**CHAPTER 10**

**HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)**

* 1. APPLICABILITY. This chapter is designed to monitor the Housing Opportunities for Persons with AIDS (HOPWA) program. The HOPWA program was established by the AIDS Housing Opportunity Act (codified, as amended, at 42 U.S.C. 12901 - 12912) in 1990 to provide resources and incentives to recipient communities (grantees) to develop long-term comprehensive strategies for addressing the local housing needs of low-income persons living with HIV/AIDS and their families. Activities are governed by HOPWA regulations found at 24 CFR Part 574.

Eligible HOPWA beneficiaries are low-income individuals living with HIV/AIDS and their family, per 24 CFR 574.3. “Low-income” is defined as any individual or family whose income does not exceed 80 percent of the median income for the area as determined by HUD. The HOPWA program outcome goals are that persons assisted have been enabled to establish and/or better maintain stable housing, reduce their risks of homelessness, and improve their access to healthcare and other support

* 1. HOPWA’S FORMULA AND COMPETITIVE PROGRAM STRUCTURE. Based on annual appropriations, program funds are made available through two HUD grants management processes:

(a) For formula grant funding, HUD distributes 90 percent of program funds by formula to eligible states and the most populous unit of general local government in eligible metropolitan statistical areas (EMSAs) after submission of a Consolidated Plan (established at 24 CFR Part 91) that covers the HOPWA assistance to be distributed; and

(b) For competitive grant funding, the process is established annually in the publication of a HUD Notice of Funding Availability (NOFA), or CPD Notice for the renewal of expiring competitive grants that provide permanent supportive housing, for a total of ten percent of program funds. Competitive grants may be awarded to states, local governments, and nonprofit organizations.

10-3 PREPARING FOR MONITORING. The specific HOPWA grantees to be monitored are determined as part of the risk analysis process (see additional guidance provided in Chapter 2). Before monitoring, the reviewer should be familiar with both the HOPWA program requirements and the design and operation of the grantee’s HOPWA program, particularly in any areas identified as high-risk or that are the subject of the monitoring. Whether monitoring on-site or assembling materials for remote monitoring, reviewers will need specific items to successfully monitor a grantee’s HOPWA program. Resources required for monitoring include:

* the implementing statute, AIDS Housing Opportunity Act (codified, as amended, at 42 U.S.C. 12901 - 12912);
* the program regulations at 24 CFR part 574;
* the applicable approved Consolidated Plan/Annual Action Plan;
* the applicable HOPWA Permanent Supportive Housing Renewal Notice for renewal grantees;
* the Notice of Funding Availability (NOFA), including General Section, applicable for competitive grants;
* the competitive or renewal grantee’s approved HOPWA application;
* the executed HOPWA grant agreement(s) for the period being monitored;
* any amendments to the grant agreement(s);
* the Operating Instructions applicable to the grant being reviewed;
* the most recent or applicable Consolidated Annual Performance and Evaluation Report (CAPER) or Annual Performance Report (APR) for the grant being monitored;
* Line of Credit Control System (LOCCS) expenditure information for the grantee being monitored and the time period under review;
* Integrated Disbursement and Information System (IDIS) draw information and reports;
* Notice CPD 06-07, “Standards for HOPWA Short-term Rent, Mortgage, and Utility (STRMU) Payments and Connections to Permanent Housing,” issued August 3, 2006.

This is not an exhaustive list of resources to be used in the monitoring process. Reviewers should contact the Office of HIV/AIDS Housing for assistance in locating additional resources or with general questions about the monitoring process for HOPWA. Current HOPWA desk officer information may be accessed here: <https://www.hudexchange.info/hopwa/hopwa-national-technical-assistance/> .

10-4 MONITORING HOPWA. The Exhibits in Chapter 10 are to be used for monitoring compliance with HOPWA- specific program requirements. The Exhibits can be used interchangeably to monitor either formula or competitive HOPWA grants. Exhibit 10-1, specifically Sections A-D, should be used to monitor all HOPWA grants regardless of the grant’s program activities or year awarded. Reviewers can monitor specific program activities with the following Exhibits:

* STRMU: Exhibit 10-1, Section E
* Rental Assistance Programs: Exhibit 10-1, Section F
* Facility Development: Exhibit 10-2, Section A
* Facility Operations: Exhibit 10-2, Section B

For civil rights-related program requirements, Exhibit 22-5, *Guide for Review of the Civil Rights-Related Program Requirements for CPD Non-Formula Grant Programs*, is to be used. Exhibit 22-5 can also be used interchangeably to monitor either formula or competitive HOPWA grants. This Exhibit covers fair housing and equal opportunity requirements applicable to the HOPWA program.

Depending on the year the grant was awarded, the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* (Uniform Requirements) for federal awards at 2 CFR part 200 may apply. Reviewers should always start monitoring HOPWA grantees with Chapter 10 Exhibits, and then use Chapter 34 Exhibits, when applicable, to ensure that the 2 CFR part 200 requirements are being met. Individual Chapter 10 Exhibits indicate when Reviewers should begin using Chapter 34 Exhibits.

 The Exhibits in Chapter 34 should be used to monitor HOPWA grantee compliance with the Uniform Requirements for federal awards at 2 CFR part 200. The Uniform Requirements supersede several OMB Circulars. Effective December 26, 2014, HUD adopted the Uniform Requirements at 2 CFR part 2400 and amended 24 CFR parts 84 and 85, which had codified, for HUD programs, several of the OMB Circulars superseded by 2 CFR part 200, by removing all substantive provisions and replacing them with a provision that instructs that Federal awards made prior to December 26, 2014, will continue to be governed by parts 84 or 85 as codified in the 2013 edition of the Code of Federal Regulations (CFR), or as provided under the terms of the Federal award.

 The Uniform Requirements at 2 CFR part 200 are applicable to the following HOPWA grantees:

* **HOPWA Formula Grants awarded in any year that are subject to HOPWA requirements “as may be amended” are subject to 2 CFR part 200 as of December 26, 2014.** Grantees are required to comply with 2 CFR part 200 as of December 26, 2014, but were required to comply with 24 CFR part 84 or 85 in carrying out activities and incurring costs under their formula award before this effective date. Therefore, formula grants awarded for FY 2014 or earlier are subject to 2 CFR part 200 only for the portion of the operating period on and after December 26, 2014.
* **HOPWA Competitive Grantees awarded in FY14 and subsequent years are subject to 2 CFR part 200 as of December 26, 2014.** HOPWA competitive grants awarded in FY13 and prior are not subject to 2 CFR part 200. HOPWA competitive grants awarded in FY13 and earlier remain subject to 24 CFR parts 84 or 85 in place at the time of the award in accordance with the terms and conditions of the award.

10-5 FILE SELECTION AND SAMPLING. As described in Chapter 2, the risk analysis process will be used to determine which HOPWA grantees and programmatic areas should be reviewed. This will also dictate Exhibit selection, though depending on the scope of the review and the nature of the program being monitored, certain Exhibit questions may not apply. The reviewer should indicate this in the appropriate section of the Exhibit, per the instructions in Chapter 2, Section 2-7(C)(3). If the reviewer identifies that a file review is necessary, the HUD reviewer should consider the following factors for determining the specific files to include in the review sample:

1. Initial file selection should be made using a random selection method, where feasible.
2. More files should be added to the selection in order to:

i. include files from each staff person working in the respective program area being monitored;

* 1. expand the sample, if possible, to include additional files with the same characteristics of any problems(s) noted during the initial selection’s review (for example, same problem category, same staff person, same activities or other characteristics). This expanded sampling aids in determining whether problems are isolated events or represent a systemic problem.

C. Additional files may also be included in the selection from any project that the HUD reviewer has reason to believe may have compliance problems or that is substantially different in terms of size, complexity, or other factors from other projects the grantee has undertaken.

D. Documentation of five (5) core elements for HOPWA program participation should be reviewed. The following elements can all be reviewed with Exhibit 10-1:

1. Medical documentation on HIV Status;
2. Documentation on the number of household members;
3. Verification of household income;
4. Resident rent payment calculation; and
5. Eligibility for uncompensated health care payments.

Confidentiality requirements cover any use of the personal information found in client files that serve as source information to establish that eligible households benefit from eligible activities. HUD review of client files must only record or otherwise document the relevant evidence without revealing or recording personal client information in monitoring notes.