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# **Housing Opportunities for Persons With AIDS (HOPWA) Program Guide**

August 2023

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## Chapter 1 – Program Overview

### 1.01 Overview

The Housing Opportunities for Persons With AIDS Program (HOPWA) was authorized through the United States Department of Housing and Urban Development (HUD), Housing and Community Development Act of 1992. It is the only federal program dedicated to the housing needs of people living with human immunodeficiency virus (HIV)/ acquired immunodeficiency syndrome (AIDS). Under the program, HUD awards grants to local communities, states and nonprofit organizations for projects that benefit people, and their families, who are low-income and living with HIV/AIDS ([HOPWA: Housing Opportunities for Persons With AIDS - HUD Exchange](#)). HUD HOPWA funds are distributed under a recently updated [statutory formula](#) that is based on the number of people living with HIV/AIDS according to Centers for Disease Control and Prevention data, as well as other factors, including the share of the state's population in poverty and local housing costs.

In Greater Minnesota, the Grantee for HUD HOPWA state formula funds is Minnesota Housing. These funds are appropriated annually by HUD and serve people and their families with low-income (at or below 80% of area median income [AMI]) who are living with HIV/AIDS outside of the 15-county Eligible Metropolitan Statistical Area (EMSA). The HUD HOPWA Grantee for the 15-county EMSA (which includes 2 counties in Wisconsin) is the City of Minneapolis.

Minnesota Housing makes HUD HOPWA funds available through a competitive request for proposals funding process. The selected applicants, known as Project Sponsors, provide emergency assistance for Short-Term Rent, Mortgage, and Utility payments (STRMU) to eligible HUD HOPWA households.

STRMU is designed to prevent households from becoming homeless by helping them remain in their housing. STRMU, especially when utilized together with other resources, including health care services, case management, benefits counseling, and employment or vocational services, can be effective in helping people achieve housing stability. Since STRMU payments are likely to create only a temporary solution, Project Sponsors are encouraged to assess ongoing housing needs of households served with HUD HOPWA funds and provide access to other permanent housing options as appropriate.

### 1.02 Purpose

Minnesota Housing's HUD HOPWA program goals are to help people and their families who are low-income and living with HIV/AIDS establish or maintain affordable and stable housing, reduce their risk of homelessness, and improve access to health care and other community resources.

### 1.03 Governing Statute and Regulations

HUD HOPWA is governed by specific federal regulations that can be found at the following links:

- United States Code: [AIDS Housing Opportunity Act: 42 USC Ch. 131](#)
- Code of Federal Regulations: Part 574 – Housing Opportunities for Persons with AIDS: [24 CFR 574](#).

The HUD HOPWA laws, regulations and federal notices can be accessed on the [HUD Exchange website](#).

#### **1.04 Equity**

An underlying strategy in [Heading Home Together: Minnesota's Action Plan to Prevent and End Homelessness](#) is to address the racial disparities that exist within Minnesota's homeless population. To help address these disparities, Minnesota Housing, in partnership with culturally specific communities, including Tribal Nations, will prioritize funding for efforts most successful at improving housing stability for communities disproportionately impacted by homelessness.

Applicants are strongly encouraged to plan efforts to serve those populations most disparately impacted and to help ensure services are culturally specific to better reflect needs of those being served.

## Chapter 2 – Eligibility

### 2.01 Eligible Project Sponsors

Eligible applicants for HUD HOPWA funds include the following entities:

- An Indian Tribe or Tribal housing corporation
- A nonprofit organization, as defined in [Minnesota Statutes, section 462A.03, subdivision 22](#)
- A city, as defined in [Minnesota Statutes, section 462A.03, subdivision 21](#)
- A unit of general local government that does not qualify for formula grants, as described in [24 CFR 574.100 \(3/31/2023\)](#)

Any of the above type of organizations are limited to providing services in any of the 74 Greater Minnesota counties outside of the Twin Cities EMSA. Refer to Chapter 1 – Section 1.01 or to the Terms section for more information regarding the EMSA.

Project Sponsors must demonstrate experience with, and the ability to administer, emergency assistance payments. If an applicant does not have this experience, the Project Sponsor may partner with an organization that does have experience by engaging in a Memorandum of Understanding (MOU) or contractual agreement. Prospective Project Sponsors are advised to seek legal advice regarding the nature and impact of such agreements. This partnership option is a method for new Project Sponsors to access HUD HOPWA funds even if they lack demonstrated experience.

#### Subrecipients

In some cases, the Project Sponsor must enter into an agreement with another organization for paid or leveraged services. The Project Sponsor might also employ a consultant for services using HUD HOPWA funds. When there is a Subrecipient, the Project Sponsors must have written agreements with the Subrecipient(s). Written agreements between Project Sponsors and any Subrecipients must outline terms for spending HUD HOPWA funds, specify activities that will be undertaken and describe how performance will be measured. The agreement must explicitly outline project goals and the scope of work. In addition, Project Sponsors must help ensure that communication received from Minnesota Housing is relayed to Subrecipients.

According to [24 CFR 574.500](#), agreements must ensure that HUD HOPWA Subrecipients will:

- Operate the program in accordance with the provisions of HUD HOPWA regulations and other applicable HUD regulations
- Conduct an ongoing assessment of the housing assistance and supportive services of the Participants as required by the program
- Assure the adequate provision of supportive services to the Participants in the program
- Comply with other terms and conditions, including recordkeeping (e.g., retaining records for four years) and reporting for program monitoring and evaluation purposes

It is important to remember that Project Sponsors also have oversight and monitoring responsibilities for Subrecipients. Site visits to Subrecipients are part of the Project Sponsor oversight process. Refer to Section 4.09 Monitoring and Evaluation.

## 2.02 Eligibility of Households to be Supported with Funds

Households must meet the following eligibility requirements to receive STRMU assistance:

- **Low Income:** Households cannot exceed 80% of AMI for a county or metropolitan statistical area, as determined by HUD, adjusted for household size. Project Sponsors can propose deeper income or population targets in their applications, but proposals must be approved by Minnesota Housing and HUD.
- **Greater Minnesota:** Households must live in Greater Minnesota. Households may not live in one of the 15-counties within the EMSA.
- **HIV/AIDS Diagnosis:** At least one individual in the household must have acquired AIDS, HIV, or related disease(s) listed in under Eligibility Documentation in Chapter 4.02. Households may include those who are connected by law, blood or be of special significance to the individual who has AIDS. [24 CFR 5.403](#) provides detail on who are considered “family” for HUD HOPWA purposes.
- **Housing Status:** Households must already be housed; must provide proof of a recent short-term emergency event that jeopardizes housing stability; and at least one household member must be named on the current Lease, mortgage, or utility bill. STRMU is designed to help renters and homeowners remain in their current residence. As such, STRMU may not be provided to assist homeless households or households moving into new housing arrangements.

## 2.03 Eligible Uses of Funds

HUD HOPWA funds must be used to provide emergency assistance for STRMU. The assistance is available for up to 21 weeks in a 52-week period. Project Sponsors may establish caps on the total amount of assistance provided if applied consistently and in a non-discriminatory manner. Caps should be reasonable enough so that, if assisted, households may overcome their immediate financial needs. For more information on caps, refer to [HUD’s HOPWA FAQs site](#).

### Service Delivery Costs

Generally, service delivery costs include personnel, travel, equipment, and supplies. Costs must be necessary, reasonable, allowable, documented, and allocable to STRMU. STRMU service delivery activities may include:

- Assessing housing status and needs
- Collecting program eligibility documentation and qualifying households for services
- Collecting evidence of the emergency/need for services and inability to pay housing costs
- Performing initial eligibility certifications and annual and interim eligibility recertifications

- Referring to other housing assistance services if ineligible for the program or unqualified for services
- Collecting supporting documentation and attaching it to program forms when required or applicable
- Traveling to proposed units to complete habitability inspections (if necessary)
- Communicating with owners and mortgage and utility companies about program requirements
- Requesting, issuing, and documenting payments
- Documenting housing assistance and supportive service outcomes
- Recordkeeping, logging time and effort, and maintaining case notes

### **Housing Assistance Costs**

STRMU pays rental, mortgage, and utility debts and dues. STRMU can pay late fees and other penalties if, in the event of nonpayment, the household would be at risk of eviction or loss of housing. The amount of assistance provided is not limited to the lower of the rent standard or reasonable rent for the unit. Households are not required to pay a portion of their income toward rent or the mortgage payment; however, if they are able, households should pay a portion of their housing costs, as any portion paid by the household does not count against the 21-week STRMU benefit ceiling.

### **Ineligible Costs**

STRMU cannot be provided to households receiving rental assistance for the same period from another federal, state, or local housing assistance program. For example, STRMU cannot pay the portion of rent that a household is responsible for if they are enrolled in the Housing Choice Voucher program (HCV) or receiving another type of rental assistance.

The purpose of STRMU is to prevent a household from becoming homeless and, therefore, can only be used to prevent eviction from or the loss of a housing unit that is occupied by qualified persons. Accordingly, STRMU can only be used to assist someone currently in housing as an intervention to prevent homelessness. STRMU assistance cannot be provided to a household that is homeless. STRMU may not be provided to assist households in moving into a new housing arrangement. STRMU may not be used for moving assistance, security, and utility deposits, or first month's rent.

In addition, STRMU mortgage assistance may not be used for the following activities:

- Support for an open line of credit or a loan that was secured by the household
- Taxes and insurance paid separately after the first or second mortgage is paid in full
- Assistance for payment toward personal loans or credit debts secured against the unit
- Assistance for a second mortgage when the first mortgage payments are not current
- Down-payment assistance to support the purchase of a new unit

Furthermore, the costs of household supplies; furnishings; automobile/transportation repairs; and telephone, internet, and cable services are not eligible with STRMU.

**Establishing Additional Restrictions**

HUD permits the use of local preferences as a means of prioritizing those most in need; however, any proposed additional restriction must be approved by Minnesota Housing and [HUD's Office of Fair Housing and Equal Opportunity](#) (FHEO) to help ensure that such practices do not discriminate or inadvertently exclude any persons either by design or omission. If a Project Sponsor proposes additional restrictions, they must collaborate with Minnesota Housing to develop a local HUD HOPWA program policy including the additional restrictions. Minnesota Housing must consult with HUD before the policy is approved.

## Chapter 3 – Services in Support of Housing Stability

### 3.01 Expectations on Program Services

HUD HOPWA assistance is not intended to provide “stand alone” funding. The program comes with requirements that the Project Sponsor provide an appropriate level of supportive services designed to meet HUD HOPWA program objectives for maintaining housing stability, avoiding homelessness, and helping ensure access to care and support.

Because STRMU is temporary, Project Sponsors and Subrecipients are required to design their programs with household transition goals in mind.

Whether a Project Sponsor provides supportive services directly or through cooperative agreements with other providers, the services must be available to all recipients of STRMU. The Project Sponsor needs to document the types of supportive services available to all clients and the methods of delivery within the program.

Ongoing assessment of the housing assistance and supportive services is required by [24 CFR 574.500](#). All households must have a written plan to address their individual housing and service needs. The plan must include an assessment of their housing needs as well as the supportive services needed for them to become and remain stable in housing. The plan must be updated on a regular basis.

#### Program Services Resource

Minnesota Housing encourages Project Sponsors to review [HUD's resource](#), which includes guidance for providing STRMU assistance and examples for designing a program aimed to meet program service expectations, including:

- Case management
- Outreach and support for household participation in services
- Development and maintenance of household housing and service plans
- Ways to support households to increase and enjoy social and support networks, and
- Ways to support households seeking more independent functioning and daily living activities

### 3.02 Priority Population and HIV/AIDS Statistical Resources

Minnesota Housing, as the HUD HOPWA Grantee for Greater Minnesota, seeks to serve Minnesotans with HIV/AIDS whose housing stability is at risk. The Minnesota Department of Health maintains [statistics](#) on HIV/AIDS in Minnesota. Minnesota Housing recommends Project Sponsors review the statistics as a component of their HUD HOPWA program design.

### 3.03 Appeals Process

If the Project Sponsor determines that a household is not eligible, the Project Sponsor must promptly notify the household in writing. The notice must:

- Set forth the reason for the ineligibility; and

- Provide notice that the household has 14 days to respond in writing to request an informal hearing to discuss the decision

If the household appeals the decision, the Project Sponsor must provide a written final decision within five business days of the informal hearing. All relevant communications and data, including for applicants whose appeals were denied. These data must be maintained for the entire retention period as stated in the Grant Contract Agreement.

## Chapter 4 – Program Administration and Implementation

### 4.01 Administrative Costs

Project Sponsors must ensure that no more than 7% of the HUD HOPWA funds awarded are used for administrative costs. Per [24 CFR 574.3](#), “eligible administrative costs include general management, oversight, coordination, evaluation, and reporting on eligible activities. Such costs do not include costs directly related to carrying out eligible activities, since those costs are eligible as part of the activity delivery costs of such activities.”

### 4.02 Program Assessment and Documentation

#### Need Assessment

Project Sponsors must establish a reasonable basis to quantify and verify the need for STRMU services. A household budget review and assessment of inability to meet such costs must be completed and documented in the household’s record. Examples include:

- A record of actual monthly bills for recurring costs, and evidence of the limited nature of household income along with limited available financial resources (for example, the balance on bank accounts).
- Examples of acceptable needs:
  - Household experiences a sudden loss of income due to changes in health
  - Household has lost employment
  - Household loses a source of income when household composition changes
  - Household faces extraordinary and unexpected out of pocket health care costs
- Examples of unacceptable needs:
  - Credit card debt for expenditures of a personal nature such as vacations, holiday gifts, home furnishings, personal grooming, pets, etc.
  - Automobile repairs or payments (unless essential for regular employment or full-time education, and where public transportation is inadequate)
  - Payment of child support or alimony
  - Payment of telephone, cell phone or internet bill
  - Payment of tickets, fines or restitution
  - Payment of personal loans or other financial obligations, other than rent, mortgage or utilities

#### Eligibility Documentation

To qualify for STRMU, households must provide proof of all of the following categories:

- **Proof of HIV seropositivity** for at least one household member – HIV status must be documented for each client, subject to confidentiality procedures. Acceptable forms of

documentation are from a health professional qualified to make such a determination, or an HIV test conducted by a physician, community health center, or HIV counseling center. Note that case manager statements or documentation of eligibility for related assistance is not sufficient.

- The following forms of documentation are acceptable:
  - Positive result from HIV screening test (Multi-Spot, HIV 1/2 Combo Ab/Ag Enzyme Immunoassay [EIA])
  - Positive result from an HIV 1 RNA qualitative virologic test such as a HIV 1 Nucleic Acid Amplification Test (NAAT)
  - Detectable quantity from an HIV 1 RNA quantitative virologic test (for example, a viral load test)
  - Report of detectable HIV “viral load” that includes the name of the client
  - A signed statement from a physician, physician’s assistant, advanced practice nurse, or registered nurse attesting to the HIV-positive status of the person
  - A hospital discharge summary documenting that a person is living with HIV
- **Proof of gross income** for all household members 18 years of age and older. Income must be determined and verified annually. Per [24 CFR 5.609](#), income includes, but is not limited to:
  - Gross wages, salaries, overtime pay, commissions, fees, tips, bonuses, and other compensation for personal services
  - Net income from operation of a business or from rental or real personal property
  - Interest, dividends, and other net income of any kind for real personal property
  - Full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts except as provided in [24 CFR 5.609\(c\)\(14\)](#)
  - Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay except as provided in [24 CFR 5.609\(c\)\(3\)](#)
  - Temporary Assistance for Needy Families (TANF), including amounts designated for shelter and utilities
  - Alimony, child support payments, and regular contributions from organizations or from people not residing in the household
  - All regular pay, special pay and allowances of a member of the Armed Forces except as provided in [24 CFR 5.609\(c\)\(7\)](#)
  - Income Adjustments: Adjustments to income may include deductions for dependents and for elderly and disabled family members as well as for un-reimbursed medical expenses. Refer to [24 CFR 5.611](#).
- **Proof of current residency** for all household members 18 years of age and older.

- Documentation evidencing tenancy includes a Lease naming the household member as the leaseholder or occupant.
- Documentation evidencing ownership of encumbered property includes a deed accompanied by a mortgage or a deed of trust; a mortgage or deed of trust default/late payment notice that identifies the eligible person or a resident member of the household as the property owner/debtor; or a valid, currently dated title insurance policy identifying the eligible person or a resident member of the household as the property owner/debtor.
- Documentation evidencing a utility account serving the household's address of record in a household member's name with a local utility vendor.
- **Proof of STRMU needs**
  - Rental assistance: Households must have a legal right to reside in the private unit and prove responsibility for paying the rent.
    - Documentation that the individual has been responsible for rental payments (such as rental receipts, a cancelled check, and/or a copy of a money order from the tenant to the owner would satisfy this condition)
    - Late payment notices or any other written communication from the owner to the tenant that provides evidence of tenancy would also be satisfactory
    - If not named on the Lease, any written documentation from the owner that the individual is a legal resident of the property
  - Mortgage assistance: Households must demonstrate that they are the resident owner of mortgaged property.
    - A deed accompanied by a mortgage or a deed of trust; a mortgage or deed of trust default/late payment notice that identifies the eligible individual or other household member as the property owner or debtor
    - A valid, currently dated title insurance policy identifying the eligible individual or other household member as the property owner or debtor
  - Utility assistance: Households must present evidence of residing in the private, unassisted unit legally, and a household member must have an account in their name with a utility company. Individuals who have prior criminal histories, poor credit, or lack of rental history may not have utility accounts in their name; however, they may be responsible for paying these housing expenses. Such households must demonstrate proof of responsibility to make such payments by documenting a history of making payments and should not be excluded from receiving STRMU utility assistance based on the utility account not being in their name. For example, if a household's utility account is in someone else's name, a Project Sponsor could request a copy of the account holder's photo identification and a signed statement from the account holder confirming that the household is responsible for utility payments.

### **Shared Housing Arrangements:**

In Shared Housing arrangements, where the assisted client has roommates, the amount paid by HUD HOPWA funds should be pro-rated to cover the actual portion of the dwelling unit occupied by the assisted client. Refer to [24 CFR 574.320](#).

## **4.03 Limits for STRMU Assistance**

### **STRMU 52-Week Period**

Federal regulations limit STRMU assistance to no more than 21 weeks in any 52-week period. Project Sponsors must use the limit of 21 weeks to calculate STRMU assistance within a 52-week (annual) period. Methods include:

- A set standard annual period for all clients (either the Project Sponsor's operating year or the calendar year)
- A separate period of eligibility for each client based on the date a STRMU payment is first made on behalf of a client

Project Sponsors must also define the 21-week period and apply this definition uniformly to all clients using one of the following methods:

- Count calendar days of assistance with max being 147 (21 weeks x 7 days a week); or
- Round each month to 4 weeks of assistance, yielding a maximum total of 5 months of assistance; or
- Track assistance using the precise number of weeks in a month (for example, a full month's rent would be tracked as 4.3 weeks, 75% of a month's rent would be tracked as 3.2 weeks, etc.)

HUD may waive, as it determines appropriate, these limitations, and will favorably consider a waiver based on the good faith effort of a Project Sponsor to provide permanent housing under subsection (c) of [24 CFR 574.330](#). Refer to the HUD publication [HOPWA: Short-Term Rent, Mortgage, and Utility \(STRMU\) Assistance](#), section 7, Waivers, for more detail.

### **Amount of STRMU Assistance**

Each household receiving STRMU assistance under this program or residing in any rental housing assisted under this program must pay rent, including utilities, in an amount that is the higher of:

- 30% of the family's monthly adjusted income (adjustment factors include the age of the individual, medical expenses, size of family and childcare expenses, and are described in detail in [24 CFR 5.609](#)). The calculation of the family's monthly adjusted income must include the expense deductions provided in [24 CFR 5.611\(a\)](#), and for eligible households, the calculation of monthly adjusted income also must include the disallowance of earned income as provided in [24 CFR 5.617](#), if applicable, or:
- 10% of the family's monthly gross income; or
- If the family is receiving financial assistance from a public agency and part of the assistance, adjusted in accordance with the family's actual housing costs, is specifically designated by the

agency to meet the family's housing costs, the portion of the assistance that is designated for housing costs.

Although STRMU assistance does not require the household to pay a portion of their housing costs, the assistance must not be used to relieve the household's responsibility to make housing payments in the absence of the inability to pay. If a household can pay some of their rent, mortgage and/or utility costs, Project Sponsors should negotiate an appropriate household contribution amount.

### **Monthly Rent and Utilities**

Provided that the rent payment and utility bill are reasonably concurrent (for example, at least 14 days overlap between rent and the utility payment period) the payments can be considered one month of assistance.

### **4.04 Grace Periods for Surviving or Remaining Household Members**

With respect to surviving or remaining household members living in the assisted unit at the time of the eligible individual's death ([24 CFR 574.310\(e\)](#)), Project Sponsors must provide surviving and remaining household members a reasonable grace period to establish eligibility for the HUD HOPWA program, establish eligibility for another housing program, or find alternative housing.

Per [24 CFR 574.310\(e\)](#), Project Sponsors must:

- Notify the survivor and remaining household members of the duration of the grace period
- Provide housing assistance and supportive services to the survivor and remaining household members
- Offer survivors and remaining household members information on other available housing programs

The minimum grace period for households receiving STRMU services must be one month of assistance from the end of the month in which the eligible individual died. The maximum grace period may not exceed the 147-day cap for STRMU services.

### **4.05 Housing Quality Standards**

[Lead-based paint requirements do apply](#) for STRMU assistance when:

- The STRMU assistance is lasting more than 100 consecutive days
- The housing was built before 1978
- The household has members who are pregnant or children under the age of six

### **4.06 Payment Process/Funding Reimbursement**

Project Sponsors will prepare and submit to Minnesota Housing monthly draw requests that detail actual expenditures and household information for the previous month. The required draw request and other report forms are available on [Minnesota Housing's website](#).

## **4.07 Financial Management/Records**

The Project Sponsor must have a bank account (checking or savings) for STRMU payments from Minnesota Housing. Any interest earned on these funds may be retained locally and may be used in paying administrative expenses. Minnesota Housing will request financial information at least once during the biennium due to financial reconciliation requirements. [Per 24 CF 574.450](#), the Project Sponsor must maintain and make available records of payments to property owners.

## **4.08 Data Privacy, Confidentiality, and Reporting**

### **Data Privacy and Confidentiality**

In working with applicants and households, the Project Sponsor and any Subrecipients must comply with applicable data privacy laws and regulations, including the Minnesota Government Data Practices Act. The [Minnesota Housing Government Data Practices Act Disclosure Statement](#) is available online. This form must be completed at initial occupancy by each adult in the household and retained in the household's file. Additionally, the Project Sponsor must use their own release of information (ROI) forms to share household information and complete income verification inquiries.

All ROIs that are signed by the qualifying household member must be kept in Project Sponsors' and Subrecipients' files, as applicable.

Per [24 CFR 574.440](#), Project Sponsors must ensure the confidentiality of the name of any individual assisted under this program and any other information regarding individuals receiving assistance.

### **Reporting**

Effective August 2022, HUD revised the [Consolidated Annual Performance and Evaluation Report](#) (CAPER). Project Sponsors are now required to collect and report anonymous household level data on all individuals receiving direct services through HUD HOPWA funds. Project Sponsors whose programs are funded are expected to comply with terms and conditions established by HUD regulations in [24 CFR 574.520](#) for monitoring, evaluation and record keeping by Minnesota Housing and HUD. Subrecipients are required to demonstrate compliance with these provisions. Minnesota Housing, as Grantee, will provide technical assistance to Project Sponsors regarding data collection and reporting.

## **4.09 Monitoring and Evaluation**

### **Monitoring Procedure**

- **On-site monitoring**
  - Minnesota Housing will conduct ongoing evaluations of the financial reports and household files submitted by Project Sponsors. Per [24 CFR 574.500](#), Minnesota Housing is responsible for helping ensure that Project Sponsors carry out activities in compliance with all applicable requirements. HUD will enforce pursuant to [2 CFR 200](#).
  - If the Project Sponsor works with Subrecipients, the Project Sponsors must review program files to help ensure that the written agreements are in place, contain the required language, and are fully executed, meaning that authorized persons at both

organizations have dated and signed them. This is the foundation for monitoring and performance measurement.

## **Chapter 5 – Termination of Project Sponsors**

### **5.01 Termination**

Minnesota Housing may terminate a Project Sponsor for failure to comply with any terms and obligations pursuant to the HUD HOPWA program.

#### **Termination of Subrecipients**

Expectations that Minnesota Housing requires of Project Sponsors are further extended to any Subrecipients. Those expectations must be clearly outlined in a fully executed agreement in effect during the term of the Grant Contract Agreement. If the Project Sponsor's formal agreement with Subrecipients is terminated by either party, the Project Sponsor must communicate this change to Minnesota Housing at least 30 days prior to the termination. Minnesota Housing will work with the Project Sponsor to develop a plan to help ensure contractual and bidding requirements are being met.

### **5.02 Notification of Termination**

If Minnesota Housing terminates a Project Sponsor, the Project Sponsor must give written notice to all applicable households, property owners, and Subrecipients that the assistance will end on the last day of the second month following the month in which the notice is given.

### **5.03 Notification Due to Lack of Funding**

If, for any reason, Minnesota Housing is prohibited from continuing to fund a Project Sponsor, the Project Sponsor must provide written notice to all applicable households, property owners, and Subrecipients that the assistance will end. This notice must be given no fewer than six months before the assistance will end.

## Chapter 6 – Fair Housing Policy

It is the policy of Minnesota Housing to affirmatively further fair housing in all its programs so that individuals of similar income levels have equal access to Minnesota Housing programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, gender identity or sexual orientation.

Minnesota Housing's fair housing policy incorporates the requirements of Title VI of the Civil Rights Act of 1968; the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988; and the Minnesota Human Rights Act. Housing providers and other entities involved in real-estate related transactions are expected to comply with the applicable statutes, regulations, and related policy guidance. Housing providers should ensure that admissions, occupancy, marketing, and operating procedures comply with non-discrimination requirements. Housing providers and other entities involved in real-estate related transactions must comply with all non-discrimination requirements related to the provision of credit, as well as access to services.

In part, the Fair Housing Act and the Minnesota Human Rights Act make it unlawful, because of protected class status, to:

- Discriminate in the selection/acceptance of applicants in the rental of housing units;
- Discriminate in the making or purchasing of loans for purchasing, constructing or improving a dwelling, or in the terms and conditions of real-estate related transactions;
- Discriminate in the brokering or appraisal of residential property;
- Discriminate in terms, conditions or privileges of the rental of a dwelling unit or services or facilities;
- Discriminate in the extension of personal or commercial credit or in the requirements for obtaining credit;
- Engage in any conduct relating to the provision of housing that otherwise make unavailable or denies the rental of a dwelling unit;
- Make, print or publish (or cause to make, print or publish) notices, statements or advertisements that indicate preferences or limitations based on protected class status;
- Represent a dwelling is not available when it is in fact available;
- Refuse to grant a reasonable accommodation or a reasonable modification to a person with a disability;
- Deny access to, or membership or participation in, associations or other services organizations or facilities relating to the business of renting a dwelling or discriminate in the terms or conditions of membership or participation; or

- Engage in harassment or quid pro quo negotiations related to the rental of a dwelling unit.

Minnesota Housing has a commitment to affirmatively further fair housing for individuals with disabilities by promoting the accessibility requirements set out in the Fair Housing Act, which establish design and construction mandates for covered multifamily dwellings and requires housing providers to make reasonable accommodations and to allow persons with disabilities to make reasonable modifications.

Applicants will be required to submit an Affirmative Fair Housing Marketing Plan at the time of application, to update the plan regularly and to use affirmative fair housing marketing practices in soliciting renters, determining eligibility, and concluding all transactions.

As a condition of funding through Minnesota Housing, housing providers are not permitted to refuse to lease a unit to, or discriminate against, a prospective resident solely because the prospective resident has a Housing Choice Voucher or other form of tenant-based rental assistance.

## **Chapter 7 – Fraud, Misuse of Funds, Conflict of Interest, Suspension, and Disclosure and Reporting**

### **7.01 Fraud**

Fraud is any intentionally deceptive action or omission made for personal gain or to damage another.

Any person or entity (including its employees and affiliates) that enters into an agreement with Minnesota Housing and witnesses, discovers evidence of, receives a report from another source, or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report through one of the communication channels described in Section 7.05.

### **7.02 Misuse of Funds**

A contracting party that receives funding from Minnesota Housing promises to use the funds to engage in certain activities or procure certain goods or services while Minnesota Housing agrees to provide funds to the recipient to pay for those activities, goods or services. Regardless of the Minnesota Housing program or funding source, the recipient must use Minnesota Housing funds as agreed, and the recipient must maintain appropriate documentation to prove that funds were used for the intended purpose(s).

A misuse of funds shall be deemed to have occurred when: (1) Minnesota Housing funds are not used as agreed by a recipient; or (2) A recipient cannot provide adequate documentation to establish that Minnesota Housing funds were used in accordance with the terms and conditions of the contract.

Any recipient (including its employees and affiliates) of Minnesota Housing funds that discovers evidence, receives a report from another source, or has other reasonable basis to suspect that a misuse of funds has occurred must immediately make a report through one of the communication channels described in Section 7.05.

### **7.03 Conflict of Interest**

A conflict of interest, actual, potential, or perceived, occurs when a person has an actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are averse to one or both parties. A potential or perceived conflict of interest exists even if no unethical, improper, or illegal act results from it.

An individual conflict of interest is any situation in which one's judgment, actions or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to a Partner, Family Member, Relative, Friend, Business, or other Outside Interest with which they are involved, as such terms are defined or described below.

- Partner\*: Includes romantic and domestic partners and outside business partners.
- Family Member\*: An individual's current and former spouse; children, parents, and siblings; current and former children-in-law, parents-in-law, and siblings-in-law; current and former

stepchildren and stepparents; grandchildren and grandparents; and members of the individual's household.

- **Relative\***: Uncle or aunt; first or second cousin; godparent; godchild; other person related by blood, marriage, or legal action with whom the individual has a close personal relationship.
- **Friend\***: A person with whom the individual has an ongoing personal social relationship. "Friend" does not generally include a person with whom the relationship is primarily professional or primarily based on the person being a current or former colleague. "Friend" does not include mere acquaintances (i.e., interactions are coincidental or relatively superficial). Social media friendships, connections, or links, by themselves, do not constitute friendship.
- **Business\***: Any company, corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual or any other legal entity which engages either in nonprofit or profit-making activities.
- **Outside Interest\***: An Outside Interest may occur when an individual, their family, or their Partner has a connection to an organization via employment (current or prospective), has a financial interest, or is an active participant.

*\*These definitions are only applicable to this Section 7.03.*

Once made aware of a conflict of interest, Minnesota Housing will make a determination before disbursing any further funds or processing an award. Determinations could include:

- Revising the contracting party's responsibilities to mitigate the conflict
- Allowing the contracting party to create firewalls that mitigate the conflict
- Asking the contracting party to submit an organizational conflict of interest mitigation plan
- Terminating the contracting party's participation

Any person or entity (including its employees and affiliates) that enters into an agreement with Minnesota Housing must avoid and immediately disclose to Minnesota Housing any and all actual, potential or perceived conflicts of interest through one of the communication channels described in Section 7.05.

#### **Federal Conflict of Interest Requirements:**

Minnesota Housing administers various programs using federal funds. Minnesota Housing requires that each of its external business partners (e.g., administrators, borrowers, contractors, grantees or subrecipients) complies with all applicable federal conflict of interest standards. Specifically, no external business partner employee, agent or consultant may participate in the selection, award, or administration of a contract supported by a federal award if they have a real or apparent conflict of interest. Such a conflict of interest would arise when the business partner's employee, agent,

consultant or any member of their immediate family, their partners, or an organization which employs or is about to employ any of these parties, has a financial or other interest in, or obtains a tangible personal benefit from, a firm considered for a contract. External business partner employees, agents and consultants may neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontracts supported by a federal award. Minnesota Housing will not consider it a violation of this policy if the external business partner employee, agent, or consultant receives an unsolicited item of nominal value. In addition, no external business partner employees, agents or consultants “who exercise or have exercised any functions or responsibilities with respect to activities assisted with” funds from HOME Investment Partnerships (HOME), HOME American Rescue Plan (HOME ARP), Housing Opportunities for Persons with AIDS (HOPWA) or National Housing Trust Fund (NHTF) “or who are in a position to participate in a decision-making process or gain inside information with regard to these activities may obtain a financial interest or financial benefit from” a HOME, HOME ARP, HOPWA or NHTF-assisted activity “or have a financial interest in any contract, subcontract, or agreement with respect to the” HOME, HOME ARP, HOPWA or NHTF-assisted activity “or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person.”<sup>1</sup> Violation of federal conflict of interest requirements by business partners, agents or consultants will result in appropriate actions by Minnesota Housing, including the potential termination of the relationship and additional contractual or other remedies. Violation of federal conflict of interest requirements may need to be reported to the federal government in appropriate circumstances.

Any person or entity (including its employees and affiliates) that enters into an agreement with Minnesota Housing relating to federal funds must avoid and immediately disclose to Minnesota Housing any and all conflicts of interest through one of the communication channels described in Section 7.05. A contracting party should review its contract and request for proposals (RFP) material, if applicable, for further requirements.

## **7.04 Suspension**

By entering into any contract with Minnesota Housing, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the contract) has not been suspended from doing business with Minnesota Housing. Refer to Minnesota Housing’s website for a list of [suspended individuals and organizations](#) (go to

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<sup>1</sup> See generally, HOME: [24 CFR part 92.356](#); including any revisions by the Appendix to the HOME-ARP Notice as amended; HOPWA: [24 CFR 574.625](#); NHTF: [24 CFR 93.353](#). In limited circumstances, a conflict of interest could be waived via an exception request, in writing. For further information, see federal regulations at: HOME: [24 CFR part 92.356](#); HOPWA: [24 CFR 574.625](#); NHTF: [24 CFR 93.353](#)

mnhousing.gov, scroll to the bottom of the screen and select Report Wrongdoing, then select Suspensions from the menu).

## **7.05 Disclosure and Reporting**

Minnesota Housing promotes a “speak-up, see something, say something” culture whereby internal staff, external business partners (e.g., grantees, borrowers) and the general public are encouraged to report instances of fraud, misuse of funds, conflicts of interest, or other concerns without fear of retaliation. You may report wrongdoing or other concerns by contacting:

- Minnesota Housing’s Chief Risk Officer at 651.296.7608 or 800.657.3769
- Any member of Minnesota Housing’s [Servant Leadership Team](#) (visit mnhousing.gov and enter **SLT** in the Search box)
- [Report Wrongdoing or Concerns](#) (visit mnhousing.gov and enter **Wrongdoing** in the Search box)

## Appendix A: Terms

Term	Definition
<b>AIDS (acquired immunodeficiency syndrome)</b>	As described in <a href="#">24 CFR 574.3</a> , “the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome, including infection with the human immunodeficiency virus (HIV).”
<b>Eligible Metropolitan Statistical Area (EMSA)</b>	In this grant’s context, it is the 15-county area comprised of the following counties: Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, Wright, Le Sueur and Mille Lacs in Minnesota and Pierce and St. Croix in Wisconsin. Per <a href="#">HUD Definition</a> , an EMSA means a metropolitan statistical area that has a population of more than 500,000 and has more than 1,500 cumulative cases of AIDS.
<b>Fair Housing and Equal Opportunity (FHEO)</b>	The HUD office charged with the tasked to “eliminate housing discrimination, promote economic opportunity, and achieve diverse, inclusive communities.” More about the FHEO can be found via <a href="#">this link</a> .
<b>Grant Contract Agreement</b>	The agreement between Grantee and a Project Sponsor (due to the continual changes that the grants process goes through, please visit the <a href="#">Office of Grants Management's website</a> for the most current and updated information).
<b>Grantee</b>	In relation to the HUD HOPWA program, the Grantee is Minnesota Housing, that as a unit of general local government, qualifies for formula grants, as described in <a href="#">24 CFR 574.100</a> .
<b>HUD</b>	The United States Department of Housing and Urban Development.
<b>Housing Choice Voucher (HCV)</b>	The housing assistance programs created by and administered in accordance with Section 8 of the United States Housing Act of 1937, as amended.
<b>Lease</b>	A written agreement between a property owner and a household for the Lease of a particular housing unit.
<b>Minnesota Housing</b>	The Minnesota Housing Finance Agency.
<b>Participant</b>	A person who participates in HOPWA program as the recipient of assistance and supportive services.
<b>Project Sponsor</b>	An organization meeting the eligibility definitions of a nonprofit in <a href="#">Minnesota Statutes, section 462A.03, subdivision 22</a> , a city, as defined in <a href="#">Minnesota Statutes, section 462A.03, subdivision 21</a> , or a unit of general local

Term	Definition
	government that does not qualify for formula grants, as described in <a href="#">24 CFR 574.100</a> to which Minnesota Housing (as Grantee) has awarded HUD HOPWA funds to serve the 76 counties of Greater Minnesota.
<b>Short-Term Rent, Mortgage and Utility (STRMU)</b>	Time-limited housing assistance designed to prevent homelessness and increase housing stability. STRMU may provide assistance for a period of up to 21 weeks in any 52-week period.
<b>Service Area</b>	The geographic area in which a Project Sponsor will operate its HUD HOPWA services.
<b>Shared Housing</b>	Defined by HUD as a single housing unit occupied by an assisted family and another resident or residents. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family. The unit may be a house or an apartment.
<b>Subrecipient</b>	Per <a href="#">20 CFR 675.300</a> , Subrecipient "means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program, but does not include an individual that is a beneficiary of such program. A subrecipient also may be a recipient of other Federal awards directly from a Federal awarding agency."