



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

Special Attention of:

All HOPWA Renewal Grantees
All CPD Field Office Directors

Notice: CPD-16-03
Issued: March 21, 2016

This notice remains effective until
amended, superseded, or rescinded.

Cross References: 24 CFR Part 574 –
Housing Opportunities for Persons With
AIDS (HOPWA)

Subject: Procedural Guidance for Fiscal Year 2016 HOPWA Permanent Supportive Housing
Renewal Grant Applications

- I. Purpose.....1**
- II. Eligible Applicants.....2**
- III. Award Information.....3**
- IV. Threshold Requirements.....3**
- V. Eligible Activities.....5**
- VI. Funding Restrictions.....7**
- VII. Application Submission.....8**
- VIII. Review and Selection Process.....13**
- IX. Program Implementation Expectations.....15**
- X. Information Collection.....22**

I. Purpose

This Housing Opportunities for Persons With AIDS (HOPWA) notice announces renewal application requirements for eligible expiring HOPWA Permanent Supportive Housing (PSH) competitive renewal grants. This notice will serve as the renewal application procedural guide for eligible FY2016 renewal applicants. Pursuant to the authority provided by the Consolidated Appropriations Act, 2016, P.L. No. 114-113, the Department will renew all eligible expiring HOPWA PSH competitive grants initially funded with appropriated funds from Fiscal Year 2010 or earlier provided they meet applicable program requirements. Applications for FY2016 renewal grants must be received no later than 11:59:59 PM ET on **April 15, 2016**.

If you have questions about the FY16 HOPWA Permanent Supportive Housing Renewal Grant Application process, please contact Lisa Steinhauer, Management Analyst, or Claire Donze, Management Analyst, in the Office of HIV/AIDS Housing. Lisa Steinhauer can be reached at (202) 402-5181 or by email at Lisa.A.Steinhauer@hud.gov. Claire Donze can be reached at (202) 402-2365 or by email at Claire.L.Donze@hud.gov.

II. Eligible Applicants

Eligible renewal applicants for FY2016 HOPWA Permanent Supportive Housing (PSH) competitive grant funding are grantees with HOPWA PSH competitive grants expiring between May 1, 2016 and May 31, 2017. A list of grants potentially eligible for renewal in FY16 are located in Table 1 along with potential award amounts. Grantees with expiring grants must demonstrate that the remaining balance on the current HOPWA PSH grant would be insufficient to fund activities beyond May 31, 2017.

Table 1. Eligible Renewal Applicants and Preliminary Budget Awards

	Grantee Name	Expiring Grant #	Potential Award
1	The Fortune Society	NY-H130004	\$1,146,662
2	City of San Jose, Department of Housing	CA-H130005	\$1,273,655
3	New Jersey Department of Health & Senior Services	NJ-H130006	\$1,295,984
4	Kentucky Housing Corporation	KY-H130007	\$434,160
5	Our House of Portland	OR-H130008	\$1,016,934
6	University of Illinois College of Medicine	IL-H130002	\$1,252,469
7	City of Dallas	TX-H120026	\$746,853
8	Health Care for Homeless, Inc.	MD-H130010	\$1,265,112
9	Alameda County	CA-H120003	\$1,479,501
10	Health Services Center, Inc.	AL-H130012	\$855,617
11	City and County of San Francisco, Office of Community Investment and Infrastructure	CA-H130013	\$1,430,000
12	Rhode Island Housing Mortgage Finance Corporation (Sunrise Project)	RI-H130014	\$1,240,606
13	Delaware HIV Consortium	DE-H130016	\$756,707
14	Justice Resource Institute	MA-H130019	\$1,405,430
15	Oregon Department of Human Services	OR-H130020	\$1,215,218
16	I.M. Sulzbacher	FL-H130017	\$1,215,572
17	Pima County Community Services	AZ-H130015	\$1,350,943
18	Unity for the Homeless	LA-H130018	\$804,912
19	Rhode Island Housing Mortgage Finance Corporation (New Transitions)	RI-H130023	\$741,355
20	AIDS Alabama	AL-H130024	\$879,963
21	Housing Services Affiliate- Bernal Heights Neighborhood Center	CA-H130025	\$493,872
22	City of Key West	FL-H130026	\$1,430,000
23	Downtown Emergency Service Center	WA-H130009	\$602,854
24	Cornerstone Services, Inc.	IL-H130027	\$926,244
25	City of Savannah, Daniel Flagg Villas	GA-H130029	\$269,278
26	AIDS Resource Center of Wisconsin	WI-H130032	\$1,339,000
27	Clare Housing	MN-H130003	\$951,376
28	City of Savannah	GA-H130028	\$685,696
29	Del Norte Neighborhood Development Corp.	CO-H140001	\$612,379

If a HOPWA PSH renewal grant expires prior to May 1, 2016, the grant is not eligible for renewal under this notice. If a grant agreement expires after May 30, 2017, renewal funding for

that PSH grant will be addressed in a future HOPWA renewal memorandum or notice. If during the renewal period, HUD determines that an applicant's expiring grant holds a balance large enough to fund activities beyond May 30, 2017, the grant will be ineligible for a renewal award. These grantees may request grant extensions on their current grant in lieu of applying for a renewal grant, and should plan to apply for a renewal grant under a future renewal application notice. Grant extensions are subject to HUD approval.

HOPWA competitive demonstrations and transitional projects are not eligible for renewal under this notice. These projects include HOPWA grants that were funded as one-time nonrenewable awards and/or do not have a primary focus on permanent supportive housing funded activities. To access current HOPWA grant opportunities outside of the FY16 HOPWA PSH renewal grants, visit grants.gov.

III. Award Information

Applicants should refer to Table 1 in Section II for their potential award amount.

It is the Department's intent to fund HOPWA renewal grants up to 100% of all current Budget Line Item (BLI) levels with the exception of resource identification. Resource identification funds were offered to FY13 and FY14 renewal applicants on a one-time only basis, and will not be renewed under the FY16 HOPWA PSH Renewal process.

In order to coordinate renewal actions for expiring grants based on need, the Department will award renewal grants that meet the requirements of this notice and provide funding in the order of grant expiration dates based on funding availability. Further, HUD may announce renewal awards on a rolling basis, if needed, to help ensure continued operations of an expiring grant. Grantees selected for renewal are expected to expend the remaining balance of current funds on their approved schedule within their current approved grant period.

Renewal applicants may not utilize the renewal process to amend current approved grant activities and/or amend funding levels on currently approved activities, unless authorized by this notice. HUD reserves the right to redistribute incorrectly allocated costs to the correct line item. HUD also reserves the right to decrease BLIs if it is determined that the number of persons/units actually assisted (housing outputs) is substantially less than the amount agreed upon in the current executed grant agreement. Applicants may also submit requests for reductions in BLIs due to reduced fair market rents, cost savings, use of leveraged resources, and/or items deemed non-essential.

IV. Threshold Requirements

Only applications that comply with the rules and requirements in this notice will be eligible for funding. Below are the threshold requirements all applicants must meet to submit an eligible application for an FY16 renewal award:

- **Permanent Supportive Housing Activities.** Applicants must provide permanent supportive housing (PSH) as the primary grant activity under an expiring HOPWA grant, and propose to continue providing PSH as the primary grant activity. HUD will consider the primary grant activity to be PSH when at least **51 percent** of grant funds provide PSH activities to eligible beneficiaries. PSH refers to activities that provide eligible beneficiaries with permanent housing and ongoing supportive services through qualified providers. For the purposes of this notice, “permanent housing” means housing in which the eligible person has a continuous legal right to remain in the unit established by a lease or occupancy agreement. The lease must be renewable after the first year of occupancy. “Permanent supportive housing” means permanent housing with access to ongoing supportive services. Applicants are reminded that participation in supportive services is not a prerequisite for clients to receive housing assistance.
- **Past Performance.** Eligible applicants must be able to successfully demonstrate PSH efforts. The expiring HOPWA PSH grant must be operating in a manner that meets program requirements and be in compliance with HOPWA regulations found at 24 CFR part 574. The project must have a record of compliance with program requirements and solid grant performance, including a history of submitting timely, accurate, and complete Annual Progress Reports (APRs) that demonstrate measurable progress in the implementation of the current grant award. Measurable progress is defined as meeting applicable program benchmarks including:
 - HOPWA outputs for the actual number of households assisted, including the number who were homeless at program entry (if targeted to homeless and/or chronically homeless persons and their families), and persons at risk of homelessness and their families assisted, in comparison to the planned and approved number of households;
 - HOPWA outcomes such as increasing the number of persons who maintain access to care and stable housing; and
 - Compliance with the terms and conditions of all existing HOPWA grant awards, including expending prior funding in a timely manner as outlined in the grant agreements with HUD, with no outstanding audit or unresolved monitoring issues that HUD deems significant.

An application for renewal may be denied if HUD determines that a grantee has performed poorly and failed to meet program requirements. Applicants deemed not eligible for renewal due to noncompliance must continue to provide housing support for their housing beneficiaries, or coordinate the transfer of their beneficiaries to alternate PSH or an appropriate rental assistance program upon the expiration of their grant. Additionally, any assistance programs involving facility-based housing and/or facilities acquired with HOPWA funding that will be coming to an end must comply with: the minimum use requirements at 24 CFR 574.310(c), the relevant Federal disposition requirements in 2 CFR 200.311, and any other applicable Federal requirements. Examples of poor performance or failure to meet program requirements that may disqualify a grant for renewal include:

- Unresolved monitoring findings not addressed by the date of application that HUD deems to be significant;

- Failure to resolve program noncompliance issues identified in a HUD notice of default on a current grant in a timely manner;
- Documented misuse of HOPWA funding such as expending funds on ineligible activities and/or ineligible beneficiaries;
- Delays in program implementation;
- Failure to provide the level of housing and services committed to under the expiring grant agreement;
- History of other major capacity issues that have significantly impacted the operation of the project and its performance;
- Untimely filing, and inaccurate and/or incomplete submission of APRs that do not appropriately show client outcomes;
- Significant citizen complaints about the grantee's poor performance that have not been addressed with justified reasons and remain unresolved;
- Outstanding obligation to HUD due to noncompliance that is in arrears, or for which a payment schedule has not been agreed upon;
- Audit findings for which a response is overdue or unsatisfactory;
- History of inadequate financial management accounting practices;
- Unresolved civil rights matters;
- Debarment or suspension from doing business with the federal government;
- Outstanding federal delinquent debt;
- Other indicators of poor management, including an unwillingness to accept technical assistance or to implement identified program changes as a result of technical assistance;
- Loss of project site; and
- Other HUD-identified noncompliance with HOPWA's authorizing statute and regulations.

HUD may also identify concerns arising from application content submitted under this notice that may disqualify a grant for renewal. Applicants will be notified of identified concerns that may disqualify a grant from being renewed, and will be given an opportunity to respond to any identified concerns prior to any determination of disqualification.

- **Environmental Requirements.** The grantee, its project sponsors and their contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for a project, or commit or expend HUD or local funds for eligible activities, until the responsible entity (as defined in 24 CFR 58.2) has completed the environmental review procedures required by 24 CFR part 58 and the environmental certification and HUD approval of form HUD-7015.15, "Request for Release of Funds and Certification" (RROF) of compliance with the National Environmental Policy Act and implementing regulations at 24 CFR part 58 (Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities). HUD will not release grant funds if the recipient or any other party commits funds (i.e., incurs any costs or expenditures to be paid or reimbursed with such funds) before the recipient submits and HUD approves its RROF (where such submission is required).

Although many eligible activities under this notice are categorically excluded from environmental review, eligible applicants should be aware that there are certain activities and circumstances that may require an environmental review. For example, the relocation of existing facility-based assistance and the leasing of new units by the grantee would both be subject to an environmental review.

V. Eligible Activities

PSH for eligible beneficiaries must be the primary grant activity in all renewal projects. HUD will consider the primary grant activity to be PSH when at least 51 percent of the grant funds are used to undertake program activities that provide PSH to eligible beneficiaries. If an applicant is proposing to continue some level of emergency shelter or transitional housing assistance, then the applicant must ensure that these activities will be carried out in connection with the provision of PSH and show that the PSH activity will remain the primary activity carried out under the grant.

Applicants seeking renewal funding must provide continuous forms of housing support over the three-year grant period that establish or maintain stable permanent housing, and reduce the risks of homelessness. Eligible housing activities to support permanent supportive housing as the primary grant activity include:

- **Tenant-Based Rental Assistance (TBRA)**;
- **Operating costs** for permanent housing facilities;
- **Leasing costs** for permanent housing facilities;
- **Permanent Housing Placement (PHP)** services to place households into housing; and
- **Short-Term Rent, Mortgage, and Utility (STRMU)** payments to maintain current housing arrangements.

Eligible non-housing activities include:

- **Supportive Services** to provide access to mainstream resources, public benefits, and improve access to healthcare and other needed support to maintain stable housing and positive health outcomes;
- **Housing Information Services** to assist beneficiaries in locating appropriate housing; and
- **Administrative Costs** which include costs for data collection and annual performance reporting to HUD. Administrative costs are subject to the limit of three percent of the amount requested for project activities for grantees and seven percent of the amount requested for project activities for project sponsors.

In providing PSH, applicants must maintain evidence that clients have a continuous legal right to remain in their unit and have access to ongoing supportive services provided through qualified providers. Grantee and/or project sponsor files must include a copy of the standard lease form or occupancy agreement used for residents of the project. The lease or occupancy agreement must be for an initial term of at least one year that is automatically renewable upon expiration, except with reasonable prior notice by either the tenant or the landlord.

In all cases, the program must maintain or enhance access to other needed services that are available through mainstream resources, including healthcare assistance, AIDS drug assistance under the Ryan White HIV/AIDS Treatment Extension Act of 2009, the Affordable Care Act, and/or other federal, state, local, and private resources. To the extent possible, HUD encourages renewal grantees to incorporate and identify the commitment of mainstream resources in their project plans to maximize the benefit of HOPWA grants. HOPWA grantees must also ensure that the qualifying beneficiaries of HOPWA maintain access to available healthcare benefits, and participate in their healthcare plan. HOPWA grantees must promote adherence to prescribed HIV/AIDS medications in an effort to address the HIV Care Continuum outcomes of improved CD4 and optimal suppressed viral load counts.

Applicants should also expect to address the housing needs of homeless and chronically homeless persons living with HIV/AIDS and their families by providing priority access to available units, and other supports to this vulnerable population. This priority access may be provided through a combination of PHP and TBRA. This may be accomplished by utilizing PHP services to pay for security deposits, first-time utility hookup fees, credit checks, application fees, and other costs associated with moving this population into permanent housing units. Grantees and/or project sponsors may then utilize TBRA to provide long-term rental support to stabilize the client in permanent housing.

The standards for eligible activities are set forth in the HOPWA regulations at 24 CFR 574.300-574.340. HOPWA program regulations can be accessed at: <http://www.ecfr.gov/cgi-bin/text-idx?rgn=div5&node=24:3.1.1.3.7>

Staff costs associated with the delivery of housing assistance or supportive services activities are billable directly to the associated housing or supportive service budget line item. Do not bill staff costs under administration or entirely to supportive services if the staff is providing services directly related to another budget line item.

Please be aware that the Office of Management and Budget (OMB) published a final rule entitled “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” which supersedes several OMB Circulars that the program was subject to in previous years and replaces them with a uniform set of requirements at 2 CFR part 200, effective December 26, 2014. HUD also revised 24 CFR parts 84 and 85 to reflect these changes. Accordingly, the requirements of 2 CFR part 200 will apply to FY16 PSH renewal grant awards made under this notice.

VI. Funding Restrictions

The following activities are not eligible to be funded with amounts awarded under this FY16 HOPWA PSH Renewal Notice::

- **Expansion of Existing Operations.** Acquisition, new construction, rehabilitation, or costs, such as operating costs or leasing of new housing facilities and community residences, for the purposes of expanding existing operations to additional new locations or additional households are ineligible. However, this does not preclude the leasing by beneficiaries of individual units for the purpose of continuing TBRA or master leasing.

Grantees may also relocate existing facility-based assistance, if necessary, but the new location cannot expand the scope of the current grant.

If an applicant is interested in undertaking additional capital development activities or significantly expanding HOPWA activities beyond those currently approved under the expiring grant, the applicant should consider competing for funding under a different HUD NOFA competition, or utilizing leveraged resources to conduct these additional activities.

- **Resource Identification.** Under the FY13 and FY14 HOPWA PSH Renewal Process, applicants had the opportunity to request up to \$40,000 in resource identification funding for coordination with CoC activities over the three-year grant period. This funding was provided on a one-time only basis, and is not renewable under this notice. Funds currently awarded for resource identification are not available for movement into BLIs that are eligible for renewal in an effort to expand other funded activities beyond their currently approved levels.
- **Ineligible Project Activities.** Under this notice, the following activities will not be funded:
 - Healthcare costs including costs for medications;
 - Incidental moving costs including van rentals, supplies, and moving equipment; and
 - Personal items such as:
 - Clothing;
 - Property taxes and condominium fees;
 - Furniture and other household utensils, including cookware and dishes, unless the furniture and household utensils will stay with the unit provided under housing facility operations;
 - Grooming;
 - Personal vehicle maintenance and repairs;
 - Cash assistance and consumer credit payments;
 - Entertainment activities;
 - Pets; and
 - Other non-housing-related costs or related services.

VII. Application Submission

A. Application Deadlines

A list of grants potentially eligible for renewal with associated award amounts is located in Table 1 of Section II of this notice. Eligible applicants interested in applying for an FY16 HOPWA PSH renewal grant must notify the Office of HIV/AIDS Housing with a letter of intent to apply for renewal funding and a projected expenditure of remaining funding on the expiring grant no later than **March 28, 2016**. The projection of expenditure must demonstrate that the remaining balance on the current HOPWA PSH grant would be insufficient to fund activities beyond May 31, 2017, and will be confirmed by HUD staff with current financial information available. The letter of intent must be signed by an authorized representative (executive director or equivalent),

and submitted via email both to the Office of HIV/AIDS Housing at HUD Headquarters (HOPWA@hud.gov) **and** to the applicant's local HUD Field Office.

Eligible applicants with submitted letters of intent will have the opportunity to participate in a pre-application webinar on **March 29, 2016** or **March 31, 2016**. The webinar will cover the information contained in this notice. More information on the webinar will be communicated directly to eligible applicants with a submitted letter of intent.

Completed renewal applications must be received no later than 11:59:59 PM Eastern Time on **April 15, 2016**. Applications must be submitted via email both to the Office of HIV/AIDS Housing at HUD Headquarters (HOPWA@hud.gov) **and** to the applicant's local HUD field office.

B. Application Form and Content Submission Requirements

Completed Applications include the following required forms and content:

1. **Application for Federal Assistance (SF424)**. This is a required form for all applicants. Applicants must include the nine digit zip code (zip code plus four digits) associated with the applicant address in box 8d of the SF424. The DUNS number used must have an active registration in SAM.
2. **Disclosure of Lobbying Activities (SFLLL)**. This is a required form for all applicants. Even if your organization does not perform lobbying activities, you must submit this form completely filled out. If appropriate, applicants should check the box for not applicable in the boxes for the lobbying registrant's information. Applicants are subject to the provisions of Section 319 of Public Law 101-121 (approved October 23, 1989) (31 U.S.C. 1352) (The Byrd Amendment), which prohibit recipients for federal contracts, grants, or loans from using appropriated funds for lobbying the executive or legislative branches of the Federal Government in connection with a specific contract, grant, or loan. Applicants must disclose any funds, other than federally appropriated funds, that will be used to lobby federal employees, members of Congress, or congressional staff in the SFLLL.
3. **Certification of Consistency with the Consolidated Plan (HUD-2991)**. This is a required form for all applicants. Applicants must obtain a Consolidated Plan certification signed by the applicable state or local government official for submitting the appropriate plan for the areas in which activities are targeted. This form must be submitted to HUD prior to the signing of a grant agreement. The authorizing official from the state or local government must sign this certification. If your project will be carried out on a national basis or will be located on an Indian reservation or in one of the U.S. Territories of Guam, the Virgin Islands, American Samoa, or the Northern Mariana Islands, you are not required to include a Consolidated Plan certification from these areas with your application.
4. **HOPWA Budget Summary, including Applicant Certifications (HUD-40110-B)**. This is a required form for all applicants. Applicants should use their current HUD-approved budget as a guide in preparing their renewal budget. This budget form will provide: a summary of the total project budget, the annual HOPWA amounts to be used in each of the three years of operation for the grant as a whole, and for each individual organization (grantee and project sponsor(s)), the expected total unduplicated household

number to be served over the total three year period, and the leveraging commitments in hand at the time of application submission for each individual BLI.

5. **Grantee's Code of Conduct.** This is required for any applicant with an outdated code of conduct posted for on HUD's site for public viewing. Applicants must update and resubmit their organization's code of conduct with their application. HUD will post the codes of conduct to the HUD grants management website for public viewing, located at: http://portal.hud.gov/portal/page/portal/HUD/program_offices/administration/grants/conduct. Once posted, codes of conduct will be considered public record and grantees will not be required to resubmit this document to HUD in future funding requests. However, it is the applicant's responsibility to ensure that HUD has the most updated code of conduct. The required information in a code of conduct is provided at 2 CFR 200.318(c).
6. **Narratives.** All applicants are required to submit a Descriptive Budget Justification Narrative and a Technical Assistance Narrative. The Organizational Capacity Narrative is only required for applicants with changes to project sponsors. Applicants should review the information provided for all narratives to ensure they are submitting all narratives required for a completed application.
 - (a) **Descriptive Budget Justification Narrative.** This is a required narrative for all applicants. The Descriptive Budget Justification Narrative should show budget breakdowns with calculations for each BLI requested. The budget justification information must be presented on a list or chart with the following information: a heading for each BLI requested; a breakdown of the personnel costs for each BLI, a breakdown of the non-personnel costs following the personnel costs for each BLI, and the total costs for each activity, BLI, and total grant. Table 2 provides an example of an acceptable format for the Descriptive Budget Justification Narrative.

Applicants must provide a complete description of activity costs to be reimbursed from each BLI requested. Activities should be clearly separated out by personnel and non-personnel costs for each BLI. Personnel costs must include all staff positions identified with a job title and accompanied by a description of associated personnel activity descriptions and expenses by each funded line item. Each activity, personnel and non-personnel for each BLI, must show a calculation justifying the requested amounts under the renewal award. If your project utilizes indirect cost rates to pay for office space rental and other eligible indirect costs, then these costs should also be identified and included in the budget justification chart/list by BLI. All totals listed in this chart/list must equal the total amounts listed in the submitted HUD-40110-B Budget form.

The example provided in Table 2 shows an acceptable budget justification for the TBRA BLI. The costs are broken out by personnel costs and non-personnel program activity costs. The personnel costs include a description of activities conducted by identified staff person, and the non-personnel program activity costs represent the actual cost of rental assistance paid to landlords. This example separates the costs by agency (grantee and project sponsor(s)) with subtotals that equal the TBRA amount requested for each agency on their corresponding detailed budget page submitted in form HUD-40110-B, and the sum of all TBRA activity costs equal the amount on the budget summary page also submitted in form HUD-40110-B.

The example provided in Table 2 does not show indirect cost expenses as indirect costs are not common in HOPWA programs. If you bill against indirect costs, those costs should be broken out by activity for each agency. The example provided in Table 2 is the preferred submission method for the Descriptive Budget Justification Narrative.

Table 2. Descriptive Budget Justification Narrative Example

Tenant-Based Rental Assistance		
<u>[Grantee Name] Personnel Costs</u> Position: Housing Coordinator (.30 FTE) Activities: Conduct HOPWA HQS inspections, process new leases and renewals, prepare and issue rental assistance checks	(\$76,800 salary/year including 28% fringe/benefits) x (.30 FTE) x 3 years =	\$69,120
<u>[Grantee Name] Non-personnel Program Activity Costs</u> (financial assistance costs): Rent payments for 18 units with average rent and utility costs of \$990 per month	18 units x \$990 x 36 months =	\$641,520
<u>[Project Sponsor 1 Name] Personnel Costs</u> Position: Housing Coordinator (.30 FTE) Activities: Conduct HOPWA HQS inspections, process new leases and renewals, prepare and issue rental assistance checks	(\$76,800 salary/year including 28% fringe/benefits) x (.30 FTE) x 3 years =	\$69,120
<u>[Project Sponsor 1 Name] Non-Personnel Program Activity Costs</u> (financial assistance costs): Rent payments for 18 units with average rent and utility costs of \$990 per month	18 units x \$990 x 36 months =	\$641,520
<u>[Project Sponsor 2 Name] Personnel Costs</u> Position: Housing Coordinator (.30 FTE) Activities: Conduct HOPWA HQS inspections, process new leases and renewals, prepare and issue rental assistance checks	(\$76,800 salary/year including 28% fringe/benefits) x (.30 FTE) x 3 years =	\$69,120
<u>[Project Sponsor 2 Name] Non-Personnel Program Activity Costs (Financial assistance costs)</u> Activities: Rent payments for 18 units with average rent and utility costs of \$990 per month	18 units x \$990 x 36 months =	\$641,520
	Total TBRA	\$2,131,920

In addition, the Office of HIV/AIDS Housing will notify each potential applicant (via email) with a project confirmation worksheet, to the degree that information is available to HUD prior to the application deadline date. This worksheet will provide the following: the project's current approved budget, the project's preliminary approved renewal budget, approved benchmarks, and achieved outputs as reported in the APR. Please make use of this worksheet in establishing annual outlays and output benchmarks in the application for a renewal award.

- (b) **Technical Assistance Narrative.** This is a required narrative for all applicants. Responses for the Technical Assistance Narrative are limited to two pages. Technical assistance refers to the transfer of skills and knowledge to entities that may need, but do not possess, such skills and knowledge. The assistance may include, but is not limited to, written information such as papers, manuals, guides, and brochures; person-to-person exchanges; web-based curriculums, training and Webinars. The following information should be included in the Technical Assistance Narrative:
- Indicate whether the HOPWA and/or HUD technical assistance currently available is sufficient in transferring the skills and knowledge needed to implement a successful HOPWA program.
 - Describe technical assistance HUD could provide that would contribute to the implementation of a more successful HOPWA program.
- (c) **Organizational Capacity Narrative.** Applicants should continue using currently-approved project sponsors to implement activities. However, if a nonprofit organization is being added as a new project sponsor, a project sponsor is dropped from the program design, or if a project sponsor's legal status has changed, the applicant must provide an Organizational Capacity Narrative with the application.

For any change in project sponsors, applicants must provide justification of the change on no more than two pages with the following information:

- Reason for the project sponsor change or adjustment.
- Evidence of organizational capacity to continue successfully implementing all renewal activities.

HUD will review the information provided in the organizational capacity narrative to determine whether to accept changes in project sponsor arrangements. Sufficient reasons for realigning or changing a project sponsor include:

- Alignment of project service delivery with sufficient levels of grants management skills or financial management and efficiency;
- A desire to increase capacity or ensure continuing sustainability of project operations and adequate program service delivery;
- Dissolution or change in business plan of the prior project sponsor resulting in the loss of HOPWA service delivery component;
- A need for significant improvement in project staffing competency;
- A project default such as related unresolved monitoring or audit findings;
- Merger of the project sponsor or transfer of project components to another entity; or

- A loss of non-profit status.

HUD reserves the right to reject a project involving a change in project sponsors where inadequate justification is provided, the new project sponsor capacity is limited, or there are serious concerns on the merits of this change.

For applicants with a new project sponsor added to the renewal request or an existing project sponsor who has experienced significant organizational change, additional information is required in the Organizational Capacity Narrative along with the submission of the organization's nonprofit status and documentation that among the organization's purposes are significant activities related to providing services or housing to persons with HIV/AIDS. New project sponsors are subject to review and scoring to ensure they would pass threshold requirements based on the original competition. HUD will award up to 20 points when scoring new project sponsors based on the project sponsor's capacity to implement the existing project's program activities.

This additional information for Organizational Capacity Narrative is limited to five pages per project sponsor. A minimum of 14 points are required for a new project sponsor to qualify for funding under this renewal notice. Project sponsors will be scored based on the criteria below:

- Describe team member experience and knowledge in serving persons living with HIV/AIDS. Team members include the proposed project manager and key staff relevant to carrying out the proposed activities.
 - *5 points* – Full points will be awarded if the narrative presents direct, extensive, and clear evidence of team member experience relevant to the proposed activities in serving persons living with HIV/AIDS and their families.
- Describe team member experience with managing and implementing programs similar to those proposed in your application, including HOPWA grants and other housing and service programs for special needs populations.
 - *5 points* – Full points will be awarded if the narrative presents direct, extensive, and clear evidence of team member experience and knowledge in providing activities similar to the range of housing and service activities proposed in the application.
- Describe team member experience in achieving measurable results and meeting previous applicable performance benchmarks in the operation of existing or previous HOPWA grants or other similar housing and supportive service grants. This includes meeting project goals and objectives, such as number of persons assisted in comparison to the number that was planned at the time of the application; submitting timely performance reports; and expending funds as outlined in grant agreements/contract, with no outstanding audit or monitoring issues.
 - *5 points* – Full points will be awarded if the narrative presents clear evidence of team member experience in achieving results and meeting benchmarks under existing or previous HOPWA grants or other similar grant programs.

- Describe team member experience and knowledge in: (1) monitoring and evaluating the performance of housing and service programs; **and** (2) reporting on project outcomes similar to the HOPWA client outcomes of housing stability, reduced risks of homelessness, and access to care.
 - *5 points* – Full points will be awarded if the narrative fully describes team member experience in monitoring and evaluating program performance **and** reporting on project outcome information similar to HOPWA outcomes.

HUD reserves the right to reject an application if there is a change in project sponsorship and the new project sponsor does not provide evidence of sufficient capacity to manage the activities under this project. New project sponsors must score a minimum of 14 points to be eligible for funding under this renewal notice.

C. Application Submission Format

All narratives must be formatted as described below. Page limits for each narrative are provided with its description.

- Page Size: 8.5" x 11"
- Margins: one-inch all around
- Font: Arial Font (regular text): 11 point
- Font size/style for headings: 16 point, Bold. (subheadings - 11 point, Bold.)
- Spacing: Double-spaced
- Headers: Left-justified - indicate which narrative.
- Footers: Left-justified - name of applicant; Right-justified – page number out of total pages (ex. Page 1 of 3).

VIII. Review and Selection Process

The following process will be followed for the review and selection of FY16 HOPWA PSH Renewal grantees:

- (1) **Threshold Review.** HUD Headquarters staff will conduct a threshold review of applications in order to confirm that applicants are eligible for renewal under this notice. A list of potential eligible renewal applicants under this notice along with potential renewal award amounts is provided in Table 1 in Section II. The application reviewers will assess if the applicant submitted a complete application with all required forms and narratives, review HUD Field Office Review Forms and APRs for past performance issues, and review submitted information for eligible activities and BLI funding requests. Applicants will be provided an opportunity to clarify deficiencies identified in the threshold review through the negotiation phase of review.

Headquarters staff will review HUD Field Office comments regarding each applicant's performance to confirm existing operations are conducted with no unresolved monitoring findings. A monitoring finding is deemed unresolved if it is not addressed through a corrective action plan approved by the local HUD Field Office. Applicants with grants that have unresolved monitoring issues may be denied access to renewal funding. Grantees with

programs that are denied access to renewal funding due to unresolved monitoring findings have an obligation to transfer existing clients to other suitable housing assistance. If a grantee denied renewal funding operates a facility-based housing program, the grantee is required to: 1) abide by the minimum use requirements at 24 CFR 574.310(c); and 2) follow the disposition requirements in 2 CFR 200.311.

In HUD Headquarters staff review of annual performance data submitted in the applicant's most recent APR, the focus will be performance threshold eligibility. The renewal applicant must demonstrate measurable progress in the implementation of the current grant award as reported in the most recent APR. HUD reserves the right to deny an applicant for renewal if their APR is determined to be substantially incomplete or an applicant has failed to fulfill its reporting requirements.

(2) Organizational Capacity Narrative Review. If a project sponsor is being added to an existing project, or a project sponsor's legal status has changed due to a merger or other action, HUD staff will conduct a substantive review of the Organizational Capacity Narrative. If the application fails to demonstrate that a proposed project sponsor meets the threshold requirements to be added to the grant or fails to demonstrate that the proposed project sponsor has sufficient capacity to perform under the renewal grant, the project sponsor will be ineligible to receive program funds. HUD will rate the proposed new project sponsor based on the criteria defined in Section VII. A minimum of 14 points are required for a new project sponsor to qualify for funding under this renewal notice.

(3) Negotiations. Comments from reviewers on identified deficiencies and/or application clarification needs will be provided through email to applicants after the threshold review. Reviewers will conduct conference calls with each applicant to discuss the identified application deficiencies and clarification needs. The designated primary contact must participate in the negotiation call. It is also suggested that any staff who participated in application development or the most recent APR submission participate in the negotiation call.

After the negotiation call, applicants will have a maximum of 4 days to address identified deficiencies and clarification needs in their application. Reviewers will review the resubmitted application for cured deficiencies and clarified information. If reviewers find there are still deficiencies and clarification needs in the resubmitted application, applicants will be granted one additional negotiation call to address the additional comments.

Applicants will only be allowed two negotiation calls in the review process to cure identified deficiencies and address clarification needs. If after two negotiation calls an applicant is still unable to submit a completed and approvable application, the organization's grant administration capacity will be evaluated and the applicant may be denied access to renewal funding.

(4) Award Announcements. Following the review process, HUD will notify successful applicants of their selection for renewal funding in writing. Selected grantees must sign a grant agreement with their local HUD Field Office within four months prior to their current grant's expiration date. Grantees must also setup their grants in the Integrated Disbursement

and Information System (IDIS) to obtain access to the funding. Selected grantees will be provided guidance to conduct these activities by HUD Headquarters and their local field office within four months prior to their current grant's expiration date.

IX. Program Implementation Expectations

A. Continuation of Grant Activities

All successful applicants are expected to continue approved program activities under the three-year operating period, unless otherwise approved through grant amendment processes. The start date for the new grant agreement will immediately follow the expiration date of the existing grant for continuity of service. In the case that balances under the expiring grant are exhausted prior to the effective date of the renewal grant, the grantee may request HUD's written approval to incur pre-award costs under the renewal grant in accordance with 2 CFR 200.458. HUD anticipates that the need to incur pre-award costs under these renewal awards will be rare.

Grantees must update their project sponsor agreements prior to project sponsors conducting activities under the renewal grant agreement. All project sponsor agreements must reflect all HOPWA requirements for grantees, including requirements of the HOPWA statute, regulations, nondiscrimination and equal opportunity requirements, other program requirements and the terms and conditions of the Grant Agreement between the grantee and HUD. Grantees must ensure that their project sponsors are aware of HOPWA requirements and agree to comply with such requirements in carrying out activities under the HOPWA award. This includes, but is not limited to:

- HOPWA regulatory and statutory requirements;
- CCR and DUNS number requirements under the System for Award Management (SAM);
- Financial accounting requirements (including those found in 2 CFR part 200); and
- Reporting requirements under both the HOPWA program and OMB sub-award data via the Federal Funding Accountability and Transparency Act (FFATA) Sub-award Reporting System (FSRS) and the Transparency Act.
- Nondiscrimination and equal opportunity requirements. This includes, but is not limited to, the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act, Titles II and III of the Americans with Disabilities Act, as applicable, HUD's Equal Access Rule, and the obligation to affirmatively further fair housing. See 24 C.F.R. § 5.105(a) and Section V.C. of the FY2016 General Section for more information.

B. Grant Amendments

Regarding the expiring grant, grantees with balances on hand at the time of the grantee expiration date may request an extension on their grant. However, any extension request may not exceed past the cutoff date for eligibility in this notice of May 31, 2017.

Regarding the renewal award, grantees must fully expend their grants within three years from the operating start date of the grant agreement, or request and receive HUD's approval for a grant extension of up to one year from the grant end date shown on the executed grant agreement. The

grant term expiration date is three years from the project start date that was agreed upon in the original grant agreement. Under this Notice, renewal awards are expected to have an established beginning date of the day after the expiration date of the expiring grant that is being renewed. Importantly, any grant extensions must be approved by HUD before the original expiration date.

Regarding grant amendments, significant work will be put into negotiating BLI amounts on your renewal award. As such, grantees should do their due diligence to operate the grant as approved through the first performance year. Grantees must show a good faith effort to implement their project activities as approved. Grantees may submit budget amendment requests at the beginning of their second program year based off of actual expenditures and changing community need.

The regulation at 24 CFR 574.260 governs the process for making amendments to competitive grants. Grantees must provide written documentation to their local HUD field office of any proposed changes to an executed grant agreement. Some proposed changes must receive prior field office review and approval. Each program must operate within the statutory limits on administrative costs for grantee (3%) and project sponsors (7%), as well as standards established in this notice. As such, not all changes can be approved.

Budget amendments should reflect how the funds shifted from one line item to another within the HOPWA-specific budget form HUD 40110-B. There are two types of BLI changes that may be considered: significant and insignificant. The guidance outlined below is to be used after the first year of operation.

1. **Insignificant BLI changes.** Insignificant changes involve a small amount of funds, no greater than 10 percent of an approved BLI, to which funds would be subtracted and added to another approved BLI. The grantee should notify the field office and HUD Headquarters in writing of the amount of funds to be transferred from one BLI to the other BLI and describe the revised proposed use of funds. Grantees must adjust their funds in IDIS BLI levels appropriately after the Department has been notified of the change. No more than one insignificant change will be allowed within a monthly time frame. However, if additional insignificant amendments of funding between BLIs are needed, the Department may approve on a case by case basis. The chart below provides an example of an insignificant BLI change.

Table 3. Insignificant BLI Change Example

Budget Line Item	Approved	Amendment Request	Amendment Approved
Tenant Based Rental Assistance (TBRA)	\$30,000	-\$3,000	\$27,000
Short-term Rental, Mortgage, and Utility Assistance (STRMU)	\$40,000	+\$3,000	\$43,000
Supportive Services	\$200,000	0	\$200,000

2. **Significant BLI Changes.** HOPWA regulations at 24 CFR 574.260 require a grantee to provide HUD with a justification to any change that will significantly alter the scope, location, service area, or objectives of an activity or the number of eligible persons. A significant change includes a grantee request to add or subtract more than 10 percent of the amount

approved in any one BLI to another approved BLI; a change that affects the approved housing outputs established in the performance grant agreement by more than 10 percent; a change that decreases the amount of other leveraged funds that were committed to be used for supportive service activities as documented in the approved application; or otherwise make any change that will significantly alter the scope, location, service area, or objectives of an activity or the number of persons served. The grantee must request the change in writing and the request should: (1) justify the request and provide an assessment of the impact on the approved project plans; and (2) address how the change would be beneficial to addressing the permanent housing needs of HOPWA eligible persons in their service area. All significant changes must receive a formal HUD approval through a formal executed amendment to the grant agreement and this must be accomplished prior to any grantee redistribution of funding among activities in IDIS.

Only one significant change will be approved within an annual operating period. However, if additional significant movements of funding between BLIs are needed, the Department may approve such changes on a case by case basis for good cause. Grantees should operate their programs within the approved scope. If the scope of the grant is expanded beyond the original grant’s approved purpose, then the continued funding of the project as a renewal grant could be jeopardized. The chart below provides an example of a significant BLI change.

Table 4. Significant BLI Change Example

Budget Line Item	Approved	Amendment Request	Amendment Approved
Tenant Based Rental Assistance (TBRA)	\$30,000	-\$10,000	\$20,000
Short-term Rental, Mortgage, and Utility Assistance (STRMU)	\$40,000	+\$10,000	\$50,000
Supportive Services	\$200,000	0	\$200,000

The amendment should reflect how the funds shifted from one line item to another within the HOPWA specific budget form HUD 40110-B. Once the amendment is signed, the grantee will be responsible for adjusting its IDIS financial accounts accordingly. Headquarters staff will confirm that the changes made in IDIS are reflective of the approved amendment.

Some BLI changes are not eligible for approval, including those which exceed statutory limits for administrative costs for the grantee (i.e., 3 percent of the grant award) or for a project sponsor (i.e., 7 percent of the grant funds received by this sponsor). Also, the following changes are **not** eligible:

- The supportive services BLI may not exceed the supportive services amount approved under the renewal award;
- The inclusion of costs for technical assistance, and/or project outcome analysis as an amendment to a grant agreement;
- Changes in the leveraging committed to be used in the coordination of housing assistance and supportive services that are critical to the delivery of services promised under the

grant agreement. If leveraging is withdrawn, the grantee will be required to secure additional leveraging needed to sustain the project for the delivery of the appropriate level and type of services as committed in the application. Grantees may not amend the grant agreement to reflect a reduction in essential leveraged funds; and

- A request for additional capital development activities that involve new facilities or sites which are not eligible activities under a renewal application.

Some changes may not require a grant amendment, including changes that do not change an approved BLI or significantly alter the scope, location, service area, or objectives of an activity or the number of persons served by the grantee. The regulation states that in these cases involving any other amendment to the application, these could be made by the grantee and the grantee is required to provide a copy to HUD. Such changes could involve the type of supportive service activities which are undertaken in connection with the permanent housing program components, adjustments in the planned types of operating costs for housing facilities, changes in housing information services or program methods for administering the approved activities, or other such adjustments to improve the responsiveness, appropriateness, or efficiency of delivering the assistance provided under the approved performance grant agreement.

C. HUD Strategic Plan

HOPWA grantees must operate their programs within the framework of HUD's Strategic Plan for 2014-2018 and can expect to assist in achieving related goals provided in the National HIV/AIDS Strategy. Applicants must commit to undertaking efforts that help achieve: HUD's Strategic Plan Goal 2 - meeting the need for quality affordable rental homes; and Goal 3 - utilizing housing as a platform for improving quality of life.

Under Strategic Goal 2, renewal applicants must report results on assisting vulnerable individuals and families who are at-risk of homelessness or are currently homeless through TBRA payments to eligible households and use of permanent housing facilities that increase access to affordable rental housing. Renewal applicants are encouraged to provide priority access to homeless and chronically homeless persons living with HIV/AIDS and their families with available housing units, and other forms of assistance as they become available. This prioritizing may be conducted through the combination of PHP assistance and TBRA payments.

Under Strategic Goal 3, HOPWA renewal applicants are encouraged to evaluate the appropriateness of supportive service activities needed. The package of available supportive service activities may be updated, if reasonable and necessary to appropriately address needs. HUD encourages the range of supportive service activities to involve opportunities for engaging beneficiaries in employment/job training programs and/or referral services linking beneficiaries to employment and job training programs to help promote greater client self-sufficiency. HOPWA renewal awardees that plan to participate in employment/job training supportive service activities can expect to report on how assistance facilitates income increases for HUD-assisted households through the promotion of employment training/education activities that lead to income-producing jobs.

D. IDIS and Reporting

HOPWA competitive renewal grants are required to use IDIS for financial transactions and reimbursement of approved project activities. It is important that grantees understand the required separation of duties to drawdown funding and how to keep the accounts active. New IDIS users will need to work with their field office representative to submit a request for access to an IDIS account. More information on IDIS account creation and maintenance can be found here: <https://www.hudexchange.info/programs/idis/idis-technical-assistance/>

As of March 4, 2016, HOPWA grantees will no longer be required to use IDIS for the reporting of annual HOPWA household output and outcome accomplishment data. Grantees will still have to report comprehensive household output and outcome accomplishment data and other data utilizing the Annual Performance Report (APR) (HUD-40110-C) form. The APR will still be due to the grantee's Field Office representative and to the Office of HIV/AIDS Housing at headquarters within 90 days of the end of the grantee's operating year. Generally, each operating year under the new award should be a 12-month period beginning on the operating period start date established in the grant agreement. The grantee and all project sponsors should report on activities completed within this operating period.

Also, grant funds under this award must be used in a consistent and regular manner over the three-year operating period. Grantees will be required to drawdown funds and reconcile the account quarterly at minimum. It is recommended as a sound financial management practice and oversight action, that draw downs and reconciliations occur on a monthly basis. If an extension is granted through an amendment of the grant agreement and the extension is under six months, the data collected for that time period should be included in the grantee's final annual APR. If the extension granted is over six months, the grantee must submit an additional APR on the activities conducted during the extension time period. Due to the amount of time and steps involved in achieving IDIS integration, renewal grantees should begin work on obtaining access to IDIS 90 days prior to the expiration of their current grant. The grantee will work with headquarters staff in completing the action items involved in gaining access to IDIS.

HUD has issued a training manual and developed a webinar to assist grantees in using IDIS. These resources are available at the links provided below. Grantees may also submit questions to the HUD Exchange Ask-A-Question online help desk.

- HUD Exchange Ask A Question:
<https://www.hudexchange.info/get-assistance/my-question/>
- Manual: Using IDIS Online for the HOPWA Program:
<https://www.hudexchange.info/news/new-idis-manual-for-hopwa-grantees/>
- HOPWA Webinar Series: Using IDIS for the HOPWA Competitive Grant Program:
<https://www.hudexchange.info/resource/2059/hopwa-webinar-series-using-idis-hopwa-competitive-grant-program/>

E. General HOPWA Guidance Materials

Grantees should also familiarize themselves with the following HOPWA guidance materials:

- HOPWA Oversight Resource Guide:

https://www.hudexchange.info/resources/documents/HOPWAOversightGuide_Aug2010.pdf

- HOPWA Rental Assistance Guide:
<https://www.hudexchange.info/resources/documents/HOPWARentalAssistanceGuidebook.pdf>
- Administering HOPWA Housing Assistance Fact Sheet:
<https://www.hudexchange.info/resources/documents/AdministeringHOPWAHousingAssistance.pdf>
- Memorandum on the Applicability of Section 8 Requirements to Rental Assistance Funded through the HOPWA Program:
<https://www.hudexchange.info/resource/4861/memo-12-15-applicability-of-section-8-requirements-to-rental-assistance-funded-through-the-hopwa-program/>
- CPD Financial Management Curriculum:
<https://www.hudexchange.info/news/cpd-launches-financial-management-curriculum>
- HOPWA Short-Term Rent, Mortgage, and Utility Assistance Resource:
<https://www.hudexchange.info/resource/4843/hopwa-short-term-rent-mortgage-and-utility-assistance/>
- Short-Term Rent, Mortgage, and Utility Assistance Fact Sheet:
<https://www.hudexchange.info/resources/documents/HOPWASTRMUAssistanceFactSheet.pdf>
- Frequently Asked Questions on emergency hotel/motel vouchers, STRMU, administrative costs, and FFATA:
<https://www.hudexchange.info/hopwa/faqs/>
- HOPWA Confidentiality User Guide:
<https://www.hudexchange.info/resources/documents/HOPWA-Confidentiality-User-Guide.pdf>
- Program Administration Toolkit:
<https://www.hudexchange.info/resource/1025/hopwa-program-administration-toolkit/>
- Getting to Work: A Training Curriculum for HIV/AIDS Service Providers and Housing Providers:
<https://www.hudexchange.info/training-events/dol-hud-getting-to-work-curriculum-for-hiv-aids-providers/>
- HOPWA eLearning Best Practices Training Series:
<http://www.vpi.org/tap/webinars/>

- Information on the HOPWA Back to Work Employment Initiative:
<http://www.vpi.org/tap/webinars/>
- CPD Monitoring Handbook 6509.2 (see chapter 10 HOPWA):
<https://www.hudexchange.info/resource/290/hud-community-planning-and-development-monitoring-handbook-65092-rev6/>
- Homeless Management Information System (HMIS) Resources:
<https://www.hudexchange.info/hmis/>
- HOPWA White Paper: The Connection Between Housing and Improved Outcomes Along the HIV Care Continuum:
<https://www.hudexchange.info/resource/4143/connection-between-housing-and-improved-outcomes/>
- Information about the related Ryan White HIV/AIDS Program:
<http://hab.hrsa.gov/>

X. Information Collection

Each year, HUD strives to improve the procedures for submitting a grant application request. Consistent with the Federal Financial Assistance Management Improvement Act of 1999, P. L. No. 106-107, HUD has made considerable changes to the format and presentation of its funding notice. HUD is continually seeking to ensure effective communication with current and potential program funding recipients. HUD has posted pertinent documents related to these efforts on its website. Applicants are encouraged to visit the Department's website on an ongoing basis to keep abreast of the latest developments. HUD's website address for information on this initiative is:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/dgms. HUD continues to welcome comments and feedback from applicants and other members of the public on how HUD may further improve the HOPWA renewal grant process.

The information collection requirements contained in this document have been approved by the Office of Management and Budget under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and are assigned the OMB control number of 2506-0133 (exp. 12/31/2017).