on their earning power. In other words, volunteers must be performing their specialized skill as their volunteer work to claim the hourly wage by occupation. If a doctor is painting a fence or a lawyer is sorting groceries, he or she is not performing his or her specialized skill, and their volunteer hour value would be $24.49 not the hourly wage by occupation. If match is being met by a specialized skill volunteer, documentation of their professional status and record of the Bureau of Labor and Statistics hourly wage must accompany match reporting.

Eligible Service Areas

The VHSP funds are allocated to grantees within continua of care and balance of state local planning groups within Virginia. Eligible service area requirements are intended to maximize the amount of available funds serving Virginia localities and are not intended to exclude services to any individuals or family based upon their last known address.

Eligible activities include shelter operations, rapid re-housing, veterans rapid re-housing, homeless prevention, coordinated assessment, CoC planning, HMIS, administration costs and HOPWA assistance. This includes the following:

- Shelter operations with congregate living facilities physically located in Virginia
- Shelter operations for scattered site shelter with units exclusively in Virginia
- Rapid re-housing and prevention programs targeted to individuals and families in Virginia
- Service provision location within Virginia
- Coordinated assessment activities associated with a specific Virginia CoC or local planning group
- CoC planning costs associated with a specific Virginia CoC or local planning group
- HMIS related costs associated with a specific Virginia CoC or local planning group
- Administrative costs associated with a specific grantee
- HOPWA assistance targeted to program participants within Virginia's non-eligible metropolitan statistical areas (see HOPWA Program Guidelines Appendix A page 45)

Grantee Requirements

Grantees are funded as a result of a community based application process. The application identifies specific organizations that will carry out homeless service activities. DHCD contracts directly with these individual organizations or grantees. Grantees must be non-profits that are current on 990 filings, housing authorities, planning district commissions or units of local government. Housing authorities and planning district commissions are not eligible to receive funding for shelter operations or rapid re-housing activities.

Grantees must comply with program guidelines and applicable state and federal policies and procedures, including compliance with federal and state non-discrimination laws.

Organizations that are directly funded under the Virginia Homeless Solutions Program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the programs or services funded under VHSP. If an organization conducts these activities, the activities must be offered separately, in time or location, from the programs or services funded under VHSP, and participation must be voluntary for program participants.

Grantees must have established standard accounting practices including internal controls, fiscal accounting procedures, and cost allocation plans, and agencies must be able to track agency and program budgets by revenue sources and expenses.

Grantees with outstanding audit findings, IRS findings, DHCD monitoring findings or other compliance issues are not eligible to receive funding. Grantees will not be eligible to receive allocations if any of these conditions occur within the grant period. Note that DHCD will work with all interested parties where appropriate, to resolve findings and compliance issues.

Proposed grantees without recent DHCD funding agreements will be subject to an organizational assessment prior to the execution of any DHCD funding agreement. Recent funding agreements must have been executed since July 1, 2014 for VHSP or HOPWA. An assessment includes a review of organization finances, accounting standards, internal controls, grievance policies, record keeping policies, confidentiality practices, conflict of interest policies, and fair housing practices. DHCD reserves the right to require and conduct organizational assessments of any proposed grantee prior to the execution of any agreement.

All proposed grantees must be registered in DHCD's Centralized Application Management System (CAMS) and are required to submit one of the following financial documents: Financial Statement*, Reviewed Financial Statement prepared by an independent Certified Public Accountant (CPA), Audited Financial Statement prepared by an independent CPA or an OMB A-133 Audit (Single Audit) prepared by an independent CPA. See the table below to determine which document your organization is required to submit.

The threshold requirements outlined below are the minimal standards required by DHCD. We strongly encourage all organizations receiving funds from DHCD to undertake the highest level of financial management review to ensure practices and procedures are fully examined and evaluated.

Threshold Requirement	Document
Total annual expenditures ≤$100,000 – regardless of source	Financial Statement prepared by organizations*
Total annual expenditure between $100,001 and $300,000 – regardless of source	Reviewed Financial Statement prepared by an Independent Certified Public Accountant (CPA)
Total annual expenditures > $300,000 – regardless of source	Audited Financial Statement prepared by an Independent CPA
Federal expenditures ≥$750,000	OMB A-133 Audit (Single Audit) prepared by an Independent CPA

*Does not require preparation by a CPA

Entities shall file the required financial document in the Centralized Application and Management System (CAMS) within nine (9) months after the end of their fiscal year or 30 days after it has been accepted (Reviewed Financial Statement, Audited Financial Statement, and OMB A-133 Audit only) -whichever comes first.

The full DHCD Audit Policy, including an explanation of the specific document requirements, can be found online at:
http://www.dhcd.virginia.gov/images/DHCD/DHCD_Audit_Policy.pdf.

Eligible grantees are otherwise eligible organizations. These are the organizations that DHCD contracts with for the provision of eligible activities. These organizations are identified in the application spending plan and are the:

- Service Provider(s)
- Service Coordinator and/or
- Fiscal Agent

Service Provider
These are the individual organizations identified in the VHSP application year one request. These are the organizations providing the eligible activities. This would also include a HMIS administrator, if applicable.

Service Coordinator
One or more service providers may collaborate to provide specific services. In this case, DHCD contracts with the service coordinator. The service coordinator is a service provider in the collaboration. The application must clearly explain how the service providers will work together. Written agreements are required between service providers involved in the coordinated effort. Copies of the related written agreements or Memoranda of Understanding (M.O.U.s) must be submitted as an attachment with this application. Regardless of the specifics of any partnerships, the service coordinator (grantee) assumes full responsibility for meeting all HMIS, reporting, record keeping, spending, and other program requirements. These responsibilities include monitoring each service provider included in the coordinated effort for program compliance.

Fiscal Agent
DHCD will consider contracts with organizations as fiscal agents. In this case, the organization does not directly provide any services covered by the DHCD contract. However, all remittances, documentation requirements, and other program responsibilities must be maintained by the fiscal agent. The fiscal agent assumes full responsibility for meeting all Homelessness Management Information System (HMIS), reporting, record keeping, spending, and other program requirements. These responsibilities include monitoring each service provider providing any services or activities funded through this application process. This role is limited to organizations with demonstrated capacity.

Continuum of care/local planning group participation is required of all grantees.

Grantees and partners must have conflict of interest policies that clearly prohibit personal gain or benefit and meet other program requirements. See the *Conflicts of Interest* section for more details.

Grantees must certify that they will fully utilize the HMIS for their area. While grantees must work with their local HMIS administrator, different areas within the state may use different systems and/or system administrators. The grantee or any prospective grantees should work with their local CoC to coordinate HMIS access and technical assistance. The grantee assumes full responsibility for all reporting to DHCD.

Domestic violence service providers are exempt from using HMIS, however a comparable system that meets all applicable data standards and reporting requirements must be used. Domestic violence service providers are required to provide aggregate data to DHCD and to the CoC or local planning group.

Emergency Crisis Response System
The emergency crisis response system must be a housing-focused approach to ensure homelessness is rare, brief, and non-recurring. The VHSP goals are to assist households experiencing homelessness to quickly regain stability in permanent housing and to prevent households from becoming homeless. This funding will support an emergency crisis response through coordinated community-based activities. These activities are designed to reduce the overall length of homelessness in the community,

the number of households becoming homeless, and the overall rate of formerly homeless households returning to homelessness.

This funding supports shelter, rapid re-housing, and prevention activities that are targeted and coordinated with other homeless services providers, homeless prevention providers, and mainstream resources within the community.

Centralized or Coordinated Assessment/Entry System

All CoCs, Balance of State local planning groups, and all DHCD homeless services grantees must use a local centralized or coordinated assessment/entry system. A local centralized or coordinated assessment/entry system is best practice for a housing-focused approach targeted to helping households experiencing homelessness quickly regain stability in permanent housing. This best practice is also essential to help divert, where possible, households seeking homeless services from shelter – preventing new cases of homelessness.

A centralized or coordinated assessment/entry system must:

- Provide coordinated program participant intakes, assessments, and referrals
- Cover the CoC or local planning group geographic area
- Provide easy access for individuals and families seeking housing or services
- Provide a comprehensive and standardized assessment tool

Each centralized or coordinated assessment system must have in place written standards for determining program eligibility, prioritization, and level of assistance. Each system must conduct regular evaluations to determine overall effectiveness for process improvement measures.

CoCs and local planning groups must provide a local method and point-of-contact appropriate for referrals from state agencies and providers outside of their CoC or local planning group. This contact must directly link individuals or providers to the centralized or coordinated assessment system.

Prevention/Diversion

In all cases households should be diverted where possible from homelessness. The centralized or coordinated entry system must identify all households that can be diverted. These include individuals and households seeking shelter who are currently housed, though at imminent risk of homelessness. Note that if the housing unit or situation is not safe, which may be the case with domestic violence, a shelter stay could be the appropriate option.

The following are examples of situations where diversion from homelessness may be feasible (other scenarios may be appropriate as well):

- Household living in someone else’s unit (doubled up) where the right to occupy will be terminated
- Household living in their own unit where eviction is imminent but homelessness could be averted

Coordination with prevention resources must be established and maintained to ensure timely referrals where appropriate. VHSP funded activities must be coordinated sufficiently with other providers and resources to ensure that all households that can be diverted from homelessness with prevention assistance are diverted. Grantees must work with local prevention services to help identify and refer all households seeking shelter where diversion from homelessness would be a viable alternative.

Non-financial prevention assistance should be leveraged where possible to divert households from homelessness. Financial assistance (e.g., rent assistance) should be provided as a last resort to prevent homelessness.

Homeless Services

The prevention of homelessness is not always a viable option.

In any case shelter is a temporary measure. A housing barrier assessment is completed upon entering the homeless services system and work starts immediately to move the household to permanent housing. Participants are assisted to obtain permanent housing. In all cases, shelter stays are minimized.

The focus of all shelter stays is:

- To quickly obtain permanent housing (primary focus)
- To obtain housing stability (secondary focus)

Homeless assistance case management and services are needs-based and housing-focused.

Key Outcomes and Objectives

Grantees will be evaluated and monitored on how well they are contributing to meeting key community outcomes and objectives. These key outcomes are measured at the CoC or local planning group level and include:

- Percentage of households seeking shelter where the immediate crisis has been averted (preventing homelessness)
- Percentage of households diverted from homelessness and stabilized in permanent housing
- Reduction in the number of households entering the homeless assistance system
- Reduction of the length of shelter stays
- Reduction in the number of households returning to homelessness

Process and system objectives include:

- Ensuring that all households at the entry point (when they are seeking shelter options) are assessed with a standardized assessment tool
- Entry point(s) are easily accessible (open access when households are seeking shelter)

- Service providers refer appropriate households seeking shelter to the entry points
- Appropriate written policies and procedures are implemented (note that DHCD must review and approve these and all revisions)
- Individualized housing-focused case management is provided

Program Participant (Client) Eligibility
The Virginia Homeless Solutions Program targets individuals and families who are homeless and those who are at imminent risk of homelessness. These include households that fall into the following categories:

1. Literally homeless: individuals and families who lack a fixed, regular, and adequate nighttime residence including those residing in a shelter or a place not meant for human habitation and those exiting an institution where they resided temporarily
2. At imminent risk households: individuals and families who will imminently lose their primary nighttime residence
3. Households fleeing or attempting to flee domestic violence who are either literally homeless or at imminent risk of homelessness (category one and two above)

Rapid re-housing assistance is limited to literally homeless households. These are households who lack a fixed, regular, and adequate nighttime residence. This includes those currently residing in a shelter and those exiting an institution (where they resided temporarily for 90 days or less) with no housing resources. DHCD *Homeless Certification* and *Program Participant Eligibility Requirements* documentation must be included in each program participant file.

Prevention assistance is limited to those households who will imminently lose their primary nighttime residence and otherwise meet all other requirements for prevention including having household incomes below 30 percent area median income (AMI). DHCD *Program Participant Eligibility Requirements* documentation must be included in each program participant file.

Note that except for case management the total period for prevention and/or rapid re-housing assistance is limited to 24 months within any three-year period.

Program Participant Initial Eligibility by Activity Type*	
Eligible Activity	*Program Participant Eligibility*
Shelter	• Literally homeless • At imminent risk of homelessness and diversion has been attempted • Individuals exiting institution (where they resided temporarily) with no resources or anywhere to go
Rapid Re-housing	• Literally homeless (shelter residents, living in other situations not meant for human habitation); or • ***Individuals who were literally homeless prior to***

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	entering an institution (where they resided temporarily – 90 days or less) and are exiting the institution with no resources or anywhere to go; AND • No other resources
Prevention	• At imminent risk of homelessness; AND • Household income below 30 percent AMI; AND • No other resources

**See Appendix A on page 45 for HOPWA program participant eligibility requirements.*

Rapid Re-housing Eligibility

When households initially receive rapid re-housing assistance they must be literally homeless. Re-housing financial assistance beyond three months requires recertification of eligibility. This recertification must be completed every three months. Recertification requires grantee certification and evidence of:

- Program participant household income below 30 percent AMI
- The household lacks the financial resources and support networks needed to remain in existing housing without rapid re-housing assistance
- Housing stabilization services are being appropriately implemented
- The household does not exceed the $500 asset limit

Three month recertification applies to rapid re-housing financial assistance. In cases where program participants receive only case management and services, recertification is required every 12 months. Note that while case management is required at least monthly, services may not be required of program participants.

Income eligibility is not required when households first access rapid re-housing because they are literally homeless; however, it is required when recertifying continued eligibility for rapid re-housing assistance. At each three-month rapid re-housing recertification the household must be below 30 percent of AMI with no more than $500 in assets (including all checking, savings, retirement accounts, stocks, bonds, mutual funds, and real estate). The asset limit is assessed after monthly expenses have been paid. This does not include primary, appropriate, and reasonable transportation, pension or retirement funds that cannot be accessed. Grantees must use HUD Published Income Limits and must use HUD's Section 8 income eligibility standards for determining AMI.

Documentation of homeless status and re-housing assistance eligibility is required. The grantee must use third party verification where possible.

The limits on the amount of assistance a program participant can receive are covered in the *Eligible Activities* section.

Rapid re-housing eligibility must be documented with a completed and signed *Program Participant Eligibility* form and appropriate source documentation.

Prevention Eligibility
A household must be at imminent risk of homelessness, have household income below 30 percent AMI, and have no other resources in order to be eligible for prevention assistance.

The household income must be below 30 percent of AMI with no more than $500 in assets (including all checking, savings, retirement accounts, stocks, bonds, mutual funds, and real estate). The asset limit is assessed after monthly expenses have been paid. This does not include primary, appropriate, and reasonable transportation, pension or retirement funds that cannot be accessed. Grantees must use HUD Published Income Limits and must use HUD's Section 8 income eligibility standards for determining AMI.

Documentation of imminent risk status and prevention assistance eligibility is required. The grantee must use third party verification where possible.

Prevention financial assistance beyond three months requires recertification of eligibility. This recertification must be completed every three months. Recertification requires grantee certification and evidence of:

- Program participant household income below 30 percent AMI
- The household lacks the financial resources and support networks needed to remain in existing housing without prevention assistance
- Housing stabilization services are being appropriately implemented
- The household does not exceed the $500 asset limit

Three month recertification applies to prevention financial assistance. In cases where program participants receive only case management and services, recertification is required every 12 months. Note that while case management is required at least monthly, services may not be required of program participants.

Prevention eligibility must be documented with a completed and signed *Program Participant Eligibility* form and appropriate source documentation.

Eligible Activities
There are nine categories of eligible activities for the Virginia Homeless Solutions program:

- Shelter Operations
- Rapid Re-housing
- Veterans Rapid Re-housing
- Prevention/Diversion
- Centralized/Coordinated Assessment System
- CoC Planning
- HMIS

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- Administrative Costs
- HOPWA Assistance - Appendix A

VHSP activities and associated costs are intentionally focused on the implementation of an emergency crisis response system. This assistance is to divert households from homelessness when possible, provide emergency shelter as necessary, rapidly move program participants to permanent housing, and ensure housing stability. VHSP assistance is not intended to provide long-term support, nor will it be able to address all of the financial and supportive services needs of households. Rather, assistance should be focused on housing stabilization, linkages to community resources and mainstream benefits, and helping program participants develop a plan for preventing future housing instability. *CoCs/LPGs must ensure that there is a clear process for determining the type, level, and duration of assistance for each program participant.*

Each grantee must adhere to the following requirements including:

- Full participation in coordinated/centralized assessment system
- 100 percent of program participants assessed with community-based common assessment tool
- Coordination with other homeless services and homeless prevention providers
- Use of HMIS that meets HUD HMIS data standards (Domestic violence programs may use another data system, but must meet all HUD HMIS data standards and reporting requirements)
- Timely referral of eligible households for homeless prevention assistance through coordinated assessment/entry
- Timely referral of eligible households for rapid re-housing through coordinated assessment/entry or coordination with providers
- Documentation of program participant homeless status and services received
- Completion of a **housing barrier assessment** and subsequent **individualized housing plan** that includes how permanent housing will be maintained when assistance is terminated
- Adherence to a primary focus on quick placement into permanent housing
- Adherence to a secondary focus on housing stability

Initial Screening

All households seeking homeless assistance must be initially screened through coordinated or centralized assessment/entry. This screening must be completed in a manner that allows for the identification of households for prevention services and immediate referral to the appropriate provider. Note that initial screenings take place when the household is seeking assistance. All households seeking services, regardless of eligibility or ineligibility for any specific program, must receive appropriate referrals. Records must be maintained for all households denied services. See *Recordkeeping* requirements.

Housing Barriers Assessment and Housing Plan
Once the initial housing crisis is addressed, the program participant household must receive a housing barriers assessment. A housing plan must be developed based on the initial assessment for each program participant household. In all cases housing barrier assessments and plans must be individualized to identify and address the unique household situation. All plans must be focused first on quickly obtaining permanent housing and secondly on obtaining and maintaining housing stability. Program participants must receive at least monthly housing focused case management.

Housing First
All programs must use a housing first approach focused on moving program participants into permanent housing as quickly as possible. Grantees must use housing stabilization support services and mainstream resources as needed to ensure housing stability.

<u>Shelter Operations</u>
Shelter operations will support emergency shelter for households experiencing homelessness in Virginia. Shelters must meet basic habitability standards, pass annual fire inspections, and comply with the Americans with Disabilities Act (ADA) and Fair Housing Act standards. If the shelter itself is not ADA compliant the grantee must have a plan to meet the needs of households with disabilities.

Shelters include programs that provide temporary shelter to households experiencing homelessness and may include seasonal shelters. Transitional housing is **not** eligible under this program.

Eligible Costs
Most costs associated with the operation of a shelter are eligible. These include:

- Rent
- Security
- Maintenance
- Utilities
- Supplies
- Essential Services (housing focused case management and limited support services)
- Other (requires DHCD pre-approval)

Rent expenses must be for actual leasing costs accrued by the grantee for the housing unit(s) or building(s) where temporary shelter and essential services are provided. These funds may **not** be used to reimburse the grantee for costs associated with a grantee mortgage or loan on the property.

Both security and maintenance costs may include grantee staff costs accrued by the grantee in the performance of security and/or maintenance. Note that any security, maintenance, or any other contract for services must adhere to grantee procurement policies.

As condominium fees cover maintenance and sometimes utilities associated with a unit, these are allowable for grantee-owned properties utilized for programs funded through this program.

In the case of shelter models that require mass transportation of program participants to shelter sites from designated pick up locations, these costs may be eligible shelter operation costs under the “other” category. Note that all “other” costs must be pre-approved by DHCD.

Supplies are limited to those directly related to meeting basic health and safety needs of program participants during the shelter stay. These include but are not limited to office supplies, cleaning supplies, food costs for meals provided, and bathroom supplies. Supplies do not include luxury items or items that go beyond meeting basic health and safety needs of program participants. The grantee should contact their program administrator if further guidance is required.

Essential services include case management and limited support services that are housing focused. Any support services provided must be based on program participant needs and address specific housing barriers. These funds should be used as a last resort for support services and may **not** be used if other resources are available. Documentation of the need for a specific support service and the lack of other available resources must be included in the program participant file in cases where these funds are used to pay for essential services. Note that all support services costs must be pre-approved by DHCD.

Rapid Re-Housing

Eligible rapid re-housing costs include:

- Rent assistance
- Rent arrears
- Housing stabilization financial assistance
- Housing stabilization case management
- Housing search and placement
- Housing stabilization services
- Service location costs

Grantees are required to certify homeless status at intake. All households must have housing barriers assessments and housing plans. These assessments and plans may be transferred from another provider to the rapid re-housing provider if applicable (see *Initial Screening* and *Housing Barrier Assessment and Housing Plan*).

Grantees must not make payments directly to program participants but only to third parties, such as landlords. In addition, an assisted property may not be owned by the grantee or the parent organization, subsidiary or affiliated organization of the grantee (see *Conflict of Interest*).

Rapid re-housing assistance requires that the program participant head of household have the valid lease with a landlord in his/her name that is in compliance with tenant/landlord laws. A copy of this lease must be included in the program participant record.

Grantees must have written agreements with both the program participant and the landlord that identify the terms of the rapid re-housing assistance. This should specifically provide the landlord with guidance for addressing issues which could impact housing stability and must include:

- A provision requiring the owner to give the grantee a copy of any notice to the program participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the program participant.
- The same payment due date, grace period, and late payment penalty requirements as the program participant's lease.
- The term of the rental assistance agreement for the period of time they anticipate providing assistance.

Rental Assistance and Rent Arrears
Rental assistance is tenant-based and can be used to allow individuals and families to obtain and remain in rental units. The following guidelines apply:

- No program participant may receive more than 24 months of assistance during any three year period of time.

- Grantees must determine the amount of rental assistance provided, such as "shallow subsidies" (payment of a portion of the rent), payment of 100 percent of the rent charged, or graduated/declining subsidies.

- Assistance with any portion of rent during a month counts as a month toward the 24 month limit.

- Payment of rent arrears consists of a one-time payment for up to six months in arrears, including any late fees on those arrears. Rent arrears may be paid only if the payment enables the program participant to obtain a housing unit. If funds are used to pay rent arrears, the arrears must be included in determining the total period of the program participant's rental assistance, which may not exceed 24 months.

- While the payment of rent arrears is a lump sum and recorded as such in HMIS, each month and the number of months most be noted in HMIS and counted toward the total rent assistances limit of 24 months.

- Any individual or family receiving assistance beyond any arrears and two current months of rent and financial assistance must be evaluated and recertified as eligible every three months. Recertification of eligibility includes the following:

- Program participant household income below 30 percent AMI
  - The household lacks the financial resources and support networks needed to remain in existing housing without rapid re-housing assistance
  - Housing stabilization services are being appropriately implemented
  - The household does not exceed the $500 asset limit

- Grantees are required to certify eligibility at intake and at least once every three months.

- Grantees must provide the appropriate level of case management in order to ensure housing stability (at least monthly case management is required).

- Grantees may require a program participant to share in the costs of rent.

- Assistance should be *"needs-based,"* meaning that grantees should determine the amount of assistance based on the *minimum amount* needed to help the program participant maintain housing stability. This allows communities to use program resources efficiently to serve as many households as possible.

- Funds may not be used to pay damage costs incurred by the tenant.

- When households are moved into a unit, the rent must meet two standards:

  - Rent Reasonableness – rent is equal to or less than other like units in the area
  - Fair Market Rent (FMR) – rent (including utilities) is at or below the HUD established FMR for the unit size in the area

- The rental assistance to move into a new unit cannot exceed the actual rental cost, which must be in compliance with HUD's standard of "rent reasonableness." "*Rent reasonableness*" means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units. To make this determination, the grantee should consider (a) the location, quality, size, type, and age of the unit; and (b) any amenities, housing services, maintenance and utilities to be provided by the owner. A copy of the HUD rent reasonableness worksheet must be completed and included in the program participant file.

- The rental assistance to move into a new unit cannot exceed the actual rental cost, which must be at or below Fair Market Rents (FMR) for the area. Note: the FMR, including utility allowances, requires grantees to utilize the appropriate utility allowance for any utilities that are paid by the program participant separate from rent. A copy of the completed worksheet must be included in the program participant file.

- FMR limits include the cost of utilities. Grantees will need to utilize an established utility allowance in order to assess FMR limits for rents on units not including all utilities. The grantee may use the local housing authority's or VHDA's appropriate regional allowances in order to calculate the rent standard. The actual rent charged for a unit plus the allowance for any utilities that the program participant must pay themselves must not exceed the FMR for the area.

- Assistance cannot be duplicated. Financial assistance cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state or local housing subsidy program.

- Rental assistance or arrears to pay for a lot on which a manufactured or mobile home is located is an eligible expense as long as the household is otherwise eligible.

- Rental assistance provided toward rent for a housing unit owned by a grantee, related entity, or partner is prohibited (see *Conflict of Interest*).

Housing Stabilization Financial Assistance
Funds may be used to provide financial assistance to help program participants quickly access housing. The housing relocation and stabilization services financial assistance includes:

- Security and utility deposits
- Last month's rent
- Utility payments
- Utility arrears
- Moving costs
- Application fees

- Grantees are required to certify eligibility at intake and at least once every three months where financial assistance is provided.

- Funds may be used to pay for security deposits, including utility deposits, for program participants. This is eligible in the case where the program participant is otherwise eligible and they are not receiving security or utility deposits assistance from another source. Security deposits must be paid directly to landlords or property managers.

- Grantees must not take measures to recapture any deposit assistance provided to program participants. In the cases where the return of a deposit to the grantee is unavoidable, all returned deposits must be tracked as program income. Any resulting program income must be used for VHSP eligible activities.

- Funds may be used for up to 24 months of utility payments for each program participant in any three year period of time, provided that the program participant or a member of his/her household has an account in his/her name with a utility company and is not receiving utility assistance for the same period of time for the utilities.

- Any individual or family receiving assistance beyond any arrears and two current months of rent and financial assistance must be evaluated and recertified as eligible every three months. Recertification of eligibility includes the following:

  - Program participant household income below 30 percent AMI
  - The household lacks the financial resources and support networks needed to remain in existing housing without rapid re-housing assistance
  - Housing stabilization services are being appropriately implemented
  - The household does not exceed the $500 asset limit

- Utility assistance may include up to six months of utility payments in arrears per service. Payments of arrears must be counted toward the 24 month limit.

- The grantee must use the Virginia Housing Development Authority (VHDA) or the local housing authority utility allowance guideline to set reasonable limits for utility payments.

- Assistance should be "needs-based," meaning that grantees should determine the amount of assistance based on the minimum amount needed to maintain housing stability *in the near term*. This allows communities to use program resources efficiently to serve as many households as possible.

- Assistance with utilities may be structured where the program participant pays a portion of the utilities. Partial assistance payment for any month of utilities counts as a month of assistance. Grantees may pay past due utilities, however the past due months must be included in the 24 month limit. Utilities are limited to water/sewer, heating oil, gas, and electricity. Twenty-four month limits are based on assistance with one or more of the basic utilities per month. Since the actual number of months may be difficult to determine, grantees may use estimates to determine the total number of months covered. In these cases the grantee must document the basis for the estimation.

- Funds may be used for reasonable moving costs, such as truck rental or hiring a moving company, to assist an eligible household with housing stability.

- Funds may be used for lease or apartment application fees where necessary and no other source has been identified to assist an eligible household with housing stability.

Housing Stabilization Case Management
Funds may be used for housing stability case management. These are the costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for program participants residing in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. Clients must receive housing focused case management at least once a month.

This assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 24 months during the period the program participant is living in permanent housing. Note that regardless all program participants must be moved as quickly as possible to permanent housing.

These costs include:
- Conducting initial assessments
- Counseling
- Facilitating access to mainstream services
- Monitoring and evaluating program participant progress
- Coordination with and referrals to other providers
- Developing individualized housing and service plans

Rapid re-housing funds can be used for housing focused case management alone. Although rental assistance cannot be provided independent of case management, case management can be provided independent of rental assistance. For example, case management could be provided after the term of a program participant's rental assistance expires, as long as the 24-month cap for each type of assistance is not exceeded. Note that recertification is required at 12 months.

"Stand alone" case management or other services can also be provided to support program participants who receive rental assistance through non-VHSP, as long as the individual or family is eligible for VHSP assistance at the time of the intake evaluation.

Housing Search and Placement
Housing search and placement funds may be used for services or activities designed to assist individuals or families in locating, obtaining, and retaining suitable housing. Component services or activities may include: tenant counseling, assisting individuals and families to understand leases, securing utilities; making moving arrangements, representative payee services concerning rent and utilities, and outreach and negotiation with property owners related to locating or retaining housing. Costs also include expenditures associated with assessing housing unit compliance with property standards, lead requirements, and rent reasonableness. Note that costs associated with staff in the role of housing locator would be eligible housing search and placement costs.

Housing Stabilization Services
Funds may be used for services that are targeted to assist program participants to maintain housing. These may include critical skills related to household budgeting,

money management, accessing a personal credit report, and resolving personal credit issues. If grantees elect to conduct credit checks on program participants, they must do so for all program participants so as not to violate Fair Housing Law or otherwise discriminate among program participants. Grantees may not use these funds to reimburse landlords for their costs associated with conducting credit and/or background checks. Credit may **not** be used to determine program eligibility. Payment of debt is an ineligible expense.

Service Location Costs
Funds may be used for service location costs, such as rent for office space, photocopier costs, and utilities for an office.

Summary: Requirements
All program participants must receive an initial screening, initial eligibility certification, housing barrier assessment, housing plan, and receive at least monthly case management. Recertification of eligibility varies based on type of assistance.

Recertification Requirement	
Any Financial Assistance	Every three months
Services/Case Management Only	Every 12 months

Veteran Rapid Re-Housing
Veteran specific rapid re-housing funds shall be used to meet the federal, state, and local goals to end veteran homelessness.

Veteran rapid re-housing funds should be used as a resource incorporated into the following key strategies:

- Housing first approach
- Targeting the most vulnerable
- Providing rapid re-housing opportunities
- Leveraging other community and mainstream resources to serve veterans

Eligibility
All literally homeless veterans who lack a fixed, regular, and adequate nighttime residence including those residing in a shelter or a place not meant for human habitation, those exiting an institution where they resided temporarily, and those fleeing or attempting to flee domestic violence are eligible for veteran rapid re-housing.

A veteran is any military member who has been released from their obligation to continue service in the armed forces. To be eligible for services, a veteran **does not** have to have received an honorable discharge. All veterans are eligible regardless of discharge type.

Eligible household types include a single veteran or a family in which the head of the household, or the spouse of the head of the household, is a veteran.

As with other VHSP rapid re-housing, financial assistance beyond three months requires recertification of eligibility. This recertification must be completed every three months.

- Veteran household income below 30 percent area median income (AMI)
- Household lacks the financial resources and support networks needed to remain in existing housing without rapid re-housing financial assistance
- Housing stabilization services are being appropriately implemented
- The household does not exceed the $500 asset limit

Three month recertification applies to rapid re-housing financial assistance. In cases where program participants receive only case management and services, recertification is required every 12 months. While case management is required at least monthly, services may not be required of program participants.

Documentation of Veteran Status
To document veteran status, grantees must obtain at least one of the following:

- Veteran’s Department of Defense (DD) Form 214 Certificate of Release Discharge from Active Duty
- VBA Statement of Service (SOS)
- VHA Veteran’s Identity card
- VISTA printout from VHA healthcare provider
- Hospital Inquiry System (HINQS)
- VBA award letter of service connected disability payment or non-service connected pension

If such documents proving eligibility are not immediately available, an Affidavit of Veteran Status signed by the veteran can be used to allow grantees to temporarily enroll veterans who are pending verification of veteran status and initiate supportive services. However, temporary financial assistance may not be provided until the grantee can obtain documentation proving veteran status. Eligible costs and activities are the same as non-population specific rapid re-housing.

Summary: Requirements
All program participants must receive an initial screening, initial eligibility certification, housing barrier assessment, housing plan, and receive at least monthly case management. Recertification of eligibility varies based on type of assistance.

Recertification Requirement	
Any Financial Assistance	Every three months
Services/Case Management Only	Every 12 months

Prevention/Diversion
Eligible prevention costs include:

- Rent assistance
- Rent arrears
- Housing stabilization financial assistance
- Housing stabilization case management
- Housing search and placement
- Housing stabilization services
  Service location costs

Grantees are required to certify eligibility at intake. All households must have housing barriers assessments and housing plans (see *Initial Screening* and *Housing Barrier Assessment and Housing Plan*).

Grantees must not make payments directly to program participants, but only to third parties, such as landlords. In addition, an assisted property may not be owned by the grantee or the parent, subsidiary or affiliated organization of the grantee (see *Conflict of Interest*).

Prevention financial assistance requires that the program participant head of household have the valid lease with a landlord that is in compliance with tenant/landlord laws in their name. A copy of this lease must be included in the program participant record.

Rent and utility assistance including any arrears must not exceed 24 months. Recertification of eligibility is required every three months. Any individual or family receiving assistance beyond any arrears and two current months of rent and utility assistance must be evaluated and recertified as eligible every three months. Recertification of eligibility includes the following:

- Program participant household income below 30 percent AMI
- The household lacks the financial resources and support networks needed to remain in existing housing without assistance
- Housing stabilization services are being appropriately implemented
- The household does not exceed the $500 asset limit

Non-financial prevention assistance should be leveraged where possible to divert households from homelessness. Financial assistance (e.g., rent assistance) should be provided as a last resort to prevent homelessness.

Rent Assistance and Rent Arrears
Rental assistance is tenant-based rental assistance that can be used to allow individuals and families to obtain and remain in rental units.

- These funds cannot be used for mortgage assistance.

- No program participant may receive more than 24 months of assistance during any three year period of time.

- Grantees must determine the amount of rental assistance provided, such as “shallow subsidies” (payment of a portion of the rent), payment of 100 percent of the rent charged, or graduated/declining subsidies.

- Assistance with any portion of rent during a month counts as a month toward the 24 month limit.

- Payment of rent arrears consists of a one-time payment for up to six months in arrears, including any late fees on those arrears. Rental arrears may be paid if the payment enables the program participant to obtain or retain a housing unit. If funds are used to pay rental arrears, arrears must be included in determining the total period of the program participant’s rental assistance, which may not exceed 24 months. Rental arrearage assistance should only be used to prevent homelessness.

- While the payment of rent arrears is a lump sum and recorded as such in HMIS, each month and the number of months most be noted in HMIS and counted toward the total rent assistances limit of 24 months.

- Any individual or family receiving assistance beyond any arrears and two current months of rent and financial assistance must be evaluated and recertified as eligible every three months. Recertification of eligibility includes the following:

  - Program participant household income below 30 percent AMI
  - The household lacks the financial resources and support networks needed to remain in existing housing without assistance
  - Housing stabilization services are being appropriately implemented
  - The household does not exceed the $500 asset limit

- Grantees are required to certify eligibility at intake and at least once every three months.

- Grantees must provide the appropriate level of case management in order to ensure housing stability (at least monthly case management is required).

- Grantees may require a program participant *to share in the costs* of rent.

- Assistance should be needs-based, meaning that grantees should determine the amount of assistance based on the minimum amount needed to help the program participant maintain housing stability *in the near term*. This will allow communities to use program resources efficiently to serve as many households as possible.

- Funds may not be used to pay damage costs incurred by the tenant.

- When households are moved into a new unit **or** stabilized into an existing unit, the rent must meet two standards:

    - Rent Reasonableness – rent is equal to or less than other like units in the area
    - Fair Market Rent (FMR) – rent (including utilities) is at or below the HUD established FMR for the unit size in the area

- The rental assistance to move into a unit or to stabilize into an existing unit cannot exceed the actual rental cost, which must be in compliance with HUD's standard of rent reasonableness. Rent reasonableness means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units. To make this determination, the grantee should consider (a) the location, quality, size, type, and age of the unit; and (b) any amenities, housing services, maintenance and utilities to be provided by the owner. A copy of the HUD rent reasonableness worksheet must be completed and included in the program participant file.

- The rental assistance to move into a unit or to stabilize into an existing unit cannot exceed the actual rental cost, which must be at or below Fair Market Rents (FMR) for the area. Note: the FMR, including utility allowances, requires grantees to utilize the appropriate utility allowance for any utilities that are paid by the program participant separate from rent. A copy of the completed worksheet must be included in the program participant file.

- FMR limits include the cost of utilities. Grantees will need to utilize an established utility allowance in order to assess FMR limits for rents on units not including all utilities. The grantee may use the local housing authority's or VHDA's appropriate regional allowances in order to calculate the rent standard. The actual rent charged for a unit plus the allowance for any utilities that the program participant must pay themselves must not exceed the FMR for the area.

- No duplication of assistance. Financial assistance cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state or local housing subsidy program.

- Rental assistance or arrears to pay for a lot on which a manufactured or mobile home is located is an eligible expense as long as the household is otherwise eligible.

- Rental assistance provided toward rent for a housing unit owned by a grantee, related entity, or partner is prohibited.

Housing Stabilization Financial Assistance
Funds may be used to provide financial assistance to help program participants quickly access housing. The housing relocation and stabilization services financial assistance includes:

- Security and utility deposits
- Last month's rent
- Utility payments
- Utility arrears
- Moving costs
- Application fees

Grantees are required to certify eligibility at intake and at least once every three months where financial assistance is provided.

Funds may be used to pay for security deposits, including utility deposits, for program participants. This is eligible in the case where the program participant is otherwise eligible and they are not receiving security or utility deposits assistance from another source. Security deposits must be paid directly to landlords or property managers.

Grantees must not take measures to recapture any deposit assistance provided to program participants. In the cases where the return of a deposit to the grantee is unavoidable, all returned deposits must be tracked as program income. Any resulting program income must be used for eligible activities.

Funds may be used for up to 24 months of utility payments for each program participant in any three year period of time, provided that the program participant or a member of his/her household has an account in his/her name with a utility company and is not receiving assistance for the same period of time for the utilities.

Any individual or family receiving assistance beyond any arrears and two current months of rent and financial assistance must be evaluated and recertified as eligible every three months. Recertification of eligibility includes the following:

- Program participant household income below 30 percent AMI
- The household lacks the financial resources and support networks needed to remain in existing housing without rapid re-housing assistance
- Housing stabilization services are being appropriately implemented
- The household does not exceed the $500 asset limit

Utility assistance may include up to six months of utility payments in arrears per service. Payments of arrears must be counted toward the 24 month limit.

The grantee must use the Virginia Housing Development Authority (VHDA) or the local housing authority utility allowance guideline to set reasonable limits for utility payments.

Assistance should be *"needs-based,"* meaning that grantees should determine the amount of assistance based on the minimum amount needed to maintain housing stability *in the near term*. This will allow communities to use program resources efficiently to serve as many households as possible.

Assistance with utilities may be structured where the program participant pays a portion of the utilities. Partial assistance payment for any month of utilities counts as a month of assistance. Grantees may pay past due utilities, however the past due months must be included in the 24 month limit. Utilities are limited to water/sewer, heating oil, gas, and electricity. Twenty-four month limits are based on assistance with one or more of the basic utilities per month. Since the actual number of months may be difficult to determine, grantees may use estimates to determine the total number of months covered. In these cases the grantee must document the basis for the estimation.

Funds may be used for reasonable moving costs, such as truck rental or hiring a moving company, to assist an eligible household with housing stability.

Funds may be used for lease or apartment application fees where necessary and no other source has been identified to assist an eligible household with housing stability.

Housing Stabilization Case Management
Funds may be used for housing stability case management. This includes the costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for program participants residing in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. Clients must receive housing focused case management at least once a month.

This assistance cannot exceed 24 months during the period the program participant is living in permanent housing. Note that regardless all program participants must be moved as quickly as possible to permanent housing.

These costs include:

- Conducting initial assessments
- Counseling
- Facilitating access to mainstream services
- Monitoring and evaluating program participant progress
- Coordination with and referrals to other providers
- Developing individualized housing and service plans

Prevention funds can be used for housing focused case management alone. That is, although rental assistance cannot be provided independent of case management services, case management can be provided independent of rental assistance. For example, case management could be provided after the term of a program participant's rental assistance expires, as long as the 24-month cap for each type of assistance is not exceeded. Note that recertification is required at 12 months.

"Stand alone" case management or other services can also be provided to support program participants who receive rental assistance through non-VHSP, as long as the individual or family is eligible for assistance at the time of the intake evaluation.

Housing Search and Placement
Housing search and placement funds may be used for services or activities designed to assist individuals or families in locating, obtaining, and retaining suitable housing. Component services or activities may include: tenant counseling; assisting individuals and families to understand leases, securing utilities, making moving arrangements, representative payee services concerning rent and utilities, outreach and negotiation with property owners related to locating or retaining housing. Costs also include expenditures associated with assessing housing unit compliance with property standards, lead-based paint requirements, and rent reasonableness. Note that costs associated with staff in the role of housing locator would be eligible housing search and placement costs.

Housing Stabilization Services
Funds may be used for services that are targeted to assist program participants to maintain housing. These may include critical skills related to household budgeting, money management, accessing a personal credit report, and resolving personal credit issues. If grantees elect to conduct credit checks on program participants, they must do so for all program participants so as not to violate Fair Housing Law or otherwise discriminate among program participants. Grantees may not use these funds to reimburse landlords for their costs associated with conducting credit and/or background checks. Credit may **not** be used to determine program eligibility. Payment of debt is an ineligible expense.

Service Location Costs
Funds may be used for service location costs, such as rent for office space, photocopier costs, and utilities for an office.

Summary: Requirements
All program participants must receive an initial screening, initial eligibility certification, housing barrier assessment, housing plan, and receive at least monthly case management. Recertification of eligibility varies based on type of assistance.

Recertification Requirement	
Any Financial Assistance	Every three months
Services/Case Management Only	Every 12 months

Centralized or Coordinated Assessment/Entry System

This funding can support activities that meet the following system standards:

- Provides coordinated program participant intakes, assessments, and referrals
- Covers the entire CoC or local planning group geographic area
- Provides easy access for individuals and families seeking housing or services
- Provides a comprehensive and standardized assessment tool
- Has written standards for determining program eligibility, prioritization, and level of assistance
- Conducts regular evaluations to determine overall system effectiveness for process improvement measures.

Eligible costs include:

- Occupancy Costs
- Maintenance
- Utilities
- Travel
- Supplies
- Hardware/Software
- Staff Salaries
- Other (requires DHCD pre-approval)

Rent expenses must be for actual leasing costs accrued by the grantee for the building(s) where access is provided to centralized or coordinated assessments. These funds may **not** be used to reimburse the grantee for costs associated with a grantee mortgage or loan on the property.

Maintenance costs may include grantee staff costs accrued by the grantee in the performance of maintenance on a location where access is provided to centralized or coordinated assessments. Any maintenance or any other contract for services must adhere to grantee procurement policies.

Utility costs are eligible for a location where centralized or coordinated assessment/entry is provided.

While travel costs are eligible, these must be documented as necessary. These include travel costs for staff to provide initial assessments where access either electronic or otherwise is not readily available for the purpose of providing initial assessments. Systems must be designed to provide coverage for the entire CoC or local planning group. Every effort must be made to leverage technology and community-based resources.

Supplies are limited to those directly related to the provision of centralized or coordinated assessments. These include but are not limited to office supplies. Supplies do not include luxury items or items that go beyond what is necessary to provide for the centralized or coordinated assessment system. The grantee should contact their program administrator if further guidance is required.

Reasonable and appropriate costs of hardware or software required for the purposes of provided initial assessments through either a centralized or coordinated system are eligible. Eligible costs include the purchase of software and/or user licenses, and the leasing or purchasing needed computer equipment.

Staff costs to provide access to the centralized or coordinated assessment, to conduct the initial assessments, and to make referrals are eligible costs. These include salary, fringe, and associated costs.

CoC Planning

CoC planning costs are limited to the CoC or Balance of State local planning group lead organizations. Eligible costs include coordination activities, project evaluation, project monitoring, CoC application activities, developing a CoC system, training related to the emergency crisis response system, and VHSP compliance activities. CoC planning costs are limited to seven percent of the total VHSP base for the entire CoC or Balance of State local planning group. The base includes shelter operations, rapid re-housing, veteran rapid re-housing, prevention/diversion, and centralized or coordinated assessment/entry.

HMIS

Homeless Management Information System (HMIS) expenditures are limited to five percent of the total VHSP base. The base includes shelter operations, rapid re-housing, veteran rapid re-housing, prevention/diversion, and centralized or coordinated assessment/entry.

Grantees will be required to conduct data collection and reporting through the use of HMIS. HMIS must be used to collect and report program data. There are reporting requirements for both the grantee and the CoC or local planning group.

Domestic violence service providers are exempt from using HMIS, however a comparable system that meets all applicable data standards and reporting requirements must be used. The domestic violence service providers are required to provide aggregate data to DHCD and to the CoC or local planning group.

With the release of HUD's HOPWA Program HMIS Manual (March 2015) HOPWA providers may but are not required to participate in HMIS. However a comparable system that meets all applicable data standards and reporting requirements must be used. HOPWA service providers are required to provide aggregate data to DHCD and to the CoC or local planning group.

Eligible HMIS Activities

Reasonable and appropriate costs associated with operating a HMIS for purposes of collecting and reporting data required under this program and analyzing patterns of use of funds are eligible. Eligible costs include the purchase of HMIS software and/or user licenses, leasing or purchasing needed computer equipment for providers and the central server, costs associated with data collection, entry and analysis, and staffing associated with the operation of the HMIS, including training.

Ineligible HMIS Activities
HMIS activities that are ineligible include planning and development of HMIS systems, development of new software systems, and replacing current state and local government funding for an existing HMIS.

Domestic violence shelter or HOPWA service provider costs associated with a comparable system are ineligible.

Administrative Costs
No more than three percent of the total VHSP base may be spent on administrative costs. The base includes shelter operations, rapid re-housing, veteran rapid re-housing, prevention/diversion, and centralized or coordinated assessment/entry. These costs may include accounting for the use of grant funds, preparing reports for submission to DHCD, obtaining program audits, similar costs related to administering the grant after the award, and associated staff salaries. Administrative costs also include training for staff who will administer the program or case managers who will serve program participants, as long as this training is directly related to the administration of an emergency crisis response system.

HOPWA Assistance
See the HOPWA program Guidelines Appendix A of this document.

Ineligible and Prohibited Activities
VHSP and HOPWA ineligible and prohibited activities include but may not be limited to:

- Grantee past due taxes
- Grantee late fees
- Repayment of loans from the program participant to the grantee
- Return of utility or security deposits to the grantee not tracked as program income
- Assistance where other resources are available
- Other ineligible and prohibited costs:
    - construction or rehabilitation
    - credit card bills or other consumer debt
    - vehicle repair
    - program participant travel costs
    - medical or dental care and medicines
    - clothing and grooming
    - home furnishings
    - pet care
    - renter’s insurance
    - entertainment activities

    - program participant work or education related materials
    - cash assistance to program participants
- Funds may **not** be used to develop discharge planning programs in mainstream institutions such as hospitals, jails, or prisons.
- Any funds used to support program participants must be issued directly to the appropriate third party, such as the landlord or utility company, and in no case are funds eligible to be issued directly to program participants. If funds are found to be used for ineligible activities as determined by DHCD, the grantee will be required to reimburse the costs to DHCD.
- Any fees charged to the program applicant or participant

Other Requirements
These requirements apply to the VHSP funded grantees in the emergency crisis response system including HOPWA grantees where applicable.

Homeless Participation
1) Grantees must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity of the recipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance. 2) If the grantee is unable to meet the requirement, it must instead develop and implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding. 3) To the maximum extent practicable, the grantee must involve homeless individuals and families in constructing, renovating, maintaining, and operating facilities. This involvement may include employment or volunteer services.

Local CoC/Planning Group Point-in-Time Count Date Coordination
All local Virginia CoCs and local planning groups must coordinate the date of the annual point-in-time (PIT) count to be consistent with the statewide PIT date.

Prohibition Against Involuntary Family Separation
The age of a child under age 18 must not be used as a basis for denying any family's admission to an emergency shelter that uses VHSP funding or services and provides shelter to families with children under age 18. All VHSP funded service providers that provide shelter to families must do so regardless of the age of the child. The family unit must be accepted and sheltered as they present.

Equal Access and Prohibited Inquiries
All activities must be made available without regard to actual or perceived sexual orientation, gender identity or marital status. Grantees are prohibited from inquiring about an applicant's or participant's sexual orientation or gender identity for the purpose of determining eligibility or otherwise making housing available. This does not prohibit an individual from voluntarily self-identifying sexual orientation or gender identity.

Service providers that makes decisions about eligibility for or placement into single-sex emergency shelters or other facilities will place a potential program participant (or current program participant seeking a new assignment) in a shelter or facility that corresponds to the gender with which the person identifies, taking health and safety concerns into consideration. A program participant's or potential program participant's own views with respect to personal health and safety should be given serious consideration in making the placement. For instance, if the potential client requests to be placed based on his or her sex assigned at birth, the provider should place the individual in accordance with that request, consistent with health, safety, and privacy concerns. Providers must not make an assignment or re- assignment based on complaints of another person when the sole stated basis of the complaint is a program participant or potential program participant's non-conformance with gender stereotypes.

Discharge Coordination
Persons who are being imminently discharged into homelessness from publicly funded institutions are eligible to receive financial assistance or services through this program as long as they meet the program participant eligibility requirements. Grantees, CoCs, and Balance of State local planning groups must coordinate with these institutions to prevent, where possible, individuals from becoming homeless. Referrals must be made where appropriate to the following:

- Veterans Administration (VA)
- Department of Social Services
- Department of Behavioral Health and Developmental Services
- Other mainstream resources as needed

Compliance with Fair Housing and Civil Rights Laws
(1) Grantees must comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105(a).
(2) If the grantee: (a) Has been charged with an ongoing systemic violation of the Fair Housing Act; or (b) Is a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging an ongoing pattern or practice of discrimination; or (c) Has received a letter of findings identifying ongoing systemic noncompliance under Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, or section 109 of the Housing and Community Development Act of 1974, and the charge, lawsuit, or letter of findings referenced in subparagraphs (a), (b), or (c) above has not been resolved before the application deadline, then the grantee is ineligible to apply for funds.

Confidentiality Policy
All grantees shall agree to ensure the confidentiality of the name of any individual assisted and any other information regarding individuals receiving assistance.

The grantee's confidentiality policy should, at a minimum, address:
- How staff will gather, record, and store confidential information;
- The consent process for the release of confidential information;
- Protocols for responding to breaches of confidentiality;
- Standards contained in relevant state and federal laws, including HIPAA compliance (if applicable) and HIV confidentiality statutes; and,

- Privacy standards related to data collection and use of participant information for program reporting, such as HMIS.

Grievance and Termination Policy
Any individual receiving assistance must receive written notification of the grantee's grievance policy. Grievance policies must be board approved and provide specific procedures to be followed for any disputed decision impacting this assistance. Program participants contacting DHCD directly will be referred back to the grantee's grievance policy. The grantee must be prepared to provide documentation of the grievance record for all program participant grievances. DHCD reserves the right to review and approve all program grievance policies.

The grantee may terminate assistance to a program participant who violates program requirements. Grantees may resume assistance to a program participant whose assistance was previously terminated. In terminating assistance to a program participant, the grantee must provide a formal process that recognizes the rights of individuals receiving assistance to due process of law. This process, at a minimum, must consist of: (1) Written notice to the program participant containing a clear statement of the reasons for termination; (2) A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; (3) Prompt written notice of the final decision to the program participant; and (4) Written policy for handling surviving family members, in the event of a death of a HOPWA-eligible person that establishes a reasonable grace period of continued assistance to surviving family members, not to exceed one year, measured from the date of death of the participant.

Recordkeeping
Grantees must keep any records and make any reports (including those pertaining to services received, program participant housing status, race, ethnicity, gender, and disability status data) that DHCD may require within the specified timeframe. All program and program participant records must be maintained for at a minimum of five years. Note that records include both program records such as the documentation or match requirement, financial records such as bank statements, and program participant records. Copies of cancelled checks or expenses associated with the program participant must also be retained. For more information about documentation requirements see Accounting Standards.

Grantees are required to maintain a record of all clients that are screened and classified as ineligible. This must include documentation of the reason for the determination of ineligibility.

Data Reporting Requirements
Reports must be submitted in CAMS as required by DHCD. Timeliness is critical as this data will be aggregated for other reporting purposes. Grantees that fail to meet reporting requirements and deadlines are considered in non-compliance. A non-

compliance status may impact future grantee reimbursements and other DHCD funding opportunities.

Grantees must ensure that data is complete and accurate. Each grantee is expected to enter all program participant data into the HMIS system, complete periodic data quality checks, and work with the local HMIS administrator to ensure that complete quality data is submitted to DHCD by the specific due dates. DV grantees must meet these requirements using a comparable database.

Grantees must be able to track and report program activities, program participant data, and spending separately from other activities. Grantees will report on outputs, such as the number of persons served and the demographic characteristics of persons served, program funds expended by activity type, as well as outcomes related to housing stability. Most reporting elements will be generated from HMIS data. Adherence to required HMIS data standards will be essential to performance reporting.

Reports will also be required at the CoC and local planning group level.

DUNS Number
All grantees are required to register with Dun and Bradstreet to obtain a DUNS number, if they have not already done so, and complete or renew their registration in the Central Contractor Registration (CCR).

System for Award Management (SAM)
The System for Award Management (SAM) combines federal procurement systems and the Catalog of Federal Domestic Assistance into one system to include the Central Contractor Registration – CCR. As with CCR, SAM collects, validates, stores, and disseminates data. Since 2003, indirect recipients of federal funds have been required to register with CCR and as of 2012, CCR merged with SAM. All grantees and sub grantees or subcontractors receiving federal grant awards or contract must be registered with SAM. For further information on registering and renewing annual registrations, go to the System for Award Management website.

Method of Payment
Grantees will submit request for remittances through CAMS. All grantees must be registered in CAMS. Grantees must have approved audits in CAMS in order to receive reimbursements. Any grantee with unresolved findings or compliance issues may have reimbursement suspended.

DHCD requires that grantees receive funds via electronic transfer. To establish an account go to the Virginia Department of Accounts website and select Electronic Data Interchange (EDI) from the links on the right hand side of the page. The EDI guide then may be accessed through a link under the Trading Partner Information section.

Financial Management
Grantees must ensure compliance with regulations and requirements pertaining to the following key areas of financial management:

- Allowable costs
- Source documentation
- Internal controls
- Budget controls
- Cash management
- Cost allocation plans
- Accounting records
- Procurement
- Property asset controls
- Audits

Grantees must use VHSP funds only for eligible activities and in accordance with the DHCD-approved program budget. Any changes from the planned expenditures must be approved in advance by DHCD. VHSP funds may not be used for activities other than those authorized in the guidelines and approved by DHCD. Furthermore, all expenditures must be in accordance with conditions such as funding ceilings and other limitations on VHSP eligible costs.

Internal controls refer to the combination of policies, procedures, defined responsibilities, personnel and records that allow an organization to maintain adequate oversight and control of its finances. As such, internal controls reflect the overall financial management system of an organization or agency. Budget controls, cash management, cost allocation plans, accounting records, procurement and property controls are subsets of the overall financial system.

The specific administrative requirements (i.e., financial management standards) for grants to state and local government entities are contained in 24 CFR Part 200 and CAPP Manual.

Grantees will be monitored for required documentation and compliance with the program requirements.

A financial compliance monitoring may review the following:

- An organizational chart showing titles and lines of authority for all individuals involved in approving or recording financial (and other) transactions
- Written position descriptions that describe the responsibilities of all key employees
- A written policy manual specifying approval authority for financial transactions and guidelines for controlling expenditures
- Written procedures for the recording of transactions, as well as an accounting manual and a chart of accounts

- Adequate separation of duties to ensure that no one individual has authority over an entire financial transaction
- Hiring policies to ensure that staff qualifications are equal to job responsibilities and that individuals hired are competent to do the job
- Access to accounting records, assets, blank forms and confidential records is adequately controlled, such that only authorized persons can access them
- Procedures for regular reconciliation of its financial records, comparing its records with actual assets and liabilities of the organization
- Accounting records/source documentation
- Cash management procedures
- Cost allocation plans
- Procurement procedures
- Property controls
- Annual Audit

Time Sheets
Employee time sheets should reflect actual hours (not percentages) work and be based on the cost allocation plan. Time sheets should be signed and dated by the employee and the supervisor with first-hand knowledge of the work performed or equivalent electronic approval. If the expenditures are paid for by more than one source (e.g., federal, United Way, private donations) the split costs should be accurately tracked within the grantee's accounting system.

Accounting Standards
In addition to establishing a system of accounting sufficient to accurately record and report transactions, adequate source documentation *must* be maintained as support for these transactions. Source documents includes but is not limited to the following:

- Purchase Requisitions
- Purchase Orders
- Contracts
- Contract Invoices
- Bank Statements
- Cancelled Checks
- Draw downs
- Payment Vouchers
- Employee Time Sheets
- Travel Advance Requests
- Travel Reimbursement Vouchers
- Vendor Invoices
- Journal Voucher Entries
- Cash Receipts

All source documents must be coded by a reference number so that a clear link exists between the fiscal records and these documents. Coding could include the check number used to make the payment, the journal entry in which transaction was recorded or the page number from the cash receipt journal. Purchase order numbers and payment voucher numbers may also be used to provide the necessary audit link.

Supporting documents can be copies or originals, but must be sufficient in detail to support the transaction and to justify it as an allowable grant expense.

The grantee *must* keep copies of the source documents, and be made available for HUD and/or DHCD review upon request.

The grantee must maintain proof of cancellation (e.g. copy of check's backside, bank statement, or photocopy of check's cancellation) for all payments. Note that while these are not required in the program participant files that they must be readily available for monitoring purposes.

Internal Controls

The grantee must have appropriate internal controls in place to:

- Safeguard assets;
- Prevent waste, fraud, and mismanagement; and
- Promote efficiency of operations.

Effective Internal Controls to the extent possible must include the following procedures:

- Segregation of duties among employees to prevent one person from having complete control over all phases of any transaction
- Workflow procedures for processing all transactions from one employee to another. This *must* provide for a cross-check of work, but not a duplication of effort
- Rotation of duties among employees to allow for control over any one given phase and ensure that other employees can fill in when a position becomes vacant
- The procedures used should be clearly detailed and documented for all individuals to follow and as an aid in training new employees
- All assets, records, and checks *must* be properly protected through the use of locks, safes, and other measures to ensure security

HOPWA Financial Management Training

The Office of HIV/AIDS Housing (OHH) has worked with the HOPWA technical assistance staff at ICF International to develop a Financial Management Online Training course. This is a new approach to training that allows grantees, grantees and other community partners to access vital information remotely. This tool is designed to provide important information about the regulations and practices of the HOPWA program and to benefit a variety of staff. The training covers many topics including: HOPWA financial management standards, management of personnel and non-personnel costs, HOPWA rental assistance and reporting, auditing and oversight of grantees. All organizations that receive HOPWA funding must have documentation on file for all applicable staff that the Financial Management Training was completed.

Monitoring
DHCD is responsible for monitoring all program activities carried out by a grantee to ensure that the program requirements are met. Monitoring can include both programmatic and financial reviews. Both DHCD and HUD may monitor any funded project. Grantees must make available organizational and project related records to both DHCD and HUD with notice.

Grantees are responsible for all programmatic and contractual terms. The grantee is responsible for ensuring that these terms and requirements are met regardless of partnership arrangements or M.O.U.s with other organizations.

Note that results from the monitoring of grantees will be shared with the CoC or local planning group lead agency.

HMIS
The grantees are required to report program participant level data, such as the number of persons served and their demographic information, in a Homeless Management Information System (HMIS) database. HMIS is an electronic data collection system that facilitates the collection of information on persons who are homeless or at risk of becoming homeless that is managed and operated locally. Grantees providing financial assistance and services will use the HMIS system in the applicable Continuum of Care to collect data and report on outputs and outcomes as required. The required data elements that will be collected in HMIS are included in the HMIS Data and Technical Standards.

Note that HMIS systems may be open or closed. Closed systems prevent other providers within a local HMIS system from sharing program participant data. Open systems allow for coordination among service providers and facilitate a coordinated or centralized assessment process. While an open system may not yet be available in a specific CoC or local planning group, grantees must participate in an open system as one becomes available for local use.

Note that domestic violence service providers and HOPWA providers must, in lieu of HMIS, use a comparable system. Domestic violence service providers are responsible for meeting all HMIS data standards and reporting requirements regardless of the data collection system used.

Organizational Conflicts of Interest
The provision of any type or amount of assistance may not be conditional on an individual's or family's acceptance or occupancy of housing owned by the grantee, the sub-grantee, a parent organization, or subsidiary. Grantees/sub-grantees, parent organizations, or subsidiaries may not administer rapid re-housing or prevention assistance and use the assistance for households residing in units owned by the grantee/sub-grantee, parent organization, or subsidiary. An organization may not both participate in decision-making related to determining eligibility and receive any financial benefit.

A CoC or local planning group may request a waiver for an organization to both administer rapid re-housing assistance and place households in units owned by the same organization, a parent organization, or subsidiary where critical local necessity can be demonstrated and where program participant evaluations will be provided by another unrelated organization. Waiver requests must be submitted in writing to DHCD prior to the provision of rapid re-housing assistance specific to the requested waiver. Note that waivers will not be granted for prevention administrators.

Individual Conflicts of Interest
Individual conflicts of interest apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the grantee or its sub-grantee.

For the procurement of goods and services, the grantee and/or its sub-grantee must comply with the agency code of conduct and conflict of interest policies.

Individuals (employees, agents, consultants, officers, or elected or appointed officials of the grantee or sub-grantee) may not both participate in decision-making related to determining eligibility and receive any financial benefit. This financial benefit may not be received by the specific individual, any member of his/her immediate family or a business interest. The restriction applies throughout tenure in the position and for a one-year period following tenure.

Upon the written request of the grantee, DHCD may grant an exception to the restrictions in the paragraph above on a case-by-case basis when it determines that the exception will serve to further the purposes of the program and promote the efficient use of program funds. In requesting an exception, the grantee must provide a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made. In most cases, additional HUD waivers are required.

Property Standards
DHCD provides a Habitability Standards form that must be completed, signed by all required parties, and included in all program participant records for rapid re-housing and prevention (new units only) assistance. The Habitability Standards form must also be completed for each emergency shelter location and retained in agency administrative records. While the habitability standards do not require a certified inspector, the inspector must meet one of the following criteria:

- VHSP program staff (grantee/sub-grantee staff); or
- Staff from or hired by an agency of the grantee/sub-grantee, such as a city department that is designated to conduct inspections, or a contractor hired for that task; or
- Staff from another subsidy program that is providing assistance and also requires an inspection (e.g., Section 8, Public Housing).

Note that the habitability standards are different from HUD's Housing Quality Standards (HQS).

Housing that is occupied by families with children and that was constructed before 1978 must also comply with Lead Based Paint inspection requirements, per the Lead Based Paint Poisoning Prevention Act. This requirement applies only to units that a family moves into with assistance and to all HOPWA assisted STRMU and TBRA units. This does not apply to existing units.

DHCD provides a Lead-Based Paint Visual Assessment form that must be completed and included in program participant records Staff must complete an online training course before performing visual assessments.

The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.), as amended by the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.) and implementing regulations at 24 CFR part 35, subparts A, B, M, and R shall apply to housing occupied by families receiving assistance through HOPWA

- HUD's lead-based paint rules apply to all housing assisted through units that a family with children moves into and all HOPWA assisted TBRA or STRMU units.
- Specifically, lead-based paint rules apply when:
  1. Housing to be assisted was constructed before 1978; and
  2. Residents will include a pregnant woman or a child 6 years of age or younger. *Note: Studio units are exempt.*
- All housing meeting the above criteria must receive a lead-based paint visual assessment before assistance may be provided.

Environmental Reviews

Environmental reviews (ER) are required for rapid re-housing when rental assistance is provided. The environmental review is based on the building and surrounding geography, and not just the actual unit. Therefore, if a unit is located within a building or a complex the ER need only be conducted on the building or complex and not each unit. Environmental reviews are valid for five years, so if a unit, building, or complex has had a review within the last five years, an additional ER will not need to be conducted. However, copies of environmental reviews must be maintained in each client's file if rental assistance is provided.

The environmental review form, *Environmental Review for Activity/Project that is Exempt or Categorically Excluded Not Subject to Section 58.5 (Pursuant to 24 CFR 58.34(a) and 58.35(b))*, must be completed for each unit, building, or complex where rental assistance is provided. DHCD will provide a partially completed form to be used for VHSP rapid re-housing projects.

Note that this form is different than the form required for CoC rapid re-housing projects.

Nondiscrimination and Equal Opportunity Requirements

Grantees must comply with all applicable fair housing and civil rights requirements. In addition, grantees must make known that rental assistance and services are available to all on a nondiscriminatory basis and ensure that all citizens have equal access to information about and equal access to the financial assistance and services provided under this program.

Among other things, this means that each grantee must take reasonable steps to ensure meaningful access to programs to persons with limited English proficiency (LEP), pursuant to Title VI of the Civil Rights Act of 1964.This may include providing language assistance or ensuring that program information is available in the appropriate languages for the geographic area served by the jurisdiction and that limited English proficient persons have meaningful access to this assistance.

Affirmatively Furthering Fair Housing
Grantees will have a duty to affirmatively further fair housing opportunities for classes protected under the Fair Housing Act. Protected classes include race, color, national origin, religion, sex, disability, and familial status. In addition, Virginia's Fair Housing Law further protects "elderliness," individuals age 55 or older, from housing discrimination.. Examples of affirmatively furthering fair housing include: (1) marketing the program to all eligible persons, including persons with disabilities and persons with limited English proficiency; (2) making buildings and communications that facilitate applications and service delivery accessible to persons with disabilities (see, for example, HUD's rule on effective communications at 24 CFR 8.6); (3) providing fair housing counseling services or referrals to fair housing agencies; (4) informing participants of how to file a housing discrimination complaint, including providing the toll-free number for the Housing Discrimination Hotline: 1-800-669-9777; and (5) recruiting landlords and service providers in areas to which housing choice is expanded. In addition, housing discrimination complaints may be reported to the Virginia Fair Housing Office at the Department of Professional and Occupational Regulation (DPOR) at (888) 551-3247.

Appendix A

Housing Opportunities for Persons With Aids (HOPWA)
Program Guidelines
2016-18

HOPWA Program Overview
The Housing Opportunities for Persons With AIDS (HOPWA) program was authorized by the National Affordable Housing Act of 1990 and revised under the Housing and Community Development Act of 1992, to provide states and localities with the resources and incentives to devise and implement long-term comprehensive strategies for meeting the housing needs of low-income persons with Acquired Immunodeficiency Syndrome (AIDS) and related diseases, and their families. Activities of primary importance are providing housing assistance and services that assist this population to maintain housing stability where they can maintain complex medication regimens and address HIV/AIDS related problems.

Funds are appropriated annually by Congress to the U.S. Department of Housing and Urban Development (HUD) for administration of this program. HOPWA funds are then awarded by formula to eligible states and Eligible Metropolitan Statistical Areas (EMSAs) that meet the minimum number of cumulative AIDS cases. States and metropolitan areas coordinate use of HOPWA funds with their respective Consolidated Plans, a collaborative process whereby the state or metropolitan area establishes a unified vision for community development actions.

As an eligible state, the Commonwealth of Virginia receives a HOPWA formula grant, administered by the Department of Housing and Community Development (DHCD). DHCD grants these HOPWA funds to eligible grantees (that operate outside the state's EMSAs) based on a community-based application.

DHCD will issue one-year (July 1, 2016- June 30, 2017) contracts to HOPWA providers (sub-grantee) as a result of the VHSP community–based application process. See the *Grantee Requirements* for more details.

Eligible Service Areas
Funds received through these awards will only support program participants in programs within Virginia's non-eligible metropolitan statistical areas (listed in the chart below). HOPWA eligible metropolitan areas receive their HOPWA allocations directly from HUD and have specific guidelines and separate processes not included within this application process or program.

DHCD's intention is to provide HOPWA services to eligible individuals and households within Virginia's non-entitlement area. As resources permit HOPWA grantees are required to provide services to eligible individuals and households outside the grantee services area.

Counties of:			Independent Cities of:
Accomack	Franklin	Orange	Bedford City
Albemarle	Frederick	Page	Bristol
Alleghany	Giles	Patrick	Buena Vista
Amherst	Grayson	Pittsylvania	Charlottesville
Appomattox	Greene	Prince Edward	Covington

Augusta	Greensville	Pulaski	Danville
Bath	Halifax	Rappahannock	Emporia
Bedford	Henry	Richmond	Franklin City
Bland	Highland	Roanoke	Galax
Botetourt	King George	Rockbridge	Harrisonburg
Brunswick	King and Queen	Rockingham	Lexington
Buchanan	Lancaster	Russell	Lynchburg
Buckingham	Lee	Scott	Martinsville
Campbell	Louisa	Shenandoah	Norton
Carroll	Lunenburg	Smyth	Radford
Charlotte	Madison	Southampton	Roanoke City
Craig	Mecklenburg	Tazewell	Salem
Culpeper	Middlesex	Washington	Staunton
Cumberland	Montgomery	Westmoreland	Waynesboro
Dickenson	Nelson	Wise	Winchester
Essex	Northampton	Wythe	
Floyd	Northumberland		
Fluvanna	Nottoway		

Program Participant Eligibility
There are two basic elements of HOPWA eligibility:

- Household has at least one person who has Acquired Immunodeficiency Syndrome (AIDS) or related diseases (Human Immunodeficiency Virus, that is, HIV infection). This includes households where the only eligible person is a minor. Medical verification of status is required.

- The household must be at or below 80 percent of Area Median Income (AMI). Income limits are available on HUD's web site at: http://www.huduser.org/DATASETS/il.html. Grantees should use HUD's Section 8 income eligibility standards for HOPWA.

Grantees must document and date the determination of income eligibility. This documentation including all required source documentation must be included in the program participant record. In the case of no household income a program participant certified statement of no income is allowable.

All participant files must contain documentation of an intake assessment that verifies the participants' eligibility to receive HOPWA assistance. Low-income people living with Acquired Immunodeficiency Syndrome (AIDS) or Human Immunodeficiency Virus (HIV) diagnosis and their families are eligible to receive HOPWA assistance. Acceptable medical documentation of HIV status includes:

- A statement of HIV verification signed by a physician, certified health care worker, or HIV testing site representative;
- Social Security Administration records indicating the nature of a disability determination;
- Other relevant federal program records verifying HIV status.

Grantees must have adequate signed releases of information from HOPWA participants that allow them to obtain and store HIV status documentation. As part of a private medical record, such information is highly confidential and protected by state laws that govern HIV status information (see Confidentiality Policy).

"Low income" means total household income of less than 80 percent of the median income for the area (Area Median Income or AMI), as defined by HUD. HUD AMIs are calculated annually for individual localities and organized by number of persons in the household.[1] In calculating eligibility, the entire household income must be taken into account, not just the income of the HOPWA eligible person. The number of persons living in the household applying for assistance must also be verified. A statement from the participant regarding household composition is acceptable documentation.

The grantee must have income verification for all adult members of a household (including any minor's income). If an adult member of a household has no verifiable income, the grantee must have the person sign a certification stating that he/she has no income.

Income documentation should reflect current income. Typically income statements should be less than 90 days old, based on the date of eligibility determination. Eligibility must be verified annually, taking into account possible changes in household income.

To receive HOPWA housing assistance and supportive services, at least one family member must have HIV/AIDS and the household must income-qualify. The HOPWA-eligible person in any household can be a minor.[2] However, an adult with custodial authority must accompany the eligible minor. In such a case, the "head of the household" is the custodial adult.

Eligible Activities
The 2016-18 HOPWA funds will be focused on direct housing assistance to those most in need and supportive services for the HOPWA eligible individuals.

Grantees should partner with other service providers (both public and private) to coordinate program participant services and fully leverage the available resources in the particular service area.

At least 65 percent of the total HOPWA grant to any one grantee must be expended on direct housing assistance. No more than 35 percent may be spent on supportive services. Eligible housing activities (direct housing assistance) for this HOPWA program can be met through the provision of:

- Tenant based rental assistance (TBRA)
- Short term rental, mortgage, and utility assistance (STRMU)

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[1] Area Median Income charts can be found at http://www.huduser.org/datasets/il.html. For detailed information and online training material regarding how to calculate annual income, visit HUD's website: http://www.hud.gov/offices/cpd/affordablehousing/training/web/calculator/calculator.cfm

[2] See CPD Notice 06-07, FAQ question "m": http://www.hud.gov/offices/cpd/aidshousing/lawsregs/notices.cfm

Grantees may use up to seven percent of the total award for administrative costs. See program guidelines for qualified administrative costs.

Summary of Eligible Activities		
Type Activity	**Priority**	**Budget Parameters**
TBRA	HIGH	Total housing assistance 65 percent* or greater (may be combined with STRMU so that total housing assistance is 65 percent or greater)
STRMU	HIGH	Total housing assistance 65 percent* or greater (may be combined with TBRA so that total housing assistance is 65 percent or greater)
Supportive Services • Including permanent housing placement	MEDIUM	35 percent* or less
Housing Information Services	N/A	Not more than 3 percent*
Administrative Costs	N/A	Not more than 7 percent*

*****_Housing assistance must account for at least 65 percent of the total HOPWA budget and housing information services, administrative costs, and supportive services together may not exceed 35 percent of the budget with caps of three percent, seven percent, and 35 percent respectively. See table below:_

Examples of HOPWA Budget Allocations			
Housing Assistance	**Supportive Services**	**Housing Information Services**	**Administrative Costs**
65 percent	35 percent	0	0
70 percent	23 percent	0	7 percent
75 percent	20 percent	0	5 percent
75 percent	17 percent	3 percent	5 percent

Tenant-based Rental Assistance (TBRA)

Tenant-based rental assistance is a rental subsidy used to help participants obtain permanent housing in the private rental housing market that meets housing quality standards and is rent reasonable. Eligible costs include rent (not mortgage payments) and utility costs. Working much like the Section 8 Housing Choice Voucher Program, HOPWA tenant-based assistance pays the difference between the Fair Market Rent or “reasonable rent” and the tenant’s portion of the rent. With TBRA, the HOPWA grantee makes rental payments directly to property owners. The HOPWA subsidy covers a portion of the full rent; the tenant also pays a portion based on their adjusted income or gross income. The HOPWA TBRA program subsidy payment is the difference between the contract rent charged for an approved unit and the tenant rent payment.

There are three key elements for the determination of the HOPWA TBRA assistance:

- Calculation of gross and adjusted household income;
- Calculation of tenant rent payment (based on income); and
- Calculation of HOPWA subsidy payment.

(See TBRA rent calculation for further guidance on rent and utility cost calculations).[3]

HOPWA participant rent payments will be the higher of two amounts:

- 10 percent of gross household income;
- 30 percent of adjusted income

All units must comply with HOPWA rent and habitability standards.
Grantees may enter into annual renewable contracts with program participants. Grantees will be required to ensure that all property and occupancy standards continue to be met through the entire contract period. Grantees must reexamine participant's family income, size and composition at least once a year.

Program participant files must contain the following documentation:

- Properly calculated household income;
- Determination of income eligibility (does not require a signature).
- Properly calculated program participant rent payment;
- Verification that the HOPWA subsidy was properly calculated, including use of utility allowances (when applicable) and FMR rent standards;
- Verification of rent reasonableness.
- Verification that the housing meets habitability and lead standards;
- Housing assessment and plan (completed at least annually);
- Verification of HIV/AIDS status; and
- Copy of legal lease.

Files should contain third-party income documentation, such as pay stubs, earning statements, checks, W-2 forms and income tax returns. If a participant reports no income, a signed and witnessed "Verification of No Income" statement must be present in the participant's file.

See the *HOPWA Program Administration Toolkit* for more information.

In addition, participant files should contain proper documentation to support any use of the Earned Income Disregard. The Earned Income Disregard, as it is commonly called, allows qualified individuals and families receiving housing assistance to keep more of their earned income for a period of up to two years following an increase in employment income. The *HOPWA Program Toolkit* provides guidance on implementing the Earned Income Disregard for the purpose of calculating program participant income and resident rent payment.

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[3] HUD HOPWA Grantee Oversight Resource Guide, Chapter 4, Tenant Based Rental Assistance: https://www.hudexchange.info/resources/documents/HOPWAOversightGuide_Aug2010.pdf

Participant eligibility status, household composition, and rental payments should be verified at least annually. This is called “re-certification”. The grantee should have a method in place for tracking participant eligibility and verifying income that looks for changes in income, family composition and circumstances. The grantee must have policies and procedures in place that require the participant to notify the grantee of income changes during the course of a program year.

All payments must be made to a third party, not directly to a program participant.

<u>Short-term Rent, Mortgage, and Utility (STRMU) Assistance</u>
STRMU is time-limited housing assistance designed to prevent homelessness and increase housing stability for program participants with an emergency need. Used in connection with other HOPWA activities and other local, state and federal resources, STRMU can lead to long-term solutions to housing problems for participants receiving this time-limited housing assistance.

Grantees may provide assistance for a period of up to 21 weeks in any 52-week program year period (for example: not exceeding 21 weeks in the period of July 1, 2016-June 30, 2017). The amount of assistance varies per program participant depending on funds available, tenant need and program guidelines. STRMU is intended for program participants with an emergency need and not intended to provide long term financial assistance.

Example of “Emergency Need”

- Grantee experiences a sudden loss of income due to changes in health
- Grantee has lost employment and has not yet been found eligible for SSDI
- Grantee’s household loses a source of income when family composition changes
- Due to above, grantee family faces eviction, foreclosure or utilities shut-off
- Grantee faces extraordinary and unexpected health care costs

STRMU is designed to be a short-term, needs-based intervention to prevent homelessness. As such, individuals must meet the following additional criteria in order to receive STRMU assistance:

- Program participant must be currently housed. Homeless individuals are not eligible for STRMU assistance. Assistance is provided to help homeowners and renters remain in their current place of residence.
- Program participant must be able to document that he/she has a legal right to occupy premises or has responsibility for the utility payment. Examples of acceptable documentation are as follows:
  - *Rental payments:* Program participant must be named tenant under valid lease or referenced in lease as occupant of the premises.
  - *Mortgage payments:* Program participant must demonstrate that he/she is owner of mortgaged property (mortgage, deed of trust, title insurance policy).
  - *Utility payments:* Program participant must have account in their name or proof of responsibility to make utility payments (copies of money orders, cancelled checks, receipts).

- Program participant must demonstrate he/she does not have the resources to meet rent, mortgage, or utility payments and, in the absence of STRMU assistance, would be at risk of homelessness.
    - Documentation of a default or late payment notice is not required; program participant can provide copies of bank statements and bills to demonstrate need.

Eligible STRMU expenses include:
- Rent and mortgage assistance
    - Must be reasonable and represent actual housing costs
    - The amount of assistance provided is not limited to Fair Market Rents or "reasonable rent" limits
    - Unlike other forms of HOPWA assistance, tenants are not required to pay 30 percent of their income towards the rent or mortgage payment. However, if they are able, program participants should pay a portion of their housing costs as any portion paid by the tenant does not count against the 21-week STRMU benefit ceiling. If grantees decide upon this method, they must have a policy and procedure in place to ensure that this is calculated and documented clearly and tracked appropriately. The policy and procedure must be pre-approved by DHCD.
- Late fees
    - Late fees and other penalties may be paid if, in the event of nonpayment, the household is at risk of eviction or loss of housing.
    - Utility assistance late fees may be paid
- Utility payments
- All payments must be third party, not directly to program participant.

Note: Sub-grantees may establish caps (limits) for rent, mortgage, or utility assistance.

Ineligible STRMU expenses include:
- Security deposits and first month's rent
    - STRMU assistance is designed to help homeowners and renters stay in their current place of residence; as a result, security deposits and first month's rent are not eligible costs under STRMU. However, these costs are eligible as permanent housing placement costs (under the supportive services activity).
- Moving assistance
- Household supplies and furnishings
- Automobile expenses
- Telephone expenses
    - Telephone expenses are not payable as a utility expense under STRMU. However, such expenses may be covered as a supportive service expense in limited circumstances.

Program participant files must contain documentation that verifies:
- AIDS/HIV status;
- Documentation of determination of income eligibility (does not require a signature).
- Properly calculated household income;
- Need for STRMU assistance;

- Time limits are consistent with 21 weeks of assistance in a 52 week program year (For example: Not exceeding 21 weeks in period between July 1, 2016-June 30, 2017);
- Housing meets lead-based paint requirements;
- Housing assessment and plan updated at least annually; and
- Valid lease.

Supportive Services

Supportive services are important tools in helping program participants and family members stabilize their living situations and help address care needs of persons living with HIV infection. To be eligible for supportive services, a program participant and family members are not required to receive housing financial assistance.

The primary purpose of HOPWA programs is housing assistance. No more than 35 percent of the total grant may be utilized for supportive services *(Note: permanent housing placement costs are included in the 35 percent cap)*. Services provided with HOPWA funds should focus on supporting the housing stability of program participants. All supportive service expenses for this HOPWA program must be documented as being last resort.The sub-grantee should document reasonable efforts to qualify recipients for other programs that might pay for supportive services in the program participant's individual housing service plan. The following are eligible expenses under HOPWA Supportive Services and need to be reported in HOPWA year end performance reports:

- Adult day care and personal assistance
- Alcohol and drug abuse services
- Case management/advocacy/coordination of benefits
- Child care
- Education
- Employment assistance and training for persons with HIV/AIDS
- Health and medical services
    - Health services may only be provided to "individuals with acquired immunodeficiency syndrome or related diseases and not to family members" (24 CFR 574.300b(7)).
- Legal services
- Life skills management
- Nutritional services (including meals)
- Mental health services
- Outreach
- Transportation

Note: Permanent housing placement (see below) is also designated as supportive services in the reporting forms, but as separate budget line items and tracked separately as a data element.

Required documentation includes:

- Documentation of HIV status;
- Documentation of determination of income eligibility (does not require a signature).
- Properly calculated household income;
- Documentation of need for supportive service assistance.

- Housing assessment and plan

The following items should be tracked and documented in program participant files:

- Recipients of supportive services are eligible, as defined by HOPWA regulations;
- The activity itself is an eligible HOPWA activity;
- The services are adequate and appropriate for the level of support required by participants; and
- Records of supportive services validate beneficiary data and expenditures reported to DHCD.

In addition, sub-grantees must report the following at the end of the year:

- The number of eligible households that received the specific service;
- The amount expended by the sub-grantee in the specific category; and
- The value of other non-HOPWA funds brought into the project (leveraged) for this activity.

Permanent Housing Placement

Permanent Housing Placement is a subset of supportive services that is tracked separately but included in the 35 percent supportive services cap. Permanent housing placement services may be used to help eligible persons establish a new residence where ongoing occupancy is expected to continue. It may be used to compliment other forms of HOPWA housing assistance.

Costs associated with locating housing:

- Housing referral
- Tenant counseling
    - Understanding a residential lease and its obligations
    - Mediation of disputes

Costs associated with placement in housing:

- Application fees and credit check expenses
- First month's rent and security deposit (not to exceed two months' rent)
- One-time utility connection fees and processing credit

All payments must be third party, not paid directly to program participant

These costs, especially security deposits, are not considered rental assistance and should be billed as a supportive service. Placement costs cannot exceed the value of two months' rent in the new unit. Further, such funds should be designated to be returned to the sub-grantee's HOPWA program when beneficiaries vacate the new unit. Returned funds should be recorded and tracked as program income and used for HOPWA program purposes.

Ineligible permanent housing expenses include but are not limited to:

- Moving costs
- Standard furnishings
- Housekeeping/household supplies

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Housing Information Services
HOPWA allows for payment of HMIS costs and participation. Sub-grantees may use up to three (3) percent of the overall HOPWA award for HMIS costs. Sub-grantees should use the Housing Information Services line item for HMIS costs associated with tracking client access and services (data entry). However, when the systems are developed or are being used by staff for data reporting, the costs are considered administrative costs and are subject to the applicable administrative cost limit.

Note: if participating in HMIS, the HOPWA providers must use the system to enhance service coordination and client access to community assistance programs and must collect all of the Universal Data Elements and Program-Specific Data Elements. See HOPWA Program HMIS Manual.

Administrative Costs
Administrative costs are those costs or functions that support operations in general, such as bookkeeping and the compilation and reporting of data.

As with all billed expenditures, billing for administrative costs should be based on actual costs incurred during a particular period. As with personnel costs, basing administrative charges on a straight pro-rated amount of the total grant (e.g., seven percent of the total amount awarded to the grantee divided into constant monthly increments) may be helpful for budgeting but is not adequate. Rather, administrative charges should be based on the actual monthly program costs, which should vary each month.

While it is not necessary to detail administrative costs on reimbursements, grantees must be able to document all administrative costs and will be required to produce said documentation at the time of either on-site or desk monitorings.

Other Program Requirements

Housing Assessments and Plans
All program participant files must contain an individualized housing assessment and housing and service plan with evidence of annual updates and ongoing progress. Housing assessments and plans assist in ensuring that participants achieve greater housing stability by receiving HOPWA assistance. Regulation 24 CFR 574.500(b)(2) states that the grantee (DHCD) will ensure that each project agrees to “conduct an ongoing assessment of the housing assistance and supportive services required by the participants in the program”. . The housing assessment is the foundation for the development of an individualized housing and service plan that includes gathering participant information about current finances, past rental history, behavioral history and other service needs . The sub-grantee should assess housing and supportive service needs at the point of intake or application and create plans for housing stability. These plans must be updated at least annually.

See HOPWA Program Administration Toolkit.

HOPWA Grantee Oversight Resource Guide - This resource discusses in more detail HOPWA requirements, eligibility and monitoring requirements. It also has useful tools and

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forms that may assist in running the HOPWA program. *Note: Not all activities described in the guide are part of the DHCD HOPWA program.*

HOPWA Program Administration Toolkit -The resources located here are designed to help grantees that receive HOPWA funding comply with applicable laws and regulations and administer programs more efficiently and effectively. Some of the forms that may be useful are HOPWA Habitability Standards checklist, STRMU Tracking sheet, Housing application and Assessment, Program participant Files checklist, etc. *Note that all forms may not be applicable to the DHCD HOPWA program and use of the specific tools is not required.*

Confidentiality
It is also important that the organization not use any identifying information that could compromise a participant's confidentiality regarding HOPWA assistance. For example, checks to property owners, envelopes, letterhead and other printed material should not contain any language that might indirectly disclose a participant's HIV status.

HOPWA HQS
Habitability standards inspections are required for each unit subsidized (TBRA or permanent housing placement) with HOPWA assistance (except STRMU). Each unit must pass a housing quality inspection to ensure the housing is safe and sanitary and in compliance with local and state housing codes, licensing standards and any other jurisdictional requirements, and the HOPWA program habitability standards as outlined in 24 CFR 574.310(b) . Housing quality inspections are made at initial move-in and annually during the term of the rental assistance. Prior to occupancy by the HOPWA-funded tenant, the unit must be inspected and approved by the grantee. The staff member performing the inspection does not need any special training, just familiarity with the HOPWA guidelines. The grantee should use the HOPWA HQS Habitability form that covers the standards set out in the HOPWA regulations.

- Units must be decent, safe, and sanitary
- These standards apply to any housing through tenant-based rental assistance (TBRA). *Note: does not apply to STRMU*

Lead-Based Paint Requirements
The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.), as amended by the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.) and implementing regulations at 24 CFR part 35, subparts A, B, M, and R shall apply to housing occupied by families receiving assistance through HOPWA

- HUD's lead-based paint rules apply to all housing assisted through TBRA or STRMU.
- Specifically, lead-based paint rules apply when:
- Housing to be assisted was constructed before 1978; and
- Residents will include a pregnant woman or a child 6 years of age or younger. *Note: Studio units are exempt.*
- All housing meeting the above criteria must receive a lead-based paint visual assessment before assistance may be provided.
- Staff must complete an online training course before performing visual assessments.

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