



Guidelines

FOR THE

City of Spokane

Homeless Housing, Operations, and Services

Grant Program

July 2019 – June 2024

Last Updated
January 2020

Table of Contents

1	Introduction	5
1.1	Overview	5
2	Administrative Requirements	6
2.1	Low Barrier Housing	6
2.2	Coordinated Entry	7
2.3	CMIS	7
2.3.1	Completeness	7
2.3.2	Timeliness	8
2.3.3	Accuracy	8
2.3.4	Consistency	9
2.4	Reporting Requirements	9
2.4.1	Local Homeless Housing Plan	9
2.4.2	Annual County Expenditure Report	9
2.4.3	Point-in-Time Count	9
2.4.4	Essential Needs Report	10
2.5	Training	10
2.6	Benefit Verification System Requirements	10
2.7	Grant Management	11
2.7.1	Changes to Guidelines	11
2.7.2	Monitoring	11
3	Fiscal Administration	11
3.1	Ineligible Use of Funds	11
3.2	Reimbursements	11
3.2.1	Back-up Documentation	11
3.3	Budget Revisions	11
4	Allowable Interventions	12
4.1	Temporary Housing Interventions	12
4.1.1	Emergency Shelter	12
4.1.2	Transitional Housing	12
4.2	Permanent Housing Interventions	12
4.2.1	Targeted Prevention	12
4.2.2	Rapid Re-Housing	12
4.2.3	Permanent Supportive Housing	13

4.3	Services Only Interventions	13
4.3.1	Street Outreach.....	13
4.3.2	Homeless Diversion.....	13
5	Household Eligibility	14
5.1	HHOS Standard and HEN	14
5.2	Permanent Supportive Housing	14
5.3	Housing Status Eligibility.....	15
5.3.1	Homeless.....	15
5.3.2	Chronically Homeless.....	15
5.3.3	At Imminent Risk of Homelessness.....	16
5.4	Documentation of Housing Status	16
5.5	Income Eligibility.....	16
5.5.1	Income Eligibility Exemptions	16
5.6	Documentation of Income Eligibility	17
5.6.1	Annualizing Wages and Periodic Payments.....	17
5.6.2	Documentation of HEN Referral	17
5.7	Eligibility Recertification	17
5.7.1	Income Ineligible at Recertification	18
5.8	Additional Eligibility Requirements for Permanent Supportive Housing.....	18
5.8.1	Documentation of a Disability	18
5.8.2	Maintaining Homeless Status for Permanent Housing.....	19
6	Allowable Expenses	20
6.1	Rent.....	20
6.1.1	Rent Payments	20
6.1.2	Other Housing Costs	20
6.1.3	Special Circumstances.....	20
6.1.4	Ineligible Expenses.....	20
6.2	Facility Support.....	21
6.2.1	Lease Payments	21
6.2.2	Other Facility Costs	21
6.2.3	Ineligible Expenses.....	21
6.3	Operations	21
6.3.1	Homeless Crisis Response System Expenses	21
6.3.2	Program Expenses.....	22
6.3.3	ESG Expenses	22

6.3.4	Flexible Funding	23
6.3.5	Ineligible Expenses	23
6.4	Administration	24
7	Requirements of Direct Service Programs.....	25
7.1	CHG-PSH Referral to Foundational Community Supports (FCS)	25
7.2	Ensure Habitability	25
7.2.1	Habitability Complaint Procedure	25
7.3	Lead Based Paint Assessment.....	25
7.3.1	For Rent Assistance.....	25
7.3.2	For Facilities	26
7.3.3	Exceptions to the Lead-Based Paint Visual Assessment Requirement.....	26
7.4	Informed Consent to Review Information in the Benefits Verification System.....	26
7.5	Personal Identifying Information.....	26
7.6	Prohibitions.....	26
7.7	Nondiscrimination	26
8	Additional Requirements for Rapid Re-Housing and Targeted Prevention Programs	28
8.1	Washington Residential Landlord-Tenant Act.....	28
8.2	Rent Limits	28
8.3	Rent Assistance under ESG	28
8.4	Rental Agreements	29
8.5	Targeted Prevention	29
9	Washington State’s Landlord Mitigation Law	29
10	Appendix A: Household Eligibility Requirements	30
11	Appendix B: Lead Based Paint Visual Assessment Requirements	31
12	Appendix C: Access to the DSHS Benefits Verification System Data Security Requirements	33
13	Appendix D: Access to the DSHS HEN Referral List Data Security Requirements	37

1 Introduction

1.1 Overview

The Homeless Housing, Operations, and Services Grant combines federal, state and local homeless and human services resources into a single grant opportunity. This grant is designed to support an integrated system of housing assistance that can immediately address the need of a household or individual experiencing homelessness and connect them with the resources needed to end that homeless episode. Funded projects will support Spokane's Strategic Plan to End Homelessness through innovative practices that limit barriers to entry and focus on permanent housing options for clients. The document also serves as the City of Spokane's ESG Written Standards

Consolidated Homeless Grant

The Consolidated Homeless Grant (CHG) provides resources to fund homeless crisis response systems to support communities in ending homelessness. Homeless crisis response systems respond to the immediacy and urgency of homelessness and make sure that everyone has a safe and appropriate place to live. The vision, principles and goals set forth in the State Homeless Strategic Plan guide the management and implementation of CHG. CHG includes additional funding for Permanent Supportive Housing for Chronically Homeless Families (PSH CHF) and the Housing & Essential Needs (HEN) program. Chapter [RCW 43.185c](#) Homeless Housing and Assistance authorizes these funds.

Emergency Solutions Grant

The Emergency Solutions Grants (ESG) Program is designed to respond to crisis and provide emergency assistance to prevent and end homelessness. ESG funds are authorized under the McKinney-Vento Homeless Assistance Act and are intended to help improve the quality of existing emergency shelters for the homeless, make additional shelters available, meet the costs of operating these facilities, rapidly rehouse homeless individuals and families, provide essential services to them, provide street outreach, emergency outreach health and mental health services, and to prevent homelessness. ESG projects will be required to assist people in moving to permanent housing and reduce households' length of time homeless.

Homeless Housing Assistance Act

The Homeless Housing Assistance Act (HHAA) was created in Washington State by Engrossed Second Substitute House Bill (ESSHB) 2163 on August 1, 2005. The law created a document recording fee on certain documents to be utilized by local jurisdictions to reduce homelessness. Grant funds are administered by the state and local governments. Eligible uses of the funds are broad as long as the program funded addresses homelessness through housing and/or services and aligns with the local homeless plan.

Human Services Grant

The City of Spokane Human Services Grant (HSG) program is a local grant program funded through the City's general fund as determined by the City's annual budgeting process. Funding priorities include reducing or preventing homelessness among the most vulnerable populations

such as the disabled, veterans, youth and families; promoting and ensuring nutrition and food security; improving access to and utilization of mental and physical care. All activities must benefit the poor and infirm and operate within the City of Spokane.

2 Administrative Requirements

2.1 Low Barrier Housing

HHOS-funded projects are expected to be low barrier.

All homeless housing projects adhere to state and federal anti-discrimination laws:

- ✓ All projects ensure equal access for people experiencing homelessness regardless of race, national origin, gender identity, sexual orientation, marital status, age, veteran or military status, disability, or the use of an assistance animal.
- ✓ Projects designed to serve families with children experiencing homelessness ensure equal access regardless of family composition and regardless of the age of a minor child.
- ✓ Projects that operate gender segregated facilities allow the use of facilities consistent with the person's gender expression or identity.
- ✓ All projects must have a prohibition against involuntary family separation.

2.1.1.1 Intake & Project Eligibility

Low barrier projects have flexible intake schedules and require minimal documentation. At the minimum, homeless households are not screened out based on the following criteria:

- ✓ Having too little or no income
- ✓ Having poor credit or financial history
- ✓ Having poor or lack of rental history
- ✓ Having involvement with the criminal justice system
- ✓ Having active or a history of alcohol and/or substance use
- ✓ Having a history of victimization
- ✓ The type or extent of disability-related services or supports that are needed
- ✓ Lacking ID or proof of U.S. Residency Status
- ✓ Other behaviors that are perceived as indicating a lack of "housing readiness," including resistance to receiving services

2.1.1.2 Project Participation

Low barrier projects have realistic and clear expectations. Rules and policies are narrowly focused on maintaining a safe environment and avoiding exits to homelessness. Low barrier projects do not have work or volunteer requirements. Projects that require people to pay a share of rent allow reasonable flexibility in payment.

Households are not terminated from the project for the following reasons:

- ✓ Failure to participate in supportive services or treatment programs
- ✓ Failure to make progress on a housing stability plan

- ✓ Alcohol and/or substance use in and of itself is not considered a reason for termination

2.2 Coordinated Entry

The City of Spokane maintains a coordinated entry (CE) system, in which people experiencing homelessness are assessed and referred to the services that are the most likely to help them obtain and maintain housing stability.

Homeless housing programs funded by HHOS must participate in CE, either as an access point, or by accepting referrals into housing programs, in accordance with Spokane City/County Continuum of Care’s Coordinated Entry Guidelines.

2.3 CMIS

HHOS grantees providing direct service must enter client data into the Community Management Information System (CMIS) for all projects regardless of funding source and in accordance with the most current [HMIS Data Standards](#).

2.3.1 Completeness

Completeness of data is measured by the percentage of incomplete fields in required data elements.

Agencies are expected to collect first name, last name, date of birth, race, and ethnicity from clients that give consent on the [CMIS Client Release of Information form](#). Agencies will never require a client to provide this information even if they have consented, but should gather it to the best of their ability. All clients, consenting and non-consenting, must have complete prior living situation and exit destination data.

Examples of incomplete entries:

Incomplete Entries	
Data Element	Incomplete if...
Name*	[Quality of Name] field contains Partial, Street name, or Code name, Client doesn’t know, Client refused or Data not collected; or [First Name] or [Last Name] is missing.
Date of Birth*	[Quality of DOB] field contains Approximate, Partial DOB reported, Client doesn't know, Client refused or Data not collected; or [Date of Birth] is missing.
Race*	[Race] field contains Client doesn't know, Client refused, Data not collected, or is missing.
Ethnicity*	[Ethnicity] field contains Client doesn't know, Client refused, Data not collected, or is missing.
Prior Living Situation	[Prior Living Situation] is client doesn't know, client refused, data not collected, or is missing.
Destination	[Destination] is Client doesn't know, Client refused, No exit interview completed, Data not collected, or is missing.

HHOS grantees are expected to comply with the following data completeness expectations outlined by the WA State Department of Commerce:

Expected Completeness Measures				
Data Element	Emergency Shelter	Night-by-Night/Drop-in Emergency Shelter	All other Housing Project Types	Street Outreach
Name*	85%	80%	95%	90%
Date of Birth*	85%	80%	95%	90%
Race*	85%	80%	95%	90%
Ethnicity*	85%	80%	95%	90%
Prior Living Situation	85%	80%	100%	85%
Destination	80%	50%	95%	50%

*Only measured for consenting clients.

2.3.2 Timeliness

Client data should be entered into CMIS as close to the date of collection as possible. Entering data as soon as possible supports data quality by avoiding backlogs of pending data and allowing near real time analysis and reporting.

HHOS grantees must enter client data into CMIS no later than the 5th calendar day following the end of each month.

2.3.3 Accuracy

Data entered into CMIS must reflect the real situation of the client/household as closely as possible. Accurate data is necessary to ensure any project reporting fairly represents the work of the project and each client's story.

Examples of data accuracy:

Elements of Data Accuracy	
Date of Birth and Project Start Date	Ensure the two are not the same dates.
Prior Living Situation data elements	Ensure responses for Prior living situation, Length of stay in prior living situation, Approximate date homelessness started, Number of times the client has experienced homelessness in the last 3 years, and Number of months experiencing homelessness in the last 3 years do not conflict with each other.
Disabling Condition	Ensure the Yes/No answer does not conflict with the specific types of disabling conditions.
Health Insurance	Ensure the Yes/No answer does not conflict with the specific types of health insurance.
Monthly Income	Ensure the Yes/No answer does not conflict with the specific sources of monthly income.

Non-Cash Benefits	Ensure the Yes/No answer does not conflict with the specific sources of non-cash benefits.
Relationship to Head of Household	Ensure there is only one Head of Household for any given household (including clients served individually) and that this element is entered and accurate for all household members.
Veteran Status	Ensure individuals under 18 years of age are not identified as veterans.
Project Population Specifics	Ensure that projects only serving individuals only enroll individuals and not multi-person households. Ensure that projects only serving families with children only enroll families with children. Ensure that projects only serving clients of a specific age range only enroll clients of that age range.

2.3.4 Consistency

Consistent data helps ensure that any reporting generated by a project is understood. Data consistency is important for effectively communicating the processes and outcomes of a project.

All data will be collected, entered, and stored in accordance with the [CMIS User Agreement](#).

All data elements and responses will be entered per the [HUD data Standards Manual](#). To avoid inconsistency, agencies should use language on intake forms that closely matches the elements and responses in CMIS.

Clients who refuse consent must be made anonymous per CHHS guidance and the [anonymous client entry guide](#).

2.4 Reporting Requirements

2.4.1 Local Homeless Housing Plan

HHOS grantees must assist in the development and updating of the Strategic Plan to Prevent and End Homelessness as requested by the City of Spokane. The current Strategic Plan can be found at <https://my.spokanecity.org/endinghomelessness/about/>

2.4.2 Annual County Expenditure Report

HHOS grantees must assist the City of Spokane in its submission of the Annual County Expenditure Report to Commerce by submitting annual expenditure data on relevant homeless service projects upon request.

2.4.3 Point-in-Time Count

HHOS grantees must participate in the annual Point-in-Time Count of sheltered and unsheltered homeless persons as requested by City of Spokane.

2.4.4 Essential Needs Report

HEN grantees must submit a HEN Essential Needs Report to the City of Spokane monthly alongside HEN reimbursement request, which is a count of the total instances of Essential Needs services.

2.5 Training

Staff that provide direct services and supervise staff who provide direct services and manage homeless grants must receive training and demonstrate competency in, at a minimum:

- ✓ Trauma Informed Services
- ✓ Mental Health First Aid
- ✓ Harm Reduction
- ✓ Supporting victims of domestic violence
- ✓ Local coordinated entry policies and procedures
- ✓ Diversion
- ✓ Fair Housing
- ✓ Housing First
- ✓ Progressive Engagement and Problem-Solving
- ✓ Racial Equity
- ✓ LGBTQ Competency

In addition, grantees are highly encouraged to attend the annual [Washington State Conference on Ending Homelessness](#).

Costs to attend trainings are an eligible program expense (see Section 6.3 Operations).

2.6 Benefit Verification System Requirements

The WA State Department of Commerce maintains a data share agreement with the Department of Social and Health Services (DSHS) so homeless housing grantees can access the Benefits Verification System (BVS) to confirm Housing and Essential Needs program eligibility. BVS can also be used to confirm benefits and financial eligibility for homeless housing programs.

The City of Spokane manages BVS User access for all Commerce grantees within Spokane County.

HHOS grantees seeking BVS access for staff are responsible for the following:

- ✓ Submit new user requests to City staff in a timely manner and confirm that staff have a business need to access the BVS system.
- ✓ Confirm that each User request includes a signed DSHS Non-Disclosure form.
- ✓ Retain all signed DSHS Non-Disclosure forms.
- ✓ Maintain a record identifying all current and past BVS Users.
- ✓ Report to the City within one business day when a user no longer requires access to BVS.
- ✓ Provide access to DSHS Non-Disclosure forms and BVS user records for inspection within one business day of request by the City.

See Appendix C: Access to the DSHS Benefits Verification System Data Security Requirements for additional details.

2.7 Grant Management

2.7.1 Changes to Guidelines

The City may revise the guidelines at any time. All Grantees will be sent revised copies.

2.7.2 Monitoring

The City will monitor grant activities. Grantees will be given a minimum of 30 days' notice unless there are special circumstances that require immediate attention. The notice will specify the monitoring components.

3 Fiscal Administration

3.1 Ineligible Use of Funds

Grantees must inform the City if funds are spent on ineligible households or expenses. Reasonable attempts must be made to prevent fraud and ensure allowable use of funds.

3.2 Reimbursements

Grantees must bill the City monthly for reimbursement of allowable costs. Invoices are due on the 10th of the month following the provision of services. Final invoices for the fiscal year may be due sooner than the 10th. Exceptions to billing procedures can be negotiated with the City of Spokane on a case-by-case basis. Specific instructions for invoice submission can be found in the HHOS grant agreements.

3.2.1 Back-up Documentation

All submitted invoices must include all required CHHS reports. Invoices may not be paid until the report(s) are received and verified. The City may require a grantee to submit additional documentation. Grantees must retain back-up documentation for all expenses submitted for reimbursement.

3.3 Budget Revisions

Budget revision requests must be submitted to the HHOS grant manager and approved by CHHS staff. Budget revisions must be aligned with the scope of work outlined in the project's HHOS application. A contract amendment is required when revisions (in one or cumulative transfers) reach more than 10 percent of the grant total.

4 Allowable Interventions

4.1 Temporary Housing Interventions

Temporary housing interventions are those in which the household must leave the shelter or unit at the end of their program participation. Households are considered homeless while enrolled in temporary housing interventions.

4.1.1 Emergency Shelter

Emergency shelter provides short-term¹ temporary shelter (lodging) for those experiencing homelessness. Emergency Shelters can be facility-based, or hotel/motel voucher.

4.1.1.1 Drop-in Shelter

Drop-in Shelters offer night-by-night living arrangements that allow households to enter and exit on an irregular or daily basis.

4.1.1.2 Continuous-stay Shelter

Continuous-stay Shelters offer living arrangements where households have a room or bed assigned to them throughout the duration of their stay.

4.1.2 Transitional Housing

Transitional housing is subsidized, facility-based housing that is designed to provide long-term² temporary housing and to move households experiencing homelessness into permanent housing. Lease or rental agreements are required between the transitional housing project and the household.

4.2 Permanent Housing Interventions

Permanent housing is housing in which the household may stay as long as they meet the basic obligations of tenancy.

4.2.1 Targeted Prevention

Targeted Prevention resolves imminent homelessness with housing-focused case management and temporary rent subsidies. (For HEN-funded grant agreements only)

4.2.2 Rapid Re-Housing

Rapid Re-Housing (RRH) quickly moves households from homelessness into permanent housing by providing:

- ✓ Housing Identification Services: Recruit landlords to provide housing for RRH participants and assist households with securing housing.
- ✓ Financial Assistance: Provide assistance to cover move-in costs and deposits as well as ongoing rent and/or utility payments.
- ✓ Case Management and Services: Provide services and connections to community resources that help households maintain housing stability.

¹ Emergency Shelter programs are typically designed and intended to provide temporary shelter for short-term stays: up to three months. Clients are not required to exit after 90 days.

² Transitional Housing programs are typically designed and intended to provide temporary housing for long-term stays: up to two years.

4.2.3 Permanent Supportive Housing

Permanent Supportive Housing (PSH) is subsidized, non-time-limited housing with support services for homeless households that include a household member with a permanent disability. Support services must be made available but participation is voluntary. PSH may be provided as a rent assistance (scattered site) or facility-based model. For facility-based model, a lease or rental agreement is required between the PSH project and the household. The services and the housing are available permanently.

For PSH households must be chronically homeless.

4.3 Services Only Interventions

4.3.1 Street Outreach

Street outreach is a strategy for engaging people experiencing homelessness who are otherwise not accessing services for the purpose of connecting them with emergency shelter, housing, or other critical services.

4.3.2 Homeless Diversion

Homeless Diversion is an exploratory, strengths-based conversation to brainstorm practical solutions for people to resolve their experience of homelessness quickly and safely outside of the homeless management crisis response system. Diversion is focused on helping people get past their immediate barriers and identify their own available resources to obtain safe housing within 30 days with minimal financial assistance.

5 Household Eligibility

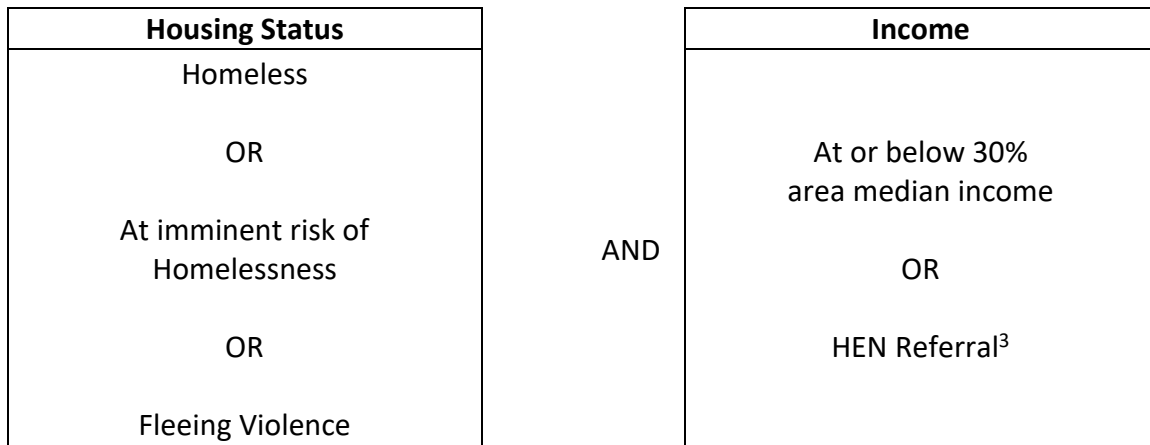
A household is one or more individuals seeking to obtain or maintain housing together. The entire household is considered for eligibility determination and services. A household does not include friends or family that are providing temporary housing. Appendix B: Household Eligibility Requirement.

A household's primary nighttime residence, where they sleep the majority of the time, is used for eligibility determination.

A household's current nighttime residence, where they slept last night, is used for determining HMIS project entry.

5.1 HHOS Standard and HEN

Eligible households must meet both housing status and income requirements as detailed in the following sections.



5.2 Permanent Supportive Housing

Eligibility for PSH CHF:

- ✓ Head of household (HOH) must meet housing status detailed below and have a disability as defined in Section 5.8 Additional Eligibility Requirements for Permanent Supportive Housing, and
- ✓ Household must meet income status and have dependents. Dependent is defined as any household member who is not the head, co-head, or spouse, but is: under the age of 18 years; disabled (of any age); or a full-time student (of any age).



³ HEN Referral includes households who have a HEN Referral and households enrolled in General Assistance (ABD recipient) and General Assistance Pregnancy (Pregnant Women Assistance recipient) from the Washington State Department of Social and Health Services (DSHS) as documented in the Benefits Verification System (BVS).

HOH Chronically Homeless

AND

At or below 50%
area median income

5.3 Housing Status Eligibility

5.3.1 Homeless

Households are homeless if they are unsheltered or residing in a temporary housing program, as defined below.

5.3.1.1 Unsheltered Homeless:

- ✓ Living outside or in a place that is not designed for, or ordinarily used as a regular sleeping accommodation for human beings, including a vehicle, park, abandoned building, bus or train station, airport, or campground
- ✓ Fleeing or attempting to flee violence: domestic violence, dating violence, sexual assault, stalking, human trafficking, or other dangerous or life-threatening conditions that relate to violence against the household member(s), including children, that have either taken place within the household's primary nighttime residence or has made the household member(s) afraid to return to their primary nighttime residence

5.3.1.2 Sheltered Homeless:

- ✓ Residing in a temporary housing program including shelters, transitional or interim housing, and hotels and motels paid for by charitable organizations or government programs
- ✓ Exiting a system of care or institution where they resided for 90 days or less AND who resided in an emergency shelter or place not meant for human habitation immediately before entering that system of care or institution
- ✓ Residing in a trailer or recreational vehicle that is parked illegally or in a location that is not intended for long-term stays (i.e. parking lots)

5.3.2 Chronically Homeless⁴

1. A homeless individual with a disability⁵ who:
 - ✓ Lives in a place not meant for human habitation, or in an emergency shelter; and
 - ✓ Has been homeless (as described above) continuously for at least 12 months or on at least 4 separate occasions in the last 3 years where the combined occasions must total at least 12 months
 - Occasions separated by a break of at least seven nights
 - Stays in institution of fewer than 90 days do not constitute a break
2. An individual who has been residing in an institutional care facility for fewer than 90 days and met all of the criteria in paragraph (1) of this definition, before entering that facility; or
3. A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in (1) or (2) of this definition, including a family whose composition has fluctuated while the head of household has been homeless.

⁴ Section 5.3.2 summarizes HUD's definition of chronically homeless. Refer to 24 CFR part 578 for the full definition.

⁵ Refer to Section 5.8 of the guidelines to read more on disability.

5.3.3 At Imminent Risk of Homelessness

Households are at imminent risk of homelessness if they will lose their primary nighttime residence (including systems of care or institutions) within 14 days of the date of application for assistance, AND no subsequent residence has been identified, AND the household lacks the resources or support networks needed to obtain other permanent housing.

5.4 Documentation of Housing Status

HHOS grantees must verify, describe, and document eligible housing status prior to program entry.

Households entering emergency shelter are exempt from housing status requirements.

The *HHOS Verification of Household Eligibility and Income Recertification Form* and housing status documentation must be kept in the client file. Documentation must be dated within 30 days of program entry.

5.5 Income Eligibility

The combined household income must not exceed 30 percent of area median gross income as defined by HUD. Income limits are based on Area Median Income (AMI) which can be located for each county at: www.huduser.gov (Data Sets, Income Limits).

Income is money that is paid to, or on behalf of, any household member. Income includes the current gross income (annualized) of all adult (18 years and older) household members and unearned income attributable to a minor. Income eligibility determinations are based on the household's income at program entry. Income inclusions and exclusions are listed in the Electronic Code of Federal Regulations, www.ecfr.gov, Title 24 – Housing and Urban Development: Subtitle A 0-99: Part 5: Subpart F: Section [5.609 Annual Income](#).

Gross Income is the amount of income earned before any deductions (such as taxes and health insurance premiums) are made.

Current Income is the income that the household is currently receiving. Income recently terminated should not be included.

5.5.1 Income Eligibility Exemptions

Income eligibility requirements are never required for Drop-in Shelter or for households receiving only Flex Funding.

The following are exempt from income eligibility requirements for the first 90 days of program participation:

- ✓ Households entering Transitional Housing
- ✓ Households entering a Rapid Re-Housing program
- ✓ Households entering a Continuous-stay Shelter

Assistance for HEN households: In place of income verification, a HEN Referral or General Assistance

enrollment (ABD recipient) from the Washington State Department of Social and Health Services (DSHS) as documented in the Benefits Verification System (BVS) is required.

5.6 Documentation of Income Eligibility

HHOS grantees must verify and document income eligibility prior to program entry.

HHOS Verification of Household Eligibility and Income Recertification Form, all allowable income documentation, and the *HHOS Income Eligibility Worksheet* (or equivalent) must be kept in the client file. Documentation must be dated within 30 days.

Adult household members that have no income are required to complete a *HHOS Self-Declaration Form*.

5.6.1 Annualizing Wages and Periodic Payments

Use the *HHOS Income Eligibility Worksheet* (or equivalent) to calculate income based on hourly, weekly, or monthly payment information. Add the gross amount earned in each payment period that is documented and divide by the number of payment periods. This provides an average wage per payment period. Depending on the schedule of payments, use the following calculations to convert the average wage into annual income:

- ✓ Hourly wage multiplied by hours worked per week multiplied by 52 weeks.
- ✓ Weekly wage multiplied by 52 weeks.
- ✓ Bi-weekly (every other week) wage multiplied by 26 bi-weekly periods.
- ✓ Semi-monthly wage (twice a month) multiplied by 24 semi-monthly periods.
- ✓ Monthly wage multiplied by 12 months.

The *HHOS Income Eligibility Worksheet* is not required for households that have no income.

5.6.2 Documentation of HEN Referral⁶

HEN Referral must be verified and documented prior to program entry.

Assistance for HEN households: the HEN Referral or General Assistance enrollment (ABD recipient) from the Washington State Department of Social and Health Services (DSHS) as documented in the Benefits Verification System (BVS) is required and must be kept in the client file.

For Pregnant Women Assistance (PWA) recipients with a HEN Referral, BVS will only display active PWA households. If a household is no longer on the program (e.g. birth of baby), BVS will no longer display an active status. The referral to HEN remains valid for 24 consecutive months.

5.7 Eligibility Recertification

HHOS grantees must document recertification of household income eligibility at least every three months using the *HHOS Verification of Household Eligibility and Income Recertification Form*.

⁶ HEN Referral includes households who have a HEN Referral and households enrolled in General Assistance Pregnancy (Pregnant Women Assistance recipient) from DSHS as documented in BVS.

Assistance for HEN households:

Recertification of the HEN Referral or General Assistance enrollment (ABD recipient) from DSHS as documented in the Benefits Verification System (BVS) is required at least every three months. Recertification is not required for HEN households who are a PWA recipient up to 24 months.

5.7.1 Income Ineligible at Recertification

If households are determined income ineligible, they may remain in the program for an additional three months. Case management may continue for an additional six months after the determination of income ineligibility to support the household transition to self-sufficiency.

If the household is no longer eligible for the HEN program, the three additional months of rent assistance may not be charged to HEN.

Income recertification is not required for PSH.

5.8 Additional Eligibility Requirements for Permanent Supportive Housing

To be eligible for standard permanent supportive housing, a household must be homeless AND include at least one household member who has a disability.

To be eligible for CHG PSH for CHF, the head of household must meet homelessness and disability criteria identified in the definition of chronically homeless in Section 5.3.2.

Disabilities are expected to be long-continuing or indefinite in duration and sustainability impedes the household member's ability to live independently.

Disability includes: a physical, developmental, mental, or emotional impairment, including impairment caused by alcohol or drug abuse, post-traumatic stress disorder, or brain injury. A person will also be considered to have a disability if he or she has Acquired Immune Deficiency Syndrome (AIDS) or any conditions arising from the etiologic agent for 86 Acquired Immune Deficiency Syndrome, including infection with the Human Immunodeficiency Virus (HIV).

5.8.1 Documentation of a Disability

Disability must be verified and documented prior to program entry. Acceptable documentation of the disability must include one the following:

- ✓ Written verification of the disability from a professional licensed by the state to diagnose and treat the disability and his or her certification that the disability is expected to be long continuing or of indefinite duration and substantially impedes the individual's ability to live independently
- ✓ Written verification from the Social Security Administration
- ✓ Disability check receipt (Social Security Disability Insurance check or Veteran Disability Compensation)
- ✓ Other documentation approved by the City

If unable to document disability at program entry with the above methods, program staff must record observation of disability. Required documentation (above) must be obtained within 45 days of program

enrollment.

5.8.2 Maintaining Homeless Status for Permanent Housing

While receiving Rapid Re-Housing assistance, households maintain their homeless status for purposes of eligibility for other permanent housing placements.

6 Allowable Expenses

6.1 Rent

Rent payments and Other Housing Costs must be paid directly to a third party on behalf of the household.

6.1.1 Rent Payments

- ✓ Monthly rent and any combination of first and last months' rent. Rent assistance is not time-limited
- ✓ Rental arrears and associated late fees. Rental arrears for HEN households can be paid for a time when the client was not HEN enrolled.
- ✓ Lot rent for RV or manufactured home
- ✓ Costs of parking spaces when connected to a unit
- ✓ Landlord incentives, including reimbursement for damages paid to a landlord
- ✓ Security deposits for households moving into new units
- ✓ Hotel/Motel expenses are allowable when used as permanent housing or when used as Emergency Shelter when a suitable shelter bed is not available.
- ✓ Utilities that are included in rent
- ✓ Other fees that are included in rent

6.1.2 Other Housing Costs

- ✓ Utility payments
- ✓ Utility arrears
- ✓ Utility deposits for a household moving into a new unit
- ✓ Application fees, background, credit check fees, and other costs associated with move-in
- ✓ Other costs as approved by the City

6.1.3 Special Circumstances

- ✓ Master-lease: Security deposit and monthly rent is allowable when an organization master-leases a unit, and then sub-leases the property to HHOS eligible households in the context of a Rapid Re-Housing or Permanent Supportive Housing program.
- ✓ Temporary absence: If a household must be temporarily away from the unit, but is expected to return grantees may pay for the household's rent for up to 60 days.
- ✓ Subsidized housing: rent/utility assistance may be used for move-in costs (security deposits, first and last month's rent) for subsidized housing (where household's rent is adjusted based on income), including project- or tenant-based housing.⁷ Funds may also be used for rental arrears or utility arrears for subsidized housing.

6.1.4 Ineligible Expenses

- ☒ Ongoing rent/utilities for subsidized housing
- ☒ Rent and rent/utility assistance in combination with SDG-funded facility support
- ☒ Cable deposits or services
- ☒ Mortgage assistance and utility assistance for homeowners

⁷ In this context tax credit units are not considered subsidized housing.

6.2 Facility Support

6.2.1 Lease Payments

- ✓ Lease or rent payment on a building used to provide temporary housing or permanent supportive housing
- ✓ Hotel/Motel expenses for less than 90 days when no suitable shelter bed is available
- ✓ Move-in costs (security deposits, first and last month's rent) for permanent housing

6.2.2 Other Facility Costs

- ✓ Utilities
- ✓ Facility Maintenance supplies and services. Maintenance activities include cleaning activities; protective or preventative measures to keep a building, its systems, and its grounds in working order; and replacement of existing appliances or objects that are not fixtures or part of the building.
- ✓ Security and janitorial services
- ✓ Essential facility equipment and supplies
- ✓ Expendable transportation costs
- ✓ On-site and off-site management costs related to the building
- ✓ Facility specific insurance (mortgage insurance is not allowable) and accounting
- ✓ Costs for securing permanent housing including: application fees, background check fees, credit check fees, utility deposits, and costs of urinalyses for drug testing of household members if necessary/required for housing
- ✓ Other expenses as approved by the City

6.2.3 Ineligible Expenses

- Replacement or operating reserves
- Debt service
- Construction or rehabilitation of shelter facilities
- Facility support in combination with SDG funded rent and rent/utility assistance
- Mortgage payment for the facility

6.3 Operations

Operations expenses are directly attributable to a particular program or to the homeless crisis response system.

- ✓ Salaries and benefits for staff costs directly attributable to the program or to the homeless system, including but not limited to program staff, information technology (IT) staff, human resources (HR) staff, bookkeeping staff, and accounting staff
- ✓ Office space, utilities, supplies, phone, internet, and training related to grant management and/or service delivery/conferences/travel and per diem
- ✓ Equipment up to \$5,000 per grant period unless approved in advance by the City

6.3.1 Homeless Crisis Response System Expenses

- ✓ Point-in-Time counts
- ✓ Annual report/housing inventory
- ✓ Local homeless plans
- ✓ Coordinated entry planning, implementation and operations

- ✓ Community Management Information System
- ✓ Interested landlord list and landlord outreach activities
- ✓ Participation in the Spokane City/County Continuum of Care and its constituent committees and subcommittees

6.3.2 Program Expenses

- ✓ Intake and Assessment
- ✓ Housing Stability Services
- ✓ Housing Search and Placement Services
- ✓ Outreach services
- ✓ Optional support services
- ✓ Mediation and outreach to property owners (landlord incentives)
- ✓ Data collection and entry
- ✓ General liability insurance and automobile insurance
- ✓ Other costs as approved in advance by the City

6.3.3 ESG Expenses

Emergency Shelter

- ✓ Case management. The cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant is eligible. Component services and activities consist of
 - Using the centralized or coordinated assessment system
 - Conducting the initial evaluation including verifying and documenting eligibility;
 - Counseling;
 - Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
 - Monitoring and evaluating program participant progress;
 - Providing information and referrals to other providers;
 - Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and
 - Developing an individualized housing and service plan, including planning a path to permanent housing stability.
- ✓ Shelter operations. Eligible costs are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual.

Rapid Re-housing

- ✓ Housing Stability Case Management. ESG funds may be used to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a household who resides in permanent housing or to assist a household in overcoming immediate barriers to obtaining housing. This assistance cannot exceed 30 days during the period the household is seeking permanent housing and cannot exceed 24 months during the period the household is living in permanent housing. Component services and activities consist

of:

- Using the centralized or coordinated assessment system to evaluate households applying for or receiving homelessness prevention or rapid re-housing assistance;
 - Conducting the initial evaluation including verifying and documenting eligibility, for households applying for homelessness prevention or rapid re-housing assistance;
 - Counseling;
 - Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
 - Monitoring and evaluating household progress;
 - Providing information and referrals to other providers;
 - Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
 - Conducting re-evaluations
- ✓ Housing Search and Placement. Services or activities necessary to assist households in locating, obtaining, and retaining suitable permanent housing, include the following:
- Assessment of housing barriers, needs, and preferences;
 - Development of an action plan for locating housing;
 - Housing search;
 - Outreach to and negotiation with owners;
 - Assistance with submitting rental applications and understanding leases;
 - Assessment of housing for compliance with ESG requirements for habitability, lead-based paint, and rent reasonableness;
 - Assistance with obtaining utilities and making moving arrangements; and
 - Tenant counseling.

6.3.4 Flexible Funding

Flexible Funding is the provision of goods or payments of expenses not included in other allowable expense categories, which directly help a household to obtain or maintain permanent housing or meet essential household needs. Households are eligible for Flexible Funding up to \$1,500 per household.

Essential household needs means personal health and hygiene items, cleaning supplies, transportation passes and other personal need items. Essential household need items are exempt from the \$1,500 cap and are available to all eligible households. Verification of housing status is not required for households with a HEN Referral. Essential needs distribution does not need to be documented in housing stability plans.

All eligible households are eligible for Flexible Funding. Households receiving only Flexible Funding and not ongoing assistance are exempt from income eligibility requirements. Verification of housing status is required. Flexible Funding payments must be paid directly to a third party on behalf of the household and noted in a household's housing stability plan.

6.3.5 Ineligible Expenses

- ☒ Retailer or merchant gift cards, vouchers, or certificates that can be exchanged for cash or that allow the recipient to purchase alcohol or tobacco products

6.4 Administration

Allowable administrative costs benefit the organization as a whole and cannot be attributed specifically to a particular program or to the homeless crisis response system. Administrative costs may include the same types of expenses that are listed in program operations (such as IT staff and office supplies), in the case that these costs are benefiting the agency as a whole and are not attributed to a particular program or the homeless system. Administrative costs may include, but are not limited to, the following:

- ✓ Executive director salary and benefits
- ✓ General organization insurance
- ✓ Organization wide audits
- ✓ Board expenses
- ✓ Organization-wide membership fees and dues
- ✓ Washington State Quality Award (WSQA) expenses
- ✓ General agency facilities costs (including those associated with executive positions) such as rent, depreciation expenses, and operations and maintenance

All amounts billed to administration must be supported by actual costs. If actual costs in the contract period meet the budget cap, they may be charged in equal monthly amounts. These costs must be charged to grant cost centers by one of the following three methods:

- ✓ Billed directly such as IT services that are billed by the hour.
- ✓ Shared costs that are allocated directly by means of a cost allocation plan.
- ✓ Costs related to executive personnel such that a direct relationship between the cost and the benefit cannot be established must be charged indirectly by use of an indirect cost rate which has been appropriately negotiated with an approved cognizant agency or by use of the 10 percent de minimus rate.

7 Requirements of Direct Service Programs

7.1 CHG-PSH Referral to Foundational Community Supports (FCS)

Households served by CHG-funded PSH programs must be offered a referral to Foundational Community Supports (FCS). A provider directory can be found [here](#). Households are not required to participate in FCS services.

7.2 Ensure Habitability

Documented habitability is required for all housing units into which households will be moving, except when a household moves in with friends or family or into a hotel/motel unit.

Housing units must be documented as habitable prior to paying the rent subsidy. Allowable methods for unit habitability determination include landlord certification of habitability or a unit inspection.

All facilities must conduct and document an inspection at least once a year.

7.2.1 Habitability Complaint Procedure

Each household must be informed in writing of the habitability complaint process and assured that complaints regarding their housing unit's safety and habitability will not affect the household's program eligibility.

Grantees must have a written procedure describing the response to complaints regarding unit safety and habitability. The procedure must include mandatory inspection when a complaint is reported using the HHS Form, HQS Inspection Form, or documenting the specific complaint in an alternate format that includes follow-up and resolution.

7.3 Lead Based Paint Assessment

To prevent lead poisoning in young children, programs must comply with the Lead-Based Paint Poisoning Prevention Act of 1973 and its applicable regulations found at 24 CFR 35, Parts A, B, M, and R.

For a guide to compliance see Appendix B: Lead Based Paint Visual Assessment Requirements.

7.3.1 For Rent Assistance

A lead-based paint visual assessment must be completed prior to providing rapid re-housing, prevention rent assistance if a child under the age of six, or a pregnant woman resides in a unit constructed prior to 1978.

7.3.2 For Facilities

All facilities that may serve a child under the age of six or a pregnant woman constructed prior to 1978 must conduct and document an annual lead-based paint visual assessment.

7.3.3 Exceptions to the Lead-Based Paint Visual Assessment Requirement

Visual assessments are not required under the following circumstances:

- ✓ Zero-bedroom or SRO-sized units;
- ✓ X-ray or laboratory testing of all painted surfaces by certified personnel has been conducted in accordance with HUD regulations and the unit is officially certified to not contain lead-based paint;
- ✓ The property has had all lead-based paint identified and removed in accordance with HUD regulations;
- ✓ The unit has already undergone a visual assessment within the past 12 months – obtained documentation that a visual assessment has been conducted; or
- ✓ It meets any of the other exemptions described in 24 CFR Part 35.115(a).

7.4 Informed Consent to Review Information in the Benefits Verification System

Programs may review confidential information in the BVS only after all adult household members have provided informed consent as documented using the form *DSHS 14-012(x)(REV 02/2003)*. See Appendix C: Access to the DSHS Benefits Verification System Data Security Requirements for more information.

7.5 Personal Identifying Information

Personal identifying information must never be sent electronically unless sent via a secure file transfer.

7.6 Prohibitions

- ✓ Programs may not require households to participate in a religious service as a condition of receiving program assistance.
- ✓ Programs must not terminate or deny services to households based on refusal to participate in supportive services. Supportive services are helping or educational resources that include support groups, mental health services, alcohol and substance abuse services, life skills or independent living skills services, vocational services and social activities. Supportive services do not include housing stability planning or case management.
- ✓ Programs may not deny shelter to households that are unable to pay fees for shelter.
- ✓ If a program serves households with children, the age of a minor child cannot be used as a basis for denying any household's admission to the program.

7.7 Nondiscrimination

Grantees must comply with all federal, state, and local nondiscrimination laws, regulations

and policies.

Programs must comply with the Washington State Law against Discrimination, RCW 49.60, as it now reads or as it may be amended. RCW 49.60 currently prohibits discrimination or unfair practices because of race, creed, color, national origin, families with children, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained guide dog or service animal by a person with a disability.

Programs must comply with the Federal Fair Housing Act and its amendments as it now reads or as it may be amended. The Fair Housing Act currently prohibits discrimination because of race, color, national origin, religion, sex, disability or family status. The Fair Housing Act prohibits enforcing a neutral rule or policy that has a disproportionately adverse effect on a protected class.

Programs serving households with children must serve all family compositions. If a program operates gender-segregated facilities, the program must allow the use of facilities consistent with the client's gender expression or identity.

Local nondiscrimination laws may include additional protected classes.

8 Additional Requirements for Rapid Re-Housing and Targeted Prevention Programs

8.1 Washington Residential Landlord-Tenant Act

Programs must provide information on the Washington Residential Landlord Tenant Act (RCW 59.18) to households receiving rent assistance.

For more information on this law, visit Washington Law Help, housing page, tenant rights at www.washingtonlawhelp.org

8.2 Rent Limits

Grantees providing rental assistance must set a rent limit for their service area. The rent limit is the maximum rent that can be paid for a unit of a given size. Rent limit calculations must include the cost of utilities.

Grantees are encourage, but not required to, set a rent limit policy using a percentage of HUD's Fair Market Rent (FMR). The policy may also include a description of how exceptions are made to the rent limit when circumstances require a rent amount that exceeds the limit.

If a rent limit policy exceeds 120 percent FMR, grantee must submit the rationale to CHHS approval.

8.3 Rent Assistance under ESG

For Grantees providing rental assistance using ESG funds, rental assistance cannot be provided unless the rent does not exceed the Fair Market Rent established by HUD (<http://www.huduser.org/portal/datasets/fmr.html>), as provided under [24 CFR part 888](#), and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507.

"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. Comparable rents can be checked by using a market study, by reviewing comparable units advertised for rent, or with a note from the property owner verifying the comparability of charged rents to other units owned (for example, the landlord would document the rents paid in other units).

8.4 Rental Agreements

Client files must contain a rental agreement if rent assistance is paid on their behalf. If the rent assistance paid is move-in costs only, an Intent to Rent form is allowable.

8.5 Targeted Prevention

Programs that provide prevention assistance must use an evidence-based process to prioritize households most likely to become homeless. This process must be submitted CHHS staff for approval.

9 Washington State's Landlord Mitigation Law

Washington State's Landlord Mitigation Law ([RCW 43.31.605](#)) became effective on June 7, 2018 to provide landlords with an incentive and added security to work with tenants receiving rental assistance. The program offers up to \$1,000 to the landlord in reimbursement for some potentially required move-in upgrades, up to fourteen days' rent loss and up to \$5,000 in qualifying damages caused by a tenant during tenancy. A move in/move out condition report is required for a landlord to receive reimbursement.

For more information, please visit <https://commerce.wa.gov/landlordfund>.

10 Appendix A: Household Eligibility Requirements

ELIGIBILITY REQUIREMENTS			
	HOUSING STATUS	INCOME AT ENROLLMENT	INCOME AT RECERTIFICATION
Flex Funding	Homeless, Chronically Homeless, or At imminent risk of homelessness	None	None
Drop-in Shelter	None	None	None
Continuous-stay Shelter	None	None	At or below 30% AMI
Transitional Housing	Homeless	None	At or below 30% AMI
CHG Standard Rapid Re-Housing	Homeless	None	At or below 30% AMI
ESG Standard Rapid Re-Housing	Homeless	None	At or below 30% AMI ⁸
HEN Rapid Re-Housing	Homeless	DSHS HEN Referral or General Assistance enrolled (ABD recipient)	DSHS HEN Referral or General Assistance enrolled (ABD recipient)
HEN Targeted Prevention	At imminent risk of homelessness	DSHS HEN Referral or General Assistance enrolled (ABD recipient)	DSHS HEN Referral or General Assistance enrolled (ABD recipient)
Standard Permanent Supportive Housing	Homeless and a household member with a permanent disability	At or below 30% AMI	None
CHG Permanent Supportive Housing for Chronically Homeless Families (PSH CHF)	Chronically homeless head of household with a permanent disability	At or below 50% AMI	None

⁸ Income eligibility for ESG-funded RRH is restricted to strict definition of 30% AMI as opposed to the definition of “Extremely Low Income” which may substitute 30% AMI in accordance with the Department of Health & Human Services poverty guidelines.

11 Appendix B: Lead Based Paint Visual Assessment Requirements

To prevent lead-poisoning in young children, Lead/Subgrantees must comply with the Lead-Based Paint Poisoning Prevention Act of 1973 and its applicable regulations found at 24 CFR 35, Parts A, B, M, and R.

Disclosure Requirements

For ALL properties constructed prior to 1978, landlords must provide tenants with:

- ✓ Disclosure form for rental properties disclosing the presence of known and unknown lead-based paint;
- ✓ A copy of the “Protect Your Family from Lead in the Home” pamphlet.

Both the disclosure form and pamphlet are available at: <https://www.epa.gov/lead/real-estate-disclosure>

It is recommended that rent assistance providers also share this information with their clients.

Determining the Age of the Unit

Lead/Subgrantees should use formal public records, such as tax assessment records, to establish the age of a unit. These records are typically maintained by the state or county and will include the year built or age of the property. To find online, search for your county name with one of the following phrases:

- ✓ “property tax records”
- ✓ “property tax database”
- ✓ “real property sales”

Print the screenshot for the case file. If not available online, the information is public and can be requested from the local authorities.

Conducting a Visual Assessment

Visual assessments are required when:

- ✓ The leased property was constructed before 1978;
AND
- ✓ A child under the age of six or a pregnant woman will be living in the unit occupied by the household receiving rent assistance.

A visual assessment must be conducted prior to providing rent assistance to the unit and on an annual basis thereafter (as long as assistance is provided). Lead/Subgrantees may choose to have their program staff complete the visual assessments or they may procure services from a contractor. Visual assessments must be conducted by a HUD-Certified Visual Assessor. Anyone may become a HUD-Certified Visual Assessor by successfully completing a 20-minute online training on HUD’s website at:

<http://www.hud.gov/offices/lead/training/visualassessment/h00101.htm>

If a visual assessment reveals problems with paint surfaces, Lead/Subgrantees cannot approve the unit for rent assistance until the deteriorating paint has been repaired. Lead/Subgrantees may wait until the repairs are completed or work with the household to locate a different (lead-safe) unit.

Locating a Certified Lead Professional and Further Training

To locate a certified lead professional in your area:

- ✓ Call your state government (health department, lead poison prevention program, or housing authority).
- ✓ Call the National Lead Information Center at 1-800-424-LEAD (5323).
- ✓ Go to the US Environmental Protection Agency website at <https://www.epa.gov/lead> and click on "Find a Lead-Safe Certified Firm."
- ✓ Go to Washington State Department of Commerce Lead-Based Paint Program website at <http://www.commerce.wa.gov/building-infrastructure/housing/lead-based-paint/lead-based-paint-program-lbpabatement/> and click on "Find a Certified LBP Firm" under Other Resources.

Information on lead-based programs in Washington State can be found at <http://www.commerce.wa.gov/building-infrastructure/housing/lead-based-paint/>.

For more information on the Federal training and certification program for lead professionals, contact the National Lead Information Center (NLIC) at <https://www.epa.gov/lead/forms/lead-hotline-national-lead-information-center> or 1-800-424-LEAD to speak with an information specialist.

The Lead Safe Housing Rule as well as a HUD training module can be accessed at http://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/enforcement/lshr

12 Appendix C: Access to the DSHS Benefits Verification System Data Security Requirements

1. **Definitions.** The words and phrases listed below, as used in this Appendix, shall each have the following definitions:
 - a. "Authorized User(s)" means an individual or individuals with an authorized business requirement to access DSHS Confidential Information.
 - b. "Hardened Password" means a string of at least eight characters containing at least one alphabetic character, at least one number and at least one special character such as an asterisk, ampersand or exclamation point.
 - c. "Unique User ID" means a string of characters that identifies a specific user and which, in conjunction with a password, passphrase or other mechanism, authenticates a user to an information system.
 - d. "Contractor" means SDG Lead/subgrantees.

2. **Data Transport.** When transporting DSHS Confidential Information electronically, including via email, the Data will be protected by:
 - a. Transporting the Data within the (State Governmental Network) SGN or Contractor's internal network, or;
 - b. Encrypting any Data that will be in transit outside the SGN or Contractor's internal network. This includes transit over the public Internet.

3. **Protection of Data.** The Contractor agrees to store Data on one or more of the following media and protect the Data as described:
 - a. **Hard disk drives.** Data stored on local workstation hard disks. Access to the Data will be restricted to Authorized User(s) by requiring logon to the local workstation using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards.
 - b. **Network server disks.** Data stored on hard disks mounted on network servers and made available through shared folders. Access to the Data will be restricted to Authorized Users through the use of access control lists which will grant access only after the Authorized User has authenticated to the network using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on disks mounted to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.

For DSHS Confidential Information stored on these disks, deleting unneeded Data is sufficient as long as the disks remain in a Secured Area and otherwise meet the requirements listed in the above paragraph. Destruction of the Data as outlined in Section 5. Data Disposition may be deferred until the disks are retired, replaced, or otherwise taken out of the Secured Area.
 - c. **Optical discs (CDs or DVDs) in local workstation optical disc drives.** Data provided by DSHS on optical discs which will be used in local workstation optical disc drives and which will not be transported out of a Secured Area. When not in use for the contracted purpose, such

discs must be locked in a drawer, cabinet or other container to which only Authorized Users have the key, combination or mechanism required to access the contents of the container. Workstations which access DSHS Data on optical discs must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.

- d. **Optical discs (CDs or DVDs) in drives or jukeboxes attached to servers.** Data provided by DSHS on optical discs which will be attached to network servers and which will not be transported out of a Secured Area. Access to Data on these discs will be restricted to Authorized Users through the use of access control lists which will grant access only after the Authorized User has authenticated to the network using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on discs attached to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.
- e. **Paper documents.** Any paper records must be protected by storing the records in a Secured Area which is only accessible to authorized personnel. When not in use, such records must be stored in a locked container, such as a file cabinet, locking drawer, or safe, to which only authorized persons have access.
- f. **Remote Access.** Access to and use of the Data over the State Governmental Network (SGN) or Secure Access Washington (SAW) will be controlled by DSHS staff who will issue authentication credentials (e.g. a Unique User ID and Hardened Password) to Authorized Users on Contractor staff. Contractor will notify DSHS staff immediately whenever an Authorized User in possession of such credentials is terminated or otherwise leaves the employ of the Contractor, and whenever an Authorized User's duties change such that the Authorized User no longer requires access to perform work for this Contract
- g. **Data storage on portable devices or media.**
 - (1) Except where otherwise specified herein, DSHS Data shall not be stored by the Contractor on portable devices or media unless specifically authorized within the terms and conditions of the Contract. If so authorized, the Data shall be given the following protections:
 - (a) Encrypt the Data with a key length of at least 128 bits
 - (b) Control access to devices with a Unique User ID and Hardened Password or stronger authentication method such as a physical token or biometrics.
 - (c) Manually lock devices whenever they are left unattended and set devices to lock automatically after a period of inactivity, if this feature is available. Maximum period of inactivity is 20 minutes.Physically Secure the portable device(s) and/or media by
 - (d) Keeping them in locked storage when not in use
 - (e) Using check-in/check-out procedures when they are shared, and
 - (f) Taking frequent inventories
 - (2) When being transported outside of a Secured Area, portable devices and media with DSHS Confidential Information must be under the physical control of Contractor staff with authorization to access the Data.
 - (3) Portable devices include, but are not limited to; smart phones, tablets, flash

memory devices (e.g. USB flash drives, personal media players), portable hard disks, and laptop/notebook/netbook computers if those computers may be transported outside of a Secured Area.

(4) Portable media includes, but is not limited to; optical media (e.g. CDs, DVDs), magnetic media (e.g. floppy disks, tape), or flash media (e.g. CompactFlash, SD, MMC).

h. Data stored for backup purposes.

(1) DSHS data may be stored on portable media as part of a Contractor's existing, documented backup process for business continuity or disaster recovery purposes. Such storage is authorized until such time as that media would be reused during the course of normal backup operations. If backup media is retired while DSHS Confidential Information still exists upon it, such media will be destroyed at that time in accordance with the disposition requirements in Section 5. Data Disposition

(2) DSHS Data may be stored on non-portable media (e.g. Storage Area Network drives, virtual media, etc.) as part of a Contractor's existing, documented backup process for business continuity or disaster recovery purposes. If so, such media will be protected as otherwise described in this exhibit. If this media is retired while DSHS Confidential Information still exists upon it, the data will be destroyed at that time in accordance with the disposition requirements in Section 5. Data Disposition.

4. Data Segregation.

- a. DSHS Data must be segregated or otherwise distinguishable from non-DSHS data. This is to ensure that when no longer needed by the Contractor, all DSHS Data can be identified for return or destruction. It also aids in determining whether DSHS Data has or may have been compromised in the event of a security breach. As such, one or more of the following methods will be used for data segregation.
- b. DSHS Data will be kept on media (e.g. hard disk, optical disc, tape, etc.) which will contain no non-DSHS data. And/or,
- c. DSHS Data will be stored in a logical container on electronic media, such as a partition or folder dedicated to DSHS Data. And/or,
- d. DSHS Data will be stored in a database which will contain no non-DSHS data. And/or,
- e. DSHS Data will be stored within a database and will be distinguishable from non-DSHS data by the value of a specific field or fields within database records.
- f. When stored as physical paper documents, DSHS Data will be physically segregated from non-DSHS data in a drawer, folder, or other container.
- g. When it is not feasible or practical to segregate DSHS Data from non-DSHS data, then both the DSHS Data and the non-DSHS data with which it is commingled must be protected as described in this exhibit.

5. Data Disposition. When the contracted work has been completed or when no longer needed, except as noted in Section 3. Protection of Data b. Network Server Disks above, Data shall be returned to DSHS or destroyed. Media on which Data may be stored and associated acceptable methods of destruction are as follows:

Data Stored On:	Will be Destroyed By:
Server or workstation hard disks, or Removable media (e.g. floppies, USB flash drives, portable hard disks) excluding optical discs	Using a “wipe” utility which will overwrite the Data at least three (3) times using either random or single character data, or Degaussing sufficiently to ensure that the Data cannot be reconstructed, or Physically destroying the disk
Paper documents with sensitive or Confidential Information	Recycling through a contracted firm provided the contract with the recycler assures that the confidentiality of Data will be protected.
Paper documents containing Confidential Information requiring special handling (e.g. protected health information)	On-site shredding, pulping, or incineration
Optical discs (e.g. CDs or DVDs)	Incineration, shredding, or completely defacing the readable surface with a coarse abrasive
Magnetic tape	Degaussing, incinerating or crosscut shredding

6. Notification of Compromise or Potential Compromise. The compromise or potential compromise of DSHS shared Data must be reported to the Department of Commerce Contact designated in the Grant Agreement within one (1) business day of discovery.

Data shared with Subcontractors. If DSHS Data access provided under this Contract is to be shared with a subcontractor, the Contract with the subcontractor must include all of the data security provisions within this Contract and within any amendments, attachments, or exhibits within this Contract.

13 Appendix D: Access to the DSHS HEN Referral List Data Security Requirements

As required under RCW 43.185.C 230 and RCW 74.62.030, the Lead/sub grantee may use the **HEN Referral List** information for the sole purpose of improving access to HEN assistance for individuals determined eligible for a referral to HEN.

Access to Data shall be limited to staff whose duties specifically require access to such Data in the performance of their assigned duties.

Prior to making Data available to its staff, the Data Recipient shall notify all such staff of the Use and Disclosure requirements.

All staff accessing the data must sign a [DSHS Nondisclosure of Confidential Information – Non Employee](#) form prior to accessing the Data.

The Lead/sub grantee shall maintain a list of such staff and their signed [DSHS Nondisclosure of Confidential Information – Non Employee](#) forms. These forms must be updated annually and submitted to Commerce upon request.

Limitations on Use of Data: If the Data and analyses generated by the Lead/sub grantee contain personal information about DSHS clients, then any and all reports utilizing these Data shall be subject to review and approval by Commerce prior to publication in any medium or presentation in any forum.

1. **Definitions.** The words and phrases listed below, as used in this Exhibit, shall each have the following definitions:
 - a. “AES” means the Advanced Encryption Standard, a specification of Federal Information Processing Standards Publications for the encryption of electronic data issued by the National Institute of Standards and Technology (<http://nvlpubs.nist.gov/nistpubs/FIPS/NIST.FIPS.197.pdf>).
 - b. “Authorized Users(s)” means an individual or individuals with a business need to access DSHS Confidential Information, and who has or have been authorized to do so.
 - c. “Business Associate Agreement” means an agreement between DSHS and a contractor who is receiving Data covered under the Privacy and Security Rules of the Health Insurance Portability and Accountability Act of 1996. The agreement establishes permitted and required uses and disclosures of protected health information (PHI) in accordance with HIPAA requirements and provides obligations for business associates to safeguard the information.
 - d. “Category 4 Data” is data that is confidential and requires special handling due to statutes or regulations that require especially strict protection of the data and from which especially serious consequences may arise in the event of any compromise of such data. Data classified as Category 4 includes but is not limited to data protected

- by: the Health Insurance Portability and Accountability Act (HIPAA), Pub. L. 104-191 as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH), 45 CFR Parts 160 and 164; the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. §1232g; 34 CFR Part 99; Internal Revenue Service Publication 1075 (<https://www.irs.gov/pub/irs-pdf/p1075.pdf>); Substance Abuse and Mental Health Services Administration regulations on Confidentiality of Alcohol and Drug Abuse Patient Records, 42 CFR Part 2; and/or Criminal Justice Information Services, 28 CFR Part 20.
- e. “Cloud” means data storage on servers hosted by an entity other than the Contractor and on a network outside the control of the Contractor. Physical storage of data in the cloud typically spans multiple servers and often multiple locations. Cloud storage can be divided between consumer grade storage for personal files and enterprise grade for companies and governmental entities. Examples of consumer grade storage would include iTunes, Dropbox, Box.com, and many other entities. Enterprise cloud vendors include Microsoft Azure, Amazon Web Services, and Rackspace.
 - f. “Encrypt” means to encode Confidential Information into a format that can only be read by those possessing a “key”; a password, digital certificate or other mechanism available only to authorized users. Encryption must use a key length of at least 256 bits for symmetric keys, or 2048 bits for asymmetric keys. When a symmetric key is used, the Advanced Encryption Standard (AES) must be used if available.
 - g. “FedRAMP” means the Federal Risk and Authorization Management Program (see www.fedramp.gov), which is an assessment and authorization process that federal government agencies have been directed to use to ensure security is in place when accessing Cloud computing products and services.
 - h. “Hardened Password” means a string of at least eight characters containing at least three of the following four character classes: Uppercase alphabetic, lowercase alphabetic, numeral, and special characters such as an asterisk, ampersand, or exclamation point.
 - i. “Mobile Device” means a computing device, typically smaller than a notebook, which runs a mobile operating system, such as iOS, Android, or Windows Phone. Mobile Devices include smart phones, most tablets, and other form factors.
 - j. “Multi-factor Authentication” means controlling access to computers and other IT resources by requiring two or more pieces of evidence that the user is who they claim to be. These pieces of evidence consist of something the user knows, such as a password or PIN; something the user has such as a key card, smart card, or physical token; and something the user is, a biometric identifier such as a fingerprint, facial scan, or retinal scan. “PIN” means a personal identification number, a series of numbers which act as a password for a device. Since PINs are typically only four to six characters, PINs are usually used in conjunction with another factor of authentication, such as a fingerprint.
 - k. “Portable Device” means any computing device with a small form factor, designed to be transported from place to place. Portable devices are primarily battery powered devices with base computing resources in the form of a processor, memory, storage,

and network access. Examples include, but are not limited to, mobile phones, tablets, and laptops. Mobile Device is a subset of Portable Device.

- l. “Portable Media” means any machine readable media that may routinely be stored or moved independently of computing devices. Examples include magnetic tapes, optical discs (CDs or DVDs), flash memory (thumb drive) devices, external hard drives, and internal hard drives that have been removed from a computing device.
 - m. “Secure Area” means an area to which only authorized representatives of the entity possessing the Confidential Information have access, and access is controlled through use of a key, card key, combination lock, or comparable mechanism. Secure Areas may include buildings, rooms or locked storage containers (such as a filing cabinet or desk drawer) within a room, as long as access to the Confidential Information is not available to unauthorized personnel. In otherwise Secure Areas, such as an office with restricted access, the Data must be secured in such a way as to prevent access by non-authorized staff such as janitorial or facility security staff, when authorized Contractor staff are not present to ensure that non-authorized staff cannot access it.
 - n. “Trusted Network” means a network operated and maintained by the Contractor, which includes security controls sufficient to protect DSHS Data on that network. Controls would include a firewall between any other networks, access control lists on networking devices such as routers and switches, and other such mechanisms which protect the confidentiality, integrity, and availability of the Data.
 - o. “Unique User ID” means a string of characters that identifies a specific user and which, in conjunction with a password, passphrase or other mechanism, authenticates a user to an information system.
2. **Authority.** The security requirements described in this document reflect the applicable requirements of Standard 141.10 (<https://ocio.wa.gov/policies>) of the Office of the Chief Information Officer for the state of Washington, and of the DSHS Information Security Policy and Standards Manual. Reference material related to these requirements can be found here: <https://www.dshs.wa.gov/fsa/central-contract-services/keeping-dshs-client-information-private-and-secure>, which is a site developed by the DSHS Information Security Office and hosted by DSHS Central Contracts and Legal Services.
3. **Administrative Controls.** The Lead/sub grantee must have the following controls in place:
- a. A documented security policy governing the secure use of its computer network and systems, and which defines sanctions that may be applied to Lead/sub grantee staff for violating that policy.
4. **Authorization, Authentication, and Access.** In order to ensure that access to the Data is limited to authorized staff, the Lead/sub grantee must:
- a. Have documented policies and procedures governing access to systems with the shared Data.
 - b. Restrict access through administrative, physical, and technical controls to authorized staff.

- c. Ensure that user accounts are unique and that any given user account logon ID and password combination is known only to the one employee to whom that account is assigned. For purposes of non-repudiation, it must always be possible to determine which employee performed a given action on a system housing the Data based solely on the logon ID used to perform the action.
- d. Ensure that only authorized users are capable of accessing the Data.
- e. **Ensure that an employee's access to the Data is removed immediately:**
 - (1) **Upon suspected compromise of the user credentials.**
 - (2) **When their employment is terminated.**
 - (3) **When they no longer need access to the Data.**
- f. Have a process to periodically review and verify that only authorized users have access to systems containing DSHS Confidential Information.
- g. When accessing the Data from within the Lead/sub grantee's network (the Data stays within the Lead/sub grantee's network at all times), enforce password and logon requirements for users within the Lead/sub grantee network, including:
 - (1) A minimum length of 8 characters, and containing at least three of the following character classes: uppercase letters, lowercase letters, numerals, and special characters such as an asterisk, ampersand, or exclamation point.
 - (2) That a password does not contain a user's name, logon ID, or any form of their full name.
 - (3) That a password does not consist of a single dictionary word. A password may be formed as a passphrase which consists of multiple dictionary words.
 - (4) That passwords are significantly different from the previous four passwords. Passwords that increment by simply adding a number are not considered significantly different.
- h. When accessing Confidential Information from an external location (the Data will traverse the Internet or otherwise travel outside the Lead/sub grantee network), mitigate risk and enforce password and logon requirements for users by employing measures including:
 - (1) Ensuring mitigations applied to the system don't allow end-user modification.
 - (2) Not allowing the use of dial-up connections.
 - (3) Using industry standard protocols and solutions for remote access. Examples would include RADIUS and Citrix.
 - (4) Encrypting all remote access traffic from the external workstation to Trusted Network or to a component within the Trusted Network. The traffic must be encrypted at all times while traversing any network, including the Internet, which is not a Trusted Network.
 - (5) Ensuring that the remote access system prompts for re-authentication or performs automated session termination after no more than 30 minutes of inactivity.
 - (6) Ensuring use of Multi-factor Authentication to connect from the external

end point to the internal end point.

- i. Passwords or PIN codes may meet a lesser standard if used in conjunction with another authentication mechanism, such as a biometric (fingerprint, face recognition, iris scan) or token (software, hardware, smart card, etc.) in that case:
 - (1) The PIN or password must be at least 5 letters or numbers when used in conjunction with at least one other authentication factor
 - (2) Must not be comprised of all the same letter or number (11111, 22222, aaaaa, would not be acceptable)
 - (3) Must not contain a “run” of three or more consecutive numbers (12398, 98743 would not be acceptable)
 - j. If the contract specifically allows for the storage of Confidential Information on a Mobile Device, passcodes used on the device must:
 - (1) Be a minimum of six alphanumeric characters.
 - (2) Contain at least three unique character classes (upper case, lower case, letter, number).
 - (3) Not contain more than a three consecutive character run. Passcodes consisting of 12345, or abcd12 would not be acceptable.
 - k. Render the device unusable after a maximum of 10 failed logon attempts.
5. **Protection of Data.** The Lead/sub grantee agrees to store Data on one or more of the following media and protect the Data as described:
- a. **Hard disk drives.** For Data stored on local workstation hard disks, access to the Data will be restricted to Authorized User(s) by requiring logon to the local workstation using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards.
 - b. **Network server disks.** For Data stored on hard disks mounted on network servers and made available through shared folders, access to the Data will be restricted to Authorized Users through the use of access control lists which will grant access only after the Authorized User has authenticated to the network using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on disks mounted to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism. For DSHS Confidential Information stored on these disks, deleting unneeded Data is sufficient as long as the disks remain in a Secure Area and otherwise meet the requirements listed in the above paragraph. Destruction of the Data, as outlined below in Section 8 Data Disposition, may be deferred until the disks are retired, replaced, or otherwise taken out of the Secure Area.
 - c. **Optical discs (CDs or DVDs) in local workstation optical disc drives.** Data provided by DSHS on optical discs which will be used in local workstation optical disc drives and which will not be transported out of a Secure Area. When not in use for the contracted purpose, such discs must be Stored in a Secure Area.

Workstations which access DSHS Data on optical discs must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.

- d. **Optical discs (CDs or DVDs) in drives or jukeboxes attached to servers.** Data provided by DSHS on optical discs which will be attached to network servers and which will not be transported out of a Secure Area. Access to Data on these discs will be restricted to Authorized Users through the use of access control lists which will grant access only after the Authorized User has authenticated to the network using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on discs attached to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.
- e. **Paper documents.** Any paper records must be protected by storing the records in a Secure Area which is only accessible to authorized personnel. When not in use, such records must be stored in a Secure Area.
- f. **Remote Access.** Access to and use of the Data over the State Governmental Network (SGN) or Secure Access Washington (SAW) will be controlled by DSHS staff who will issue authentication credentials (e.g. a Unique User ID and Hardened Password) to Authorized Users on Contractor's staff. Contractor will notify DSHS staff immediately whenever an Authorized User in possession of such credentials is terminated or otherwise leaves the employ of the Contractor, and whenever an Authorized User's duties change such that the Authorized User no longer requires access to perform work for this Contract.
- g. **Data storage on portable devices or media.**
 - (1) Except where otherwise specified herein, DSHS Data shall not be stored by the Lead/sub grantee on portable devices or media unless specifically authorized within the terms and conditions of the Grant. If so authorized, the Data shall be given the following protections:
 - (a) Encrypt the Data.
 - (b) Control access to devices with a Unique User ID and Hardened Password or stronger authentication method such as a physical token or biometrics.
 - (c) Manually lock devices whenever they are left unattended and set devices to lock automatically after a period of inactivity, if this feature is available. Maximum period of inactivity is 20 minutes.
 - (d) Apply administrative and physical security controls to Portable Devices and Portable Media by:
 - i. Keeping them in a Secure Area when not in use,
 - ii. Using check-in/check-out procedures when they are shared, and
 - iii. Taking frequent inventories.
 - (2) When being transported outside of a Secure Area, Portable Devices and Portable Media with DSHS Confidential Information must be under the

physical control of Lead/sub grantee staff with authorization to access the Data, even if the Data is encrypted.

- h. **Data stored for backup purposes.**
 - (1) DSHS Confidential Information may be stored on Portable Media as part of a Lead/sub grantee's existing, documented backup process for business continuity or disaster recovery purposes. Such storage is authorized until such time as that media would be reused during the course of normal backup operations. If backup media is retired while DSHS Confidential Information still exists upon it, such media will be destroyed at that time in accordance with the disposition requirements below in Section 8 *Data Disposition*.
 - (2) Data may be stored on non-portable media (e.g. Storage Area Network drives, virtual media, etc.) as part of a Lead/sub grantee's existing, documented backup process for business continuity or disaster recovery purposes. If so, such media will be protected as otherwise described in this exhibit. If this media is retired while DSHS Confidential Information still exists upon it, the data will be destroyed at that time in accordance with the disposition requirements below in Section 8 *Data Disposition*.
- i. **Cloud storage.** DSHS Confidential Information requires protections equal to or greater than those specified elsewhere within this exhibit. Cloud storage of Data is problematic as neither DSHS nor the Lead/sub grantee has control of the environment in which the Data is stored. For this reason:
 - (1) DSHS Data will not be stored in any consumer grade Cloud solution, unless all of the following conditions are met:
 - (a) Lead/sub grantee has written procedures in place governing use of the Cloud storage and Contractor attests in writing that all such procedures will be uniformly followed.
 - (b) The Data will be Encrypted while within the Lead/sub grantee network.
 - (c) The Data will remain Encrypted during transmission to the Cloud.
 - (d) The Data will remain Encrypted at all times while residing within the Cloud storage solution.
 - (e) The Lead/sub grantee will possess a decryption key for the Data, and the decryption key will be possessed only by the Lead/sub grantee and/or DSHS.
 - (f) The Data will not be downloaded to non-authorized systems, meaning systems that are not on either the DSHS or Lead/sub grantee networks.
 - (g) The Data will not be decrypted until downloaded onto a computer within the control of an Authorized User and within either the DSHS or Lead/sub grantee's network.
 - (2) Data will not be stored on an Enterprise Cloud storage solution unless either:
 - (a) The Cloud storage provider is treated as any other Sub-

Contractor, and agrees in writing to all of the requirements within this exhibit; or,

(b) The Cloud storage solution used is FedRAMP certified.

(3) If the Data includes protected health information covered by the Health Insurance Portability and Accountability Act (HIPAA), the Cloud provider must sign a Business Associate Agreement prior to Data being stored in their Cloud solution.

6. System Protection. To prevent compromise of systems which contain DSHS Data or through which that Data passes:

- a. Systems containing DSHS Data must have all security patches or hotfixes applied within 3 months of being made available.
- b. The Lead/sub grantee will have a method of ensuring that the requisite patches and hotfixes have been applied within the required timeframes.
- c. Systems containing DSHS Data shall have an Anti-Malware application, if available, installed.
- d. Anti-Malware software shall be kept up to date. The product, its anti-virus engine, and any malware database the system uses, will be no more than one update behind current.

7. Data Segregation.

a. DSHS Data must be segregated or otherwise distinguishable from non-DSHS data. This is to ensure that when no longer needed by the Lead/sub grantee, all DSHS Data can be identified for return or destruction. It also aids in determining whether DSHS Data has or may have been compromised in the event of a security breach. As such, one or more of the following methods will be used for data segregation.

- (1) DSHS Data will be kept on media (e.g. hard disk, optical disc, tape, etc.) which will contain no non-DSHS Data. And/or,
- (2) DSHS Data will be stored in a logical container on electronic media, such as a partition or folder dedicated to DSHS Data. And/or,
- (3) DSHS Data will be stored in a database which will contain no non-DSHS data. And/or,
- (4) DSHS Data will be stored within a database and will be distinguishable from non-DSHS data by the value of a specific field or fields within database records.
- (5) When stored as physical paper documents, DSHS Data will be physically segregated from non-DSHS data in a drawer, folder, or other container.

b. When it is not feasible or practical to segregate DSHS Data from non-DSHS data, then both the DSHS Data and the non-DSHS data with which it is commingled must be protected as described in this exhibit.

8. Data Disposition. When the contracted work has been completed or when the Data is no longer needed, except as noted above in Section 5.b, Data shall be returned to DSHS or destroyed. Media on which Data may be stored and associated acceptable methods of destruction are as follows:

Data stored on:	Will be destroyed by:
Server or workstation hard disks, or Removable media (e.g. floppies, USB flash drives, portable hard disks) excluding optical discs	Using a “wipe” utility which will overwrite the Data at least three (3) times using either random or single character data, or Degaussing sufficiently to ensure that the Data cannot be reconstructed, or Physically destroying the disk
Paper documents with sensitive or Confidential Information	Recycling through a contracted firm, provided the contract with the recycler assures that the confidentiality of Data will be protected.
Paper documents containing Confidential Information requiring special handling (e.g. protected health information)	On-site shredding, pulping, or incineration
Optical discs (e.g. CDs or DVDs)	Incineration, shredding, or completely defacing the readable surface with a coarse abrasive
Magnetic tape	Degaussing, incinerating or crosscut shredding

9. **Notification of Compromise or Potential Compromise.** The compromise or potential compromise of DSHS shared Data must be reported to COMMERCE and DSHS Privacy Officer at dshsprivacyofficer@dshs.wa.gov designated within one (1) business day of discovery. Lead/sub grantee must also take actions to mitigate the risk of loss and comply with any notification or other requirements imposed by law or DSHS.
10. **Data shared with Subcontractors.** If DSHS Data provided under this Grant is to be shared with a subcontractor, the Grant with the subcontractor must include all of the data security provisions within this Grant and within any amendments, attachments, or exhibits within this Grant. If the Lead grantee cannot protect the Data as articulated within this Grant, then the contract with the sub grantee must be submitted to COMMERCE for review and approval.

