

Notification of Revised Rent Standard

Louisiana State Formula HOPWA Program

In accordance with Clarification of Rent Standard Requirement for the Housing Opportunities for Persons With AIDS (HOPWA) Program Notice CPD-22-10, section III: C: option 2, with the expressed approval of the HUD HOPWA Louisiana Field Office, the Louisiana State Formula HOPWA Program establishes a Revised Rent Standard effective October 27, 2022. The changes in this document supersede sections of previous guidance; however, this is not a comprehensive TBRA guide and should be used in conjunction with the HOPWA Manual, Service Standards, and HUD issued HOPWA documents, as well as any other related guidance from the LDH State Formula HOPWA Program (STD/HIV/Hepatitis Program [SHHP]).

Revised Rent Standard

The LDH State Formula HOPWA Program shall use a Revised Rent Standard of 140% Fair Market Rent (FMR) per the household's parish of residence and appropriate unit size effective October 27, 2022.

Rent standard limits shall be revised annually to reflect FMR fiscal year updates and shall be effective October 1 of the new federal fiscal year.

Rent Standard and Rent Reasonableness

Reflects revised rent standard and clarification on exception requests.

Per 24 CFR §574.320(a), the gross rent of TBRA-assisted units cannot exceed the rent standard, and must be at or below the lower of the rent standard or the reasonable rent. To ensure compliance with this requirement, Project Sponsors must complete Revised Form H: Rent Standard and Rent Reasonableness Certification for each proposed unit prior to the start of TBRA services and annual recertifications. Revised Form H must also be completed if there has been a change in residency or rent. Project Sponsors must attach documentation of rent standard and rent reasonableness values used to Revised Form H (i.e., rent standard limits table, comparison unit values, and utility schedule).

The rent standard limit for the proposed unit must reflect 140% FMR for the household's parish of residence and appropriate unit size.

Occupancy Standards Exception Requests

Project Sponsors may request LDH State Formula HOPWA Program approval on a unit-by-unit basis for a household to occupy a unit larger than specified by the Occupancy Standards.

Project Sponsors must submit written request to the SHHP Housing Specialist, copy the SHHP Services Supervisor, and obtain written approval from LDH State Formula HOPWA Program before providing assistance to a unit larger than specified by the Occupancy Standards; good cause justification should be included in the request. Documentation of the request and approval must be attached to Revised Form H.

In such exceptions the rent standard limit and utility allowance must be calculated based on the appropriately-sized unit (i.e., if the family is eligible for a one-bedroom unit but occupies a two-bedroom unit, the FMR and utility allowance for a one-bedroom unit would be used to calculate

the maximum subsidy amount). Project Sponsors shall ensure the larger unit will not cause undue financial burden for the household.

110% Rent Standard Exception Requests

Project Sponsors may request LDH State Formula HOPWA Program approval on a unit-by-unit basis to increase the maximum rent allowed by up to 10 percent of the rent standard for up to 20 percent of the units assisted (i.e., Project Sponsors may use 110% of the 140% FMR rent standard for 2 out of 10 of the combined households that receive TBRA services in a given program year).

Project Sponsors must submit written request to the SHHP Housing Specialist, copy the SHHP Services Supervisor, and obtain written approval from LDH State Formula HOPWA Program before using an increase to the maximum rent allowed; good cause justification should be included in the request. Documentation of the request and approval must be attached to Revised Form H. Project Sponsors must track approved requests to not exceed 20 percent of TBRA assisted units in a given program year.

The rent standard includes both rent and utilities, or the “gross rent.” Utilities include electricity, fuel (e.g., natural gas, oil), water, sewer, and trash removal. Telephone, internet, and cable are not included. The gross rent (rent + appropriate utility allowance) of the proposed unit cannot exceed the lower of the rent standard or reasonable rent (average of comparison units’ rents + appropriate utility allowances) for the unit. If the gross rent of the proposed unit exceeds the lower of the rent standard or reasonable rent, the unit cannot be approved for TBRA services.

When determining whether a proposed unit is within the rent standard, Project Sponsors need to know the amount of several costs, including:

- Rent being requested by the landlord;
- Basic utilities included in the rent to the landlord; and
- Basic utilities to be paid separately in addition to the rent paid to the landlord.

The gross rent must also be reasonable in relation to rents for comparable unassisted units in the private market and must not be in excess of rents charged by the owner for comparable unassisted units. Proposed units must be compared with two similar units for rent reasonableness. Project Sponsors should take into account the location, size, type, age of the unit, and amenities and utilities provided by the owners.

- *Size.* Proposed units should be compared to units with similar bedrooms, bathrooms, and square feet.
- *Type.* Proposed units should be compared to similar unit types (e.g., house, duplex, apartment, etc.).
- *Amenities.* Proposed units should be compared to units with similar amenities (appliances, patios, etc.).
- *Location.* Proposed units should be compared to units in the same areas.

Utility Allowances and Reimbursements

Clarification on notification of inability to obtain utility schedules. There are no changes to previous utility allowances and reimbursements. Reference the HOPWA Manual for more information.

Households receiving TBRA services must receive a utility allowance if they pay a separate utility vendor in addition to rent and utilities paid to the owner. The utility reimbursement must be paid directly to a utility vendor. Project Sponsors must notify the household of the amount paid to the utility vendor and maintain a record of the notification in the household's file. The Project Sponsor's monthly payments to the owner and to the utility vendor depend on the contractual rent to the owner and any utility allowances for which the household qualifies. Project Sponsors should request current copies of HUD-approved utility schedules from local Housing Authorities. In the event a household's utility allowance exceeds the household rent payment, the household's adjusted rent payment is \$0.00 and the difference is paid to the utility vendor.

If a Project Sponsor is unable to obtain current utility schedules from Local Housing Authorities, notify the SHHP Housing Specialist in writing, copy the SHHP Services Supervisor. Notification should include the name of the Housing Authority and any known contact information.

Forms

Reflects a revision to Form H: Rent Standard and Rent Reasonableness Certification to include the revised rent standard. There are no changes to other required forms.

- The household must have a current lease with at least one household member named on the current lease or utility bill
 - Project Sponsor must obtain the owner's IRS Form W-9
- The current lease must include a VAWA Lease Addendum
 - Project Sponsor must provide VAWA Notice of Occupancy Rights and Optional VAWA Certification Form
 - Owners must provide the VAWA Notice of Occupancy Rights and VAWA Certification Form with any notification of eviction they provide to the household
- Form A: Self-Declaration of Income
 - If any household member 18 years of age and older reports that they have zero income or have attempted but cannot obtain third party proof of income
- Form B: Self-Declaration of Residency
 - If any household member 18 years of age and older reports that they do not have a fixed address or have attempted but cannot obtain third party proof of current residency
- Form C: Household Income Eligibility Worksheet
- Form D: HOPWA Program Agreement
- Form E: Demographic and Statistical Data
- Form F: Consent to Release and/or Obtain Confidential Information as needed
 - May substitute other HIPAA-compliant Release of Information (ROI) form
- Form G: Housing Quality Standards Certification
 - If the structure was built or rehabilitated before 1978, then the Project Sponsor must provide a "Protect Your Family from Lead in Your Home" pamphlet to the household
- Revised Form H: Rent Standard and Rent Reasonableness Certification
 - Attach documentation of rent standard, rent reasonableness, and utility schedule values used
- Form I: Rental Assistance Worksheet
 - Attach required third-party documentation
- Form J: Housing Choice Voucher/Other Affordable Housing Waiver

- Required waiver request in special circumstances where accepting the HCV or other affordable housing would place an undue burden on the client
 - Must be approved by LDH State Formula HOPWA Program on a case-by-case basis
- Form M: Interim Recertification Worksheet
 - If the household has experienced a change in income, residency, and/or composition