


**COMMUNITY DEVELOPMENT OFFICE
CITY OF KEY WEST**

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MEMORANDUM OF RECORD

DATE: March 6, 2019

TO: James K. Scholl, City Manager

FROM:  Lee-Ann Broadbent, CDO Programs Administrator

RE: Placement on the City Commission Agenda for March 19, 2019
Approval by Resolution of the Submission of Application to HUD for
Renewal Funding of Housing Opportunities for Persons with AIDS
(HOPWA)

CC: Shawn Smith, City of Key West Attorney

Please find attached a draft of Resolution for the HOPWA renewal process.

If you have any questions, please contact me.

Thank you for your assistance.

Leeann Broadbent

From: Donze, Claire L <Claire.L.Donze@hud.gov>
Sent: Monday, March 4, 2019 3:37 PM
To: Steinhauer, Lisa A; Moses, Jacqueline L
Subject: FY19 HOPWA Renewal Notice

Follow Up Flag: Follow up
Flag Status: Flagged

On behalf of Rita Harcrow, Director, Office of HIV/AIDS Housing:

March 4, 2019

TO: Expiring HOPWA Renewal Grantees

RE: FY2019 HOPWA Renewal Notice

Greetings,

The Housing Opportunities for Persons With AIDS (HOPWA) 2019 notice announcing renewal application requirements for potentially eligible expiring HOPWA Permanent Supportive Housing (PSH) competitive renewal grants was released today, and can be accessed here:

<https://www.hud.gov/sites/dfiles/OCHCO/documents/19-03cpdn.pdf>

This notice will serve as the renewal application procedural guide for eligible FY2019 HOPWA renewal applicants. The renewal notice outlines the established procedures and standards for the submission, review, and approval of renewal funding for expiring HOPWA competitive grants that provide permanent supportive housing (PSH). Applications for FY2019 renewal grants must be sent to HOPWA@hud.gov no later than 11:59:59 PM ET on **April 12, 2019**.

Eligible renewal applicants for FY2019 HOPWA Permanent Supportive Housing (PSH) competitive grant funding are grantees with HOPWA PSH competitive grants expiring between June 1, 2019 and May 31, 2020. A list of grants potentially eligible for renewal and field office contact information are listed below.

Eligible applicants interested in applying for an FY2019 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 11, 2019**. 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, 2020, 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 accepted letters of intent will be provided a link to a recorded webcast for applicants covering the information contained in this notice. If you have questions about the FY2019 HOPWA Permanent Supportive Housing Renewal Grant Application process, please contact Claire Donze, Management and Program Analyst, in the Office of HIV/AIDS Housing. Claire Donze can be reached at (202) 402-2365 or by email at Claire.L.Donze@hud.gov. This is not a toll-free number.

Thank you for your continued work in providing decent, safe, affordable housing for people living with HIV/AIDS.

Sincerely,
Rita

Rita Harcrow
Director, Office of HIV/AIDS Housing

<u>Expiring Grant #</u>	<u>Grantee Name</u>	<u>Field Office</u>	<u>Field Office Contact</u>	<u>Field Office Contact Email</u>
AL-H160007	Health Services Center, Inc.	Birmingham	LaShelle Spears	LaShelle.M.Spears@hud.gov
AL-H160016	AIDS Alabama	Birmingham	LaShelle Spears	LaShelle.M.Spears@hud.gov
CA-H150003	City of Los Angeles	Los Angeles	Jane Wilson	L.Jane.Wilson@hud.gov
CA-H160001	Alameda County	San Francisco	Jean P. Richardson	jean.p.richardson@hud.gov
CA-H160004	City of San Jose	San Francisco	Kimberly Johnson	Kimberly.D.Johnson@hud.gov
CA-H160008	City and County of San Francisco	San Francisco	Kimberly Johnson	Kimberly.D.Johnson@hud.gov
CA-H160017	Housing Services Affiliate- Bernal Heights Neighborhood Center	San Francisco	Kimberly Johnson	Kimberly.D.Johnson@hud.gov
CO-H160025	Del Norte Neighborhood Development Corp.	Denver	Judy Padgett	Judy.K.Padgett@hud.gov
DE-H160010	Connections Community Support Programs	Philadelphia		
FL-H160013	I.M. Sulzbacher	Jacksonville	Debra Dye	debra.l.dye@hud.gov
FL-H160018	City of Key West	Miami	John Quade	John.F.Quade@hud.gov
GA-H160022	City of Savannah, Daniel Flagg Villas	Atlanta	Roxanne McIver	roxanne.h.mciver@hud.gov
GA-H160023	City of Savannah	Atlanta	Roxanne McIver	roxanne.h.mciver@hud.gov
IL-H160020	Cornerstone Services, Inc.	Chicago	Crystal Bland	Crystal.A.Bland@hud.gov
KY-H160002	Kentucky Housing Corporation	Louisville	Anita Bowles	anita.l.bowles@hud.gov
LA-H160014	Unity for the Homeless	New Orleans	Marlet C. Becnel	Cheryl.S.Breaux@hud.gov
MA-H160011	Justice Resource Institute	Boston	Amy Yuhasz	Amy.E.Yuhasz@hud.gov
MD-H150022	City of Baltimore	Baltimore	Aimee Harmon-Darrow	Aimee.Harmon-Darrow@hud.gov
MD-H160006	Health Care for Homeless, Inc.	Baltimore	Aimee Harmon-Darrow	Aimee.Harmon-Darrow@hud.gov

ME-H150019	City of Portland/ Frannie Peabody Center	Boston	Amy Yuhasz	Amy.E.Yuhasz@hud.gov
MN-H160021	Clare Housing	Minneapolis	Christine Goatley	christine.m.goatley@hud.gov
NJ-H160024	New Jersey Department of Health & Senior Services	Newark	Jacob Delemos	Jacob.A.Delemos@hud.gov
OR-H160003	Our House of Portland	Portland	Todd Adkins	Todd.i.Adkins@hud.gov
OR-H160012	Oregon Department of Human Services	Portland	Todd Adkins	Todd.i.Adkins@hud.gov
RI-H160009	Rhode Island Housing Mortgage Finance Corporation (Sunrise Project)	Boston	Amy Yuhasz	Amy.E.Yuhasz@hud.gov
RI-H160015	Rhode Island Housing Mortgage Finance Corporation (New Transitions)	Boston	Amy Yuhasz	Amy.E.Yuhasz@hud.gov
TX-H160005	City of Dallas	Fort Worth	Kristin Hadawi	Kristin.D.Hadawi@hud.gov
WA-H160019	Downtown Emergency Service Center	Seattle	Julie Bruce	julie.bruce@hud.gov



OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT

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

Special Attention of:

All HOPWA Renewal Grantees

All CPD Field Office Directors and
Deputy Directors

Notice: CPD-19-03
Issued: March 4, 2019

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 2019 HOPWA Permanent Supportive Housing Renewal Grant Applications

- I. Purpose and Contact Information.....1**
- II. Eligible Applicants.....2**
- III. Award Information.....3**
- IV. Threshold Requirements.....5**
- V. Eligible Activities.....9**
- VI. Funding Restrictions.....10**
- VII. Application Submission.....11**
- VIII. Review and Selection Process.....20**
- IX. Program Implementation Expectations.....22**
- X. Information Collection.....29**

I. Purpose and Contact Information

This Housing Opportunities for Persons With AIDS (HOPWA) [CDFA # 14.241] notice announces renewal application requirements for eligible expiring HOPWA Permanent Supportive Housing (PSH) competitive grants. This notice will serve as the renewal application procedural guidance for eligible Fiscal Year (FY) 2019 renewal applicants. Pursuant to the authority provided by the Consolidated Appropriations Act, 2019, Pub. L. No. 116-6, Div. G, Title II, the Department will renew all eligible expiring HOPWA permanent supportive housing (PSH) competitive grants initially funded with appropriated funds from Fiscal Year 2010 or earlier provided they meet applicable program requirements. Applications for FY2019 renewal grants must be received no later than 11:59:59PM ET on April 12, 2019.

HOPWA PSH renewal grants are not automatically renewed; they are funded with HOPWA competitive funding and HUD will continue to evaluate whether renewal applicants are meeting threshold and program requirements to qualify for a renewal of their competitively awarded HOPWA PSH grant. HUD expects grantees to fully expend all funds awarded under HOPWA

renewal grants within the three-year period of performance. If a grantee is continually unable to fully expend their grant in the three-year period of performance, HUD will consider whether the grantee is meeting threshold requirements (Section IV) to implement a renewal grant. HUD will reduce renewal award amounts by a percentage reflective of funds returned by the grantee on expired renewal grants. More information on the reduced funding amounts for renewal awards is available in Section III of this notice.

If you have questions about the FY2019 HOPWA Permanent Supportive Housing Renewal Grant Application process, please contact Claire Donze, Management Analyst, in the Office of HIV/AIDS Housing. Claire Donze can be reached at (202) 402-2365 or by email at Claire.L.Donze@hud.gov. This is not a toll-free telephone number. Persons with hearing or speech impairments may access this number via TTY by calling the toll-free Federal Relay Service at 800-877-8339. Please note that HUD staff cannot assist applicants in preparing their applications.

II. Eligible Applicants

Eligible renewal applicants for FY2019 HOPWA Permanent Supportive Housing (PSH) competitive grant funding are grantees of HOPWA PSH competitive grants expiring between June 1, 2019 and May 31, 2020. A list of grants potentially eligible for renewal in FY2019 is located in Table 1. 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, 2020.

Table 1. Potentially Eligible Renewal Applicants

	Grantee Name	Grant No.
1	Health Services Center, Inc.	AL-H160007
2	AIDS Alabama	AL-H160016
3	City of Los Angeles	CA-H150003
4	Alameda County	CA-H160001
5	City of San Jose	CA-H160004
6	City and County of San Francisco	CA-H160008
7	Housing Services Affiliate- Bernal Heights Neighborhood Center	CA-H160017
8	Del Norte Neighborhood Development Corp.	CO-H160025
9	Delaware HIV Consortium	DE-H160010
10	I.M. Sulzbacher	FL-H160013
11	City of Key West	FL-H160018
12	City of Savannah, Daniel Flagg Villas	GA-H160022
13	City of Savannah	GA-H160023
14	Cornerstone Services, Inc.	IL-H160020
15	Kentucky Housing Corporation	KY-H160002
16	Unity for the Homeless	LA-H160014
17	Justice Resource Institute	MA-H160011

18	City of Baltimore	MD-H150022
19	Health Care for Homeless, Inc.	MD-H160006
20	City of Portland/ Frannie Peabody Center	ME-H150019
21	Clare Housing	MN-H160021
22	New Jersey Department of Health & Senior Services	NJ-H160024
23	Our House of Portland	OR-H160003
24	Oregon Department of Human Services	OR-H160012
25	Rhode Island Housing Mortgage Finance Corporation (Sunrise Project)	RI-H160009
26	Rhode Island Housing Mortgage Finance Corporation (New Transitions)	RI-H160015
27	City of Dallas	TX-H160005
28	Downtown Emergency Service Center	WA-H160019

If a HOPWA PSH renewal grant expires prior to June 1, 2019, the grant is not eligible for renewal under this notice. If a PSH grant expires after May 31, 2020, renewal funding for that PSH grant, if available, will be addressed in a future HOPWA renewal notice. If, during the renewal period, HUD determines that an applicant's expiring grant holds a balance large enough to fund activities beyond May 31, 2020, the grant will be ineligible for a renewal award. These grantees may request a grant extension 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 FY2019 HOPWA PSH renewal grants, visit grants.gov.

III. Award Information

It is the Department's intent to renew eligible awards, though applicants whose past awards had unexpended amounts will receive a reduced amount of funding on their renewal award based on those unexpended amounts. Applicants who submit a letter of intent will receive a project confirmation worksheet (PCW) with a breakdown of Budget Line Item (BLI) amounts eligible for renewal. The overall reduction of the renewal grant will be reflected equally among the BLI amounts eligible for renewal with slight adjustments for rounding as needed to maintain statutory limits for project sponsor administrative costs. These reductions are meant to more accurately reflect the funding amounts each grantee needs to administer grant activities based on past spending. Only grants that were directly administered by the current grantee will be taken into account for the reduction calculation, as the amounts current grantees previously expended are considered the amounts the current grantee needs to administer the grant activities.

Each eligible renewal grant will be reduced by the percentage of total unexpended funds from the eligible applicant's last three expired PSH renewal grants. For example, if the eligible applicant is currently administering a FY2016 grant, the applicant's last three expired PSH renewal grants (in this example, from FY2007, FY2010, and FY2013) would be used in the reduction calculation. The percentage of total unexpended funds from the total grant amount for the three expired awards would be used to reduce the potentially eligible award amount under the FY2019 HOPWA PSH renewal cycle. All percentages will be listed to the hundredths decimal place. Table 2 shows an example of the last three expired grants with award amounts, and the funds unexpended in dollars for each awarded grant and as a percentage of the total for all three expired grants.

Table 2. Example Grant Reduction Chart

Expired grant	Awarded Grant Amount	Grant Funds Unexpended	% of Funds Unexpended
FY2007	\$1,000,000	\$60,000	
FY2010	\$1,000,000	\$3,000	
FY2013	\$1,000,000	\$15,000	
Sum	\$3,000,000	\$78,000	2.60%

The reduction calculation for the example above represents the percentage of the sum of the funds unexpended under the three expired PSH renewal grants compared to the total awarded on the three expired PSH renewal grants for a total reduction on the FY2019 PSH renewal grant of 2.60% ($\$78,000 / \$3,000,000 = 2.60\%$). Therefore, if the potentially eligible FY2019 PSH renewal grant award amount is \$1,000,000, that amount would be reduced by 2.60% or \$26,000 ($\$1,000,000 * .0260 = \$26,000$). With the reduction, this example applicant would be potentially eligible for a grant of \$974,000 ($\$1,000,000 - \$26,000 = \$974,000$) for the FY2019 HOPWA PSH renewal process. The potentially eligible grant amount including the calculated reduction for each individual applicant will be communicated through the PCW after the applicant has submitted their letter of intent to renew.

In order to coordinate renewal actions for expiring grants based on need, the Department will renew expiring PSH 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 PSH renewal awards on a rolling basis, if needed, to help ensure continued operations of expiring grants. Applicants selected for renewal are expected to expend the remaining balance of current funds on their approved schedule within their currently approved grant period.

Renewal applicants may not utilize the renewal process to amend currently 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 further 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 FY2019 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 under an FY2019 renewal award. 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 legally binding 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 nor an ongoing requirement for clients after housing assistance is established.

Tenant-based Rental Assistance (TBRA), Operating Costs, and Leasing are primary permanent housing activities. Depending on the structure of the program and usage of leveraged funds, Short-Term Rent, Mortgage, and Utilities (STRMU) and Permanent Housing Placement (PHP) may contribute towards the percentage of grant funds providing PSH to eligible beneficiaries. HUD reserves the right to request additional justification from applicants requesting renewal funding where BLI amounts do not clearly indicate PSH is the primary activity.

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, in accordance with the executed grant agreement. 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 findings that HUD considers significant.

An application for renewal may be denied if HUD determines that a grantee has performed poorly and failed to meet program requirements. Applicants determined not to be eligible for renewal due to noncompliance should ensure maintained housing stability for program beneficiaries. This could include coordinating 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 considers 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;
- 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.

Eligibility Requirements for Applicants of HUD's Grant Programs. Applicants must meet the following requirements to qualify as an applicant.

- Resolution of Civil Rights Matters. Outstanding civil rights matters must be resolved to HUD's satisfaction prior to grant award, provided that all applicable legal processes have been satisfied.
- Outstanding Delinquent Federal Debts. It is HUD policy, consistent with the purposes and intent of 31 U.S.C. 3720B and 28 U.S.C. 3201(e), that applicants with outstanding delinquent federal debt will not be eligible to receive an award of funds, unless:
 - A negotiated repayment schedule is established and the repayment schedule is not delinquent, or
 - Other arrangements satisfactory to HUD are made prior to the award of funds by HUD.

If satisfactory arrangements cannot be completed within 90 days of notification of selection, HUD will not make an award of funds to the applicant, and instead offer the award to the next eligible applicant. HUD may act earlier than the above stated 90 days to ensure, in HUD's determination, that the funds can be obligated in a timely manner. Applicants selected for funding, or awarded funds, must report any changes in status of current agreements covering federal debt. HUD may withhold funding, terminate an award, or seek other remedies from a grantee if a previously agreed-upon payment schedule has not been followed or a new agreement with the federal agency to which the debt is owed has not been signed.

- Debarments and/or Suspensions. Under 2 CFR part 2424, no award of Federal funds may be made to debarred or suspended applicants, or those proposed to be debarred or suspended from doing business with the Federal government.
- Pre-selection Review of Performance. If your organization has delinquent federal debt or is excluded from doing business with the Federal government, the organization may be ineligible for an award. In addition, before making a Federal award, HUD reviews information available through any OMB-designated repositories of government-wide eligibility qualification or financial integrity information, such as Federal Awardee Performance and Integrity Information System (FAPIIS), and the "Do Not Pay" website. HUD may consider other public sources such as newspapers, Inspector General or Government Accountability Office reports or findings, or other complaints that have been proven to have merit. Applicants may review and comment on any information in FAPIIS through SAM. HUD reserves the right to:
 - Deny funding, or with a renewal or continuing award, consider suspension or termination of an award immediately for cause;
 - Require the removal of any key individual from association with management or implementation of the award; and
 - Make provisions or revisions regarding the method of payment or financial reporting requirements.
- Sufficiency of Financial Management System. HUD will not award or disburse funds to applicants that do not have a financial management system that meets Federal standards as described at 2 CFR 200.302. HUD may arrange for a survey

of financial management systems for applicants selected for award who have not previously received Federal financial assistance, where HUD Program officials have reason to question whether a financial management system meets Federal standards, or for applicants considered high risk based on past performance or financial management findings.

- **False Statements.** A false statement in an application is grounds for denial or termination of an award and possible punishment, as provided in 18 U.S.C. 1001.
- **Mandatory Disclosure Requirement.** Recipients or applicants must disclose in writing to the awarding program office at HUD, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award within ten days after learning of the violation. Recipients that have received a Federal award including the term and condition outlined in Appendix XII to Part 200—Award Term and Condition for Recipient Integrity and Performance Matters are required to report certain civil, criminal, or administrative proceedings to SAM. Failure to make required disclosures can result in any of the remedies described in 2 CFR 200.338 Remedies for noncompliance, including suspension or debarment. (See also 2 CFR part 180, 31 U.S.C. 3321, and 41 U.S.C. 2313.)
- **Prohibition Against Lobbying Activities.** Applicants are subject to the provisions of Section 319 of Public Law 101-121, 31 U.S.C. 1352, (the Byrd Amendment) and 24 CFR part 87, which prohibit recipients of federal awards from using appropriated funds for lobbying the executive or legislative branches of the Federal government in connection with a Federal award. All applicants must submit with their application the signed Certification Regarding Lobbying. In addition, applicants must disclose, using Standard Form LLL (SFLLL), “Disclosure of Lobbying Activities,” any funds, other than federally appropriated funds, that will be or have been used to influence federal employees, members of Congress, or congressional staff regarding specific awards. Federally-recognized Indian tribes and tribally designated housing entities (TDHEs) established by federally-recognized Indian tribes as a result of the exercise of the tribe’s sovereign power are excluded from coverage of the Byrd Amendment, but state-recognized Indian tribes and TDHEs established only under state law shall comply with this requirement. Applicants must submit the SFLLL if they have used or intend to use non-federal funds for lobbying activities.
- **Equal Participation of Faith-Based Organizations in HUD Programs and Activities.** Consistent with Executive Order (E.O.) 13279, “Equal Protection of the Laws for Faith Based and Community Organizations,” as amended by E.O. 13559, “Fundamental Principles and Policy-making Criteria for Partnerships with Faith-Based and Other Neighborhood Organizations,” faith-based organizations are eligible to participate in HUD’s programs and activities on the same basis as any other organization.

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 non-HUD 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 obtained HUD approval of form HUD-7015.15, "Request for Release of Funds and Certification" (RROF) in 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 grantee or any other party commits funds (i.e., incurs any costs or expenditures to be paid or reimbursed with such funds) before the grantee submits and HUD approves its RROF (where such submission is required). Extensive information on the environmental review process can be found online at: <https://www.hudexchange.info/environmental-review/>.

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 not selected by the tenant would both be subject to an environmental review. Responsible entities must document categorically-excluded activities.

Lead-based Paint Requirements. When providing housing assistance funding for purchase, lease, support services, operation, or work that may disturb painted surfaces of pre-1978 housing, you must comply with the lead-based paint evaluation and hazard reduction requirements of HUD's lead-based paint rules (Lead Disclosure; and Lead Safe Housing (24 CFR Part 35)), and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR Part 745)).

When providing education or counseling on buying or renting housing that may include pre-1978 housing, when required by regulation or policy, inform clients of their rights under the Lead Disclosure Rule (24 CFR Part 35, subpart A), and, if the focus of the education or counseling is on rental or purchase of HUD-assisted pre-1978 housing, the Lead Safe Housing Rule (subparts B, R, and, as applicable, F - M).

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 PSH renewal grant award funding must provide continuous forms of housing support over the grant operating 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);

- EO
01] **Operating Costs** for permanent housing facilities;
- EO
01] **Leasing** costs for permanent housing facilities or units;
- EO
01] **Permanent Housing Placement (PHP)** services to place households into permanent housing; and
- EO
01] **Short-Term Rent, Mortgage, and Utilities (STRMU)** payments to maintain current housing arrangements.

Eligible non-housing activities include:

- EO
01] **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;
- EO
01] **Housing Information Services** to assist beneficiaries in locating appropriate housing; and
- EO
01] **Administrative Costs** which include costs for data collection and annual performance reporting to HUD. Administrative costs are subject to the following limits: for grantees, three percent of the grant amount and, for project sponsors, seven percent of the amount of grant funds they receive.

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 legally binding occupancy agreement used for residents of the project. The lease or a legally binding 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 practicable, 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 should coordinate with their local Continuum of Care coordinated entry process to ensure all housing options are available to clients. HOPWA grantees must also ensure that the qualifying beneficiaries of HOPWA maintain access to available healthcare benefits and are able to fully 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 counts and optimally suppressed viral loads. More information on the HIV Care Continuum can be accessed at: <https://www.hiv.gov/federal-response/policies-issues/hiv-aids-care-continuum>

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>

As provided in 24 CFR 574.3, administrative costs do not include costs directly related to carrying out eligible activities, since those costs are eligible as part of the activity delivery costs of such activities. Accordingly, staff costs directly related to the delivery of housing assistance or

supportive services activities are billable to the associated housing or supportive service budget line item. Staff costs should not be billed completely under administration or entirely to supportive services. If the staff is providing services directly related to another budget line item, then that staffing expense must be billed to that line item.

VI. Funding Restrictions

The following activities are not eligible to be funded with amounts awarded under this FY2019 HOPWA PSH Renewal Notice:

- 59** **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 facility-based, or master leasing programs for existing clients. 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.

- 60** **Ineligible Project Activities.** Under this notice, the following activities are not eligible to be funded:

- Health services are not eligible to the extent that payment has been made, or can reasonably be expected to be made, with respect to that item or service under any state compensation program, under an insurance policy, or under any Federal or state health benefits program or by an entity that provides health services on a prepaid basis;
- Unless already approved by HUD in the initial grant application as an other activity budget line item, incidental moving costs including van rentals, supplies, and moving equipment are not eligible;
- Unless included in the mortgage payment, property taxes and condominium fees are not eligible;
- Personal items including clothing; furniture and other household items (unless provided for as part of facility operations), including cookware and dishes; grooming; personal vehicle maintenance and repairs; cash assistance and consumer credit payments; entertainment or social 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 is located in Table 1 of Section II of this notice. Eligible applicants interested in applying for an FY2019 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 11:59:59 PM Eastern Time on **April 12, 2019**. 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.

The projection of expenditure must provide a monthly breakdown of projected expenditures by budget line item for the remaining period of the expiring grant. This monthly breakdown of projected funds must show that all remaining funds will be expended by the active grant's expiration which must be on or before May 31, 2020 to be eligible for an FY2019 HOPWA PSH renewal grant. If the projected expenditures show that a grant extension is needed, applicants should work with their local field office to coordinate this grant amendment. Grants requiring an extension past May 31, 2020 are not eligible to apply for a grant under this notice and will be expected to renew their HOPWA PSH grant in a future renewal cycle, contingent on appropriations for funding future renewal awards. The submitted projection of expenditure will be reviewed and confirmed by HUD staff with current financial information available. Grantees should ensure that the balances listed in HUD's Integrated Disbursement and Information System (IDIS) are current and reflect timely expenditures for costs incurred.

The Department will provide a link to a recorded webinar for applicants covering 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 12, 2019**. Applications must be submitted to HOPWA@hud.gov.

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. The information below should be used as guidance when filling out the SF424.
 - Box 1 – The type of submission is an application.
 - Box 2 – The type of application is new.
 - Box 3 – The application date is the date the application is submitted to HUD.
 - Box 8d – Enter the county or parish in which the organization's address is located, where applicable. This box is not starred as a requirement, but HOPWA applicants should complete this box. The applicant should also submit the full 5 digits plus 4-digit zip/ postal code.
 - Box 8f – The person identified here should be the program contact who is working closely with the application. This person should not be the same as the authorized representative.
 - Box 11 – The Catalog of Federal Domestic Assistance Number is 14.241. The CFDA Title is "Housing Opportunities for Persons With AIDS".

- Box 12 – The funding opportunity number is the number of this notice. The title is the subject title of this notice, “Procedural Guidance for Fiscal Year 2019 HOPWA Permanent Supportive Housing Renewal Grant Applications”.
 - Box 14 – Enter the cities and counties (or county-equivalents) covered in the renewal project’s service area. This box can only be completed as an attachment to the SF424 form.
 - Box 17 – The start date is a proposed start date and should be the day after the applicant’s current renewal grant expires. The end date is three years after the start date.
 - Box 18 – Enter the renewal grant amount in line a, “Federal.” Line g “Total” should be the same amount as line a. No other lines should be completed in this box.
 - Box 19 – The program is not covered by E.O. 12372 (Box C).
 - Authorized Representative – This is the person that can accept grant funding on behalf of the organization applying for renewal funding.
2. **Assurances for Non-Construction Programs. (SF-424B).** This is a required form for all applicants. The authorized representative must sign and date this form and include the organization name.
3. **Certification Regarding Lobbying (Appendix A of 24 CFR Part 87).** This certification is required for all applicants. Applicants are subject to Section 319 of Public Law 101-121, 31 U.S.C. 1352 (The Byrd Amendment) and implementing regulations at 24 CFR Part 87, which prohibit recipients of Federal contracts, grants, or loans from using appropriated funds for lobbying the executive or legislative branches of the Federal Government for a specific contract, grant, or loan. Applicants must submit a certification signed by the authorized representative using the language for *Certification for Contracts, Grants, Loans, and Cooperative Agreements* in Appendix A of 24 CFR Part 87, available at: http://www.ecfr.gov/cgi-bin/text-idx?SID=4d8fd7235ff29815ce36c2b146e72d19&mc=true&node=pt24.1.87&rgn=div5#ap24.1.87_1605.a.

In addition, applicants participating in lobbying activities must disclose, using Standard Form LLL (SFLLL), “Disclosure of Lobbying Activities,” any funds, other than federally appropriated funds, that will be or have been used to influence federal employees, members of congress, or congressional staff regarding specific grants or contracts.

4. **HOPWA Budget (HUD-40110-B).** This is a required form for all applicants. Applicants should use the project confirmation worksheet (PCW) containing the budget line item (BLI) amounts inclusive of reductions that are eligible for funding under this notice. The PCW will provide the following: the project’s current approved BLI amounts, the eligible BLI amounts for the FY2019 renewal (these amounts may be at reduced levels), current approved outputs by BLI, and achieved outputs by BLI as reported in the APR. The information provided in the PCW should be used to determine funding and outputs for each BLI in the application for a renewal award. The renewal amounts requested in the applicant’s HOPWA budget form should not differ from the reduced eligible amounts by

BLI in the PCW. Reviewers will be looking closely at variations in projected outputs and achieved outputs, and ask applicants for clarification; as needed, in the negotiation process. If an amendment was made to the active grant's budget and it is not reflected in the amounts listed in the PCW, you should notify the HOPWA contact who sent you the PCW and a correction will be made.

This HUD-40110-B form will provide: a summary of the total project budget, the annual budget amounts for each organization conducting grant activities (grantee and project sponsor(s)), the projected household or unit outputs for each BLI by organization, and the leveraged funds committed for each individual BLI at the time of application submission. The total household outputs identified in the detailed budget must account for attrition and be presented as an unduplicated number. Applicants should write "See Descriptive Budget Justification Narrative" in the "Description" box for each funded BLI in the detailed budgets. Applicants should also check that budget amounts add to the correct totals and match across the budget summary, detailed budget, and the descriptive budget discussed under the "Narratives" section below. It is important that all information is accurate on this budget as it will be incorporated into the grant agreement between HUD and the grantee when awards are made. **All funding amounts in the budget should be presented in whole numbers.**

5. **Grantee's Code of Conduct.** This is required for any applicant, excluding states, with an outdated code of conduct posted on HUD's site for public viewing. It is the applicant's responsibility to ensure that HUD has the most updated code of conduct. HUD posts the codes of conduct to the HUD grants management website for public viewing, located at: https://www.hud.gov/program_offices/spm/emomgmt/grantsinfo/conduct The required information in a code of conduct is provided at 2 CFR 200.318(c). If your organization's code of conduct is outdated or is not listed on the HUD website, please forward an electronic copy of the Code of Conduct statement to askGMO@hud.gov. The email should contain: (1) the Organization's DUNS#; (2) the Organization's Legal Business Name (from SAM.gov); (3) the Organization's complete mailing address; (4) the Name, title, email and phone number for the person with executive authority; and (5) the electronic codes of conduct statement (searchable documents preferred).
6. **Narratives.** All applicants are required to submit a Descriptive Budget Justification Narrative and a Technical Assistance Narrative. An 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 the narratives required for a complete 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 3 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. Applicants must not provide vague language to describe activities. The description of personnel and non-personnel activities must be comprehensive and provide a clear picture of the activities to be implemented by the grant. Descriptions for personnel under each BLI should describe all job duties in detail. Descriptions such as “provide case management” are inadequate and must instead state the specific tasks case managers are undertaking and the services clients are receiving. Applicants must not bill administrative costs to any BLI other than administrative costs, and to that end, should avoid including tasks associated with administrative costs in other BLI budget descriptions. Words specifically associated with administrative costs include: administration, oversight, supervision, management, coordination, evaluation, reporting, and any derived forms of these words.

Each personnel and non-personnel activity for each BLI must also show a calculation justifying the requested amounts under the renewal award. 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 3 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 sponsors) 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 3 is the preferred submission method for the Descriptive Budget Justification Narrative. The example in Table 3 is just an example; do not copy and paste this example as a justification for your TBRA program. The numbers in your application submission should represent your organization’s numbers. This example demonstrates an acceptable layout and method for calculation.

Table 3. Descriptive Budget Justification Narrative Example.

Tenant-Based Rental Assistance		
<u>[Grantee Name] Personnel Costs</u> Position: Housing Coordinator (.20 FTE) Activities: Calculate resident rent payment for clients receiving TBRA, review unit selected by clients for rent reasonableness	(\$76,800 salary/year including 28% fringe/benefits) x (.20 FTE) x 3 years =	\$46,080

and rent standard compliance, conduct annual recertifications for clients receiving on-going TBRA, conduct annual housing inspections to ensure HOPWA habitability standards are met for units being assisted with TBRA, prepare and issue rental assistance checks.		
<u>[Grantee Name] Non-personnel Program Activity Costs</u> Activities: Monthly rent payments for 10 units averaging \$990 per month	10 units x \$990/month x 36 months =	\$356,400
Grantee Total		\$402,480
<u>[Project Sponsor 1 Name] Personnel Costs</u> Position: Housing Coordinator (.30 FTE) Activities: Calculate resident rent payment for clients receiving TBRA, review unit selected by clients for rent reasonableness and rent standard compliance, conduct annual recertifications for clients receiving on-going TBRA, conduct annual housing inspections to ensure HOPWA habitability standards are met for units being assisted with TBRA, 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> Activities: Monthly rent payments for 18 units averaging \$990 per month	18 units x \$990/month x 36 months =	\$641,520
[Project Sponsor 1 Name] Total		\$710,640
<u>[Project Sponsor 2 Name] Personnel Costs</u> Position: Housing Coordinator (.15 FTE) Activities: Calculate resident rent payment for clients receiving TBRA, review unit selected by clients for rent reasonableness and rent standard compliance, conduct annual recertifications for clients receiving on-going TBRA, conduct annual housing inspections to ensure HOPWA habitability standards are met for units being assisted with TBRA, prepare and issue rental assistance checks.	(\$76,800 salary/year including 28% fringe/benefits) x (.15 FTE) x 3 years =	\$34,560
<u>[Project Sponsor 2 Name] Non-Personnel Program Activity Costs</u>	9 units x \$990/month x 36 months =	\$320,760

Activities: Monthly rent payments for 9 units averaging \$990 per month		
[Project Sponsor 2 Name] TBRA total		\$355,320
	Total TBRA	\$1,468,440

The example provided in Table 3 above does not show indirect cost expenses. However, if you intend to charge indirect costs to your grant, your budget must include the estimated amount(s) of those costs under the appropriate BLI. The estimated amount(s) for indirect costs must be calculated in accordance with the requirements in 2 CFR part 200 and supported by appropriate documentation as described below.

Required documentation for indirect costs. If you intend to charge indirect costs to your award, your application must clearly state the rate and distribution base you intend to use. If you have a Federally negotiated indirect cost rate, your application must also include a letter or other documentation from the cognizant agency showing the approved rate. To help HUD verify costs will not be double charged or inconsistently charged as direct and indirect costs, your application must also list the costs your organization, department or agency unit classifies as indirect costs for federal awards.

Nongovernmental organizations. If you have a Federally negotiated indirect cost rate, your application must clearly state the approved rate and distribution base and must include a letter or other documentation from the cognizant agency showing the approved rate. If you have never received a negotiated indirect cost rate and elect to use the de minimis rate, your application must clearly state you intend to use the de minimis rate of 10% of Modified Total Direct Costs (MTDC). As described in 2 CFR 200.403, costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both. Once an organization elects to use the de minimis rate, the organization must apply this methodology consistently for all Federal awards until the organization chooses to negotiate for a rate, which the organization may apply to do at any time. Documentation of the decision to use the de minimis rate must be retained on file for audit.

State and local governments. If your department or agency unit has a Federally negotiated indirect cost rate, your application must include that rate, the applicable distribution base, and a letter or other documentation from the cognizant agency showing the negotiated rate. If your department or agency unit receives more than \$35 million in direct federal funding per year, you may not claim indirect costs until you receive a negotiated rate from your cognizant agency for indirect costs as provided in Appendix VII to 2 CFR part 200. If your department or agency unit receives no more than \$35 million in direct federal funding per year and your department or agency unit has developed and maintains an indirect cost rate proposal and supporting documentation in accordance with 2 CFR part 200, appendix VII, you may use the rate and distribution base specified in that indirect cost rate proposal. Alternatively, if your department or agency unit receives no more than \$35 million in direct federal funding per year and has never received a negotiated indirect cost rate, you may elect to use the de minimis rate of 10% of MTDC. As described in 2 CFR 200.403, costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both. Once elected, the

de minimis rate must be applied consistently for all Federal awards until you choose to negotiate for a rate, which you may apply to do at any time. Documentation of the decision to use the de minimis rate must be retained on file for audit.

(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:

1. 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.
2. Describe technical assistance that 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 project sponsor is added, 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. Potentially sufficient reasons for realigning or changing a project sponsor may 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 (if applicable) 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 in the Organizational Capacity Narrative is limited to five pages per project sponsor. A minimum of 14 out of 20 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:

- 1001 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.
 - o 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.
- 1002 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.
 - o 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.
- 1003 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.
 - o 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.
- 1004 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.

- o *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 sponsor 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 out of 20 to be eligible for funding under this renewal notice. The capacity review of a requested project sponsor change that occurs during a grant's period of performance and not during the renewal application process will be assessed and scored by the field office using the criteria in this notice.

C. Application Submission Format

All FY2019 HOPWA PSH renewal grant applicants must submit their application by email to HOPWA@hud.gov. Applicants must send their full application as one document with a table of contents in the order below. The starred forms are required for all grantees.

1. Application for Federal Assistance (SF424) *
2. Assurances for Non-Construction Programs (SF-424B) *
3. Certification Regarding Lobbying (Appendix A of 24 CFR Part 87) *
4. Disclosure of Lobbying Activities (SFLLL)
5. HOPWA Budget (HUD-40110-B) *
6. Descriptive Budget Justification Narrative*
7. Technical Assistance Narrative*
8. Organizational Capacity Narrative

VIII. Review and Selection Process

The following process will be followed for the review and selection of FY2019 HOPWA PSH Renewal grantees:

- (1) **Threshold Review.** HUD Headquarters staff will conduct a threshold review of applications to confirm that applicants are eligible for renewal under this notice. A list of potentially eligible renewal applicants under this notice 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 considered 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 findings may be denied renewal funding. Grantees with programs that are denied 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 its 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 for organizational capacity defined in Section VII. A minimum of 14 points out of 20 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 the contacts included on the SF424 after the threshold review. Comments and discussions on identified deficiencies and application clarification needs will be limited to ensuring application content is correct and the applicant's current program will be renewed in compliance with HOPWA requirements. Negotiation calls will not be used to make changes to current program design, propose grant amendments, or discuss increased funding. **Applicants will be provided with no more than two negotiation calls** to review 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 each negotiation call, applicants may be given up to and no more than 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 the re-submitted application still contains significant deficiencies after two negotiation calls, the organization's grant administration capacity will be evaluated, and the applicant may be denied access to renewal funding.

Applicants will only be allowed two negotiation calls and two application re-submissions in the review process to cure identified deficiencies and address clarification needs. After the final negotiation call, HUD will make minor adjustments to the budget forms as needed for approval and incorporate the final budget forms into the issued grant agreement. If awarded a

renewal grant, the applicant should thoroughly review the approved budget forms incorporated into the grant agreement to ensure grant compliance.

- (4) **Award Announcements.** Following the review process, HUD will notify applicants of their selection of award for renewal funding by email. The applicant's local field office will coordinate the grant agreement. Once the grant agreement is executed, grantees must setup their grants in IDIS to obtain access to the funding. Grantees selected for renewal awards 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 on the expiring grant through the end of the period of performance, unless otherwise approved through grant amendment processes. The start date for the new grant agreement will be the day the grant agreement is signed by the grantee but should be coordinated with the expiration date of the expiring grant for continuity of service. In the case that funding 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. Grantees should fully expend their current grant before executing their renewal grant. However, if a grantee experiences a brief overlap in grant periods of performance, the grantee should make every effort to fully expend the expiring grant before incurring costs on the renewal grant to avoid duplication on reporting forms.

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;
- System for Award Management (SAM) registration requirements;
- Financial accounting requirements, including those found in 2 CFR part 200;
- 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; and
- Nondiscrimination and equal opportunity requirements, as described in 24 C.F.R. 5.105(a) and 5.106. This includes, but is not limited to, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, 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.

B. Grant Amendments

Regarding the expiring grant, grantees should plan to fully expend their grants and not return funds at the conclusion of their period of performance. However, grantees with funding projected to be available past the grant expiration date may request an extension on their current grant. A grantee requesting an extension must provide supporting reasons for the extension request to HUD in writing. However, extension requests may not extend the grant past May 31, 2020, the cutoff date for eligibility in this notice. Extensions past May 31, 2020 would make the applicant ineligible for renewal under this notice. Importantly, grant extensions must be approved by HUD ten days before the original expiration date.

Regarding the FY2019 renewal award, grantees must fully expend their grants within three years from the execution 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. The grant term expiration date is three years from the signing of the grant agreement by the grantee, which is the effective project start 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. Grantees must show a good faith effort to implement their project activities as approved. Grantees may submit budget amendment requests no sooner than 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, including an updated HUD-40110-B with budget change requests, to their local HUD field office for 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. If grantees are requesting to move funds between organizations, whether project sponsor or grantee, the administrative costs must be adjusted to remain in compliance with statutory limits on administrative costs. As such, not all changes can be approved.

Budget amendments should reflect how the funds were reprogrammed from one line item to another within the HOPWA-specific budget form, HUD-40110-B. Grantees can only reprogram funds from a BLI if there are funds left unspent in that BLI. For example, if a grant was funded with \$30,000 for TBRA over 3 years and the grantee spent \$10,000 on TBRA in the first year, the maximum amount of funds that could be reprogrammed out of TBRA at the start of year 2 would be \$20,000. Funds can only be reprogrammed to BLIs that are currently approved under the grant. The HUD-40110-B is required to show the approved amended budget, but the grantee provides a chart in their written amendment request to the field office showing how funds will be reprogrammed between BLIs.

Example chart:

BLI	Original Budget	Amended Amount +/-	% of funds to be moved	New Amended Budget
TBRA	\$30,000	-\$10,000	33%	\$20,000
Supportive services	\$20,000	+ \$10,000	50%	\$30,000

If the budget change will also alter the activities approved under the descriptive budget narrative, the grantee should submit those changes as part of the amendment. There are two types of BLI changes that may be considered: significant and insignificant.

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 in writing (email is acceptable) of the amount of funds to be transferred from one BLI to the other BLI, describe the revised proposed use of funds, and submit an updated HUD-40110-B with the budget changes. Grantees must adjust their IDIS activity funding amounts to reflect the BLI changes 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 chart the grantee can send to the field office to provide written notification of the funds transferred for an insignificant BLI change. The grantee must also submit an updated HUD-40110-B incorporating these changes.

Table 4. Insignificant BLI Change Example

Budget Line Item	Approved	+/- Amendment Request	% of funds to be moved	Amcndment Total Request
Tenant Based Rental Assistance (TBRA)	\$30,000	-\$3,000	10%	\$27,000
Short-term Rental, Mortgage, and Utility Assistance (STRMU)	\$40,000	+\$3,000	8%	\$43,000
Supportive Services	\$200,000	\$0		\$200,000
Total	\$270,000	\$0		\$270,000

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 HOPWA-funded 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 (email is acceptable) and the request should: (1) justify the request and provide an assessment of the impact on the approved project plans; (2) address how the change would be beneficial to addressing the permanent housing needs of HOPWA eligible persons in their service area; and (3) include an updated HUD-40110-B and

Descriptive Budget Justification Narrative reflecting the requested changes. 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. Per 2 CFR 200.308, the field office must review the amendment request and notify the grantee whether the amendment has been approved within 30 days. If the amendment is still under consideration at the end of 30 calendar days, the field office must inform the grantee in writing of the date when the recipient may expect the decision.

Table 5. Significant BLI Change Example

Budget Line Item	Approved	+/- Amendment Request	% of funds to be moved	Amendment Total Request
Tenant Based Rental Assistance (TBRA)	\$30,000	-\$10,000	33%	\$20,000
Short-term Rental, Mortgage, and Utility Assistance (STRMU)	\$40,000	+\$10,000	25%	\$50,000
Supportive Services	\$200,000	\$0		\$200,000
Total	\$270,000	\$0		\$270,000

Only one significant change should be approved within an annual operating period. However, if additional significant changes are requested by the grantee within a single operating year, the Department may approve such changes on a case-by-case basis. 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 amendment should reflect how the funds shifted from one line item to another within the HOPWA specific budget form HUD-40110-B. The examples of BLI change charts in tables 4 and 5 can be incorporated into the amendment with the HUD-40110-B attached. Once the amendment is executed, the grantee will be responsible for adjusting its IDIS financial accounts accordingly.

3. Non-approvable BLI Changes. 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;
- ❖ Changes in the committed leveraging amounts 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 leveraged resources are withdrawn, the grantee will be required to secure additional leveraged resources 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 resources; 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 at 24 CFR 574.260 provides that in 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 grant agreement. These programmatic changes should be provided to HUD as they are established, but a summary of all such changes should also be articulated in the APR through outputs and the narrative section.

C. HUD Strategic Plan

Applicants are strongly encouraged to undertake efforts consistent with HUD's strategic goals for 2018-2022 and to assist in achieving related goals provided in the National HIV/AIDS Strategy.

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.

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 PSH renewal grantees 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/>. 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.

Grant funds under this award must be used in a consistent and regular manner over the three-year period of performance. Grantees will be required to drawdown funds and reconcile the account quarterly at minimum in IDIS. It is recommended as a sound financial management practice and oversight action, that drawdowns and reconciliations occur on a monthly basis.

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

- Manual: Using IDIS Online for the HOPWA Program:
<https://www.hudexchange.info/news/new-idis-manual-for-hopwa-grantees/>
- HOPWA IDIS Naming Convention Tool:
<https://www.hudexchange.info/resource/5233/hopwa-idis-naming-convention-tool/>
- 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/>
- HUD Exchange Ask A Question:
<https://www.hudexchange.info/get-assistance/my-question/>

HOPWA grantees are no longer 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 through 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 period of performance start date established in the grant agreement. The grantee and all project sponsors should report on activities completed within this operating period. 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.

E. General HOPWA Guidance Materials

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

- HOPWA Oversight Training:

- <https://www.hudexchange.info/trainings/hopwa-oversight-training/>
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01 HOPWA Rental Assistance Guide:
<https://www.hudexchange.info/resources/documents/HOPWARentalAssistanceGuidebook.pdf>
- 80
01 HOPWA Income Resident Rent Calculation:
<https://www.hudexchange.info/resource/1835/hopwa-income-resident-rent-calculation/>
- 80
01 Administering HOPWA Housing Assistance Fact Sheet:
<https://www.hudexchange.info/resources/documents/AdministeringHOPWAHousingAssistance.pdf>
- 80
01 HOPWA Program Data Update:
<https://www.hudexchange.info/resource/5599/hopwa-program-data-update/>
- 80
01 IDIS Manual for HOPWA Grantees:
<https://www.hudexchange.info/resource/1018/using-idis-online-for-hopwa/>
- 80
01 HOPWA IDIS Naming Convention Tool:
<https://www.hudexchange.info/resource/5233/hopwa-idis-naming-convention-tool/>
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01 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/>
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01 CPD Financial Management Curriculum:
<https://www.hudexchange.info/news/cpd-launches-financial-management-curriculum>
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01 HOPWA Short-Term Rent, Mortgage, and Utility Assistance Resource:
<https://www.hudexchange.info/resource/4843/hopwa-short-term-rent-mortgage-and-utility-assistance/>
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01 Short-Term Rent, Mortgage, and Utility Assistance Fact Sheet:
<https://www.hudexchange.info/resources/documents/HOPWASTRMUAssistanceFactSheet.pdf>
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01 Frequently Asked Questions on emergency hotel/motel vouchers, STRMU, administrative costs, and FFATA:
<https://www.hudexchange.info/hopwa/faqs/>
- 80
01 HOPWA Confidentiality User Guide:
<https://www.hudexchange.info/resources/documents/HOPWA-Confidentiality-User-Guide.pdf>

- 80
81 Program Administration Toolkit:
<https://www.hudexchange.info/resource/1025/hopwa-program-administration-toolkit/>

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81 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/>

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81 HOPWA eLearning Best Practices Training Series:
<http://www.vpi.org/tap/webinars/>

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81 Information on the HOPWA Back to Work Employment Initiative:
<http://www.vpi.org/tap/webinars/>

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81 CPD Monitoring Handbook 6509.2 (see Chapter 10 on HOPWA):
<https://www.hudexchange.info/resource/290/hud-community-planning-and-development-monitoring-handbook-65092-rev7/>

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81 Homeless Management Information System (HMIS) Resources:
<https://www.hudexchange.info/hmis/>

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81 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/>

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81 Information about the related Ryan White HIV/AIDS Program:
<http://hab.hrsa.gov/>

X. Information Collection

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. 01/31/2021).