
Special Attention of

All HOPWA Renewal Grantees
All CPD Field Office Directors

Notice CPD-09-01

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Cross References

24 CFR Part 574 -- Housing Opportunities for Persons With AIDS (HOPWA)

CPD Notice 08-03, Standards for FY 2008 HOPWA Permanent Supportive Housing Renewal Grant Applications

Subject:

Standards for Fiscal Year 2009 HOPWA Permanent Supportive Housing Renewal Grant Applications

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I. Purpose

This notice provides guidance for the renewal of Housing Opportunities for Persons With AIDS (HOPWA) Permanent Supportive Housing grants in Fiscal Year (FY) 2009 and updates and clarifies standards used in Community Planning and Development (CPD) Notice 08-03, Standards for Fiscal Year 2008 HOPWA Permanent Supportive Housing Renewal Grant Applications, issued on February 28, 2008, for FY2008 renewals. As established in section XI of this notice, FY2009 renewal applications are due on February 27, 2009.

Distribution: W-3-1

II. Background

Pursuant to the authority provided by the Continuing Appropriations Resolution for federal Fiscal Year 2009 found in the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, the Department is required to renew all expiring HOPWA competitive grants that provide permanent supportive housing (PSH) and meet program requirements. Under this notice, the Department defines the process for approving renewal funding of PSH grants.

The most significant step in the renewal approval process is determining whether the primary activity of the expiring grant is PSH. HUD will consider the primary activity of the project as PSH when at least 51 percent of the grant funds are used to undertake program activities that provide PSH to eligible persons, including the direct housing costs and other related service costs. Permanent housing refers to housing in which the eligible person has a continuous legal right to remain in the unit, and supportive housing refers to activities that provide eligible persons with ongoing supportive services through qualified providers. HUD will renew previously funded competitive PSH grants that meet the program requirements specified below. Applications will be given a review for eligible activities and budget line funding requests. To assist in developing an approvable renewal request, grantees should review their current HUD approved budget and logic model for use as a guide in preparing the renewal application.

This renewal procedure seeks to simplify the approval process and expedite grant awards for projects that meet the statutory requirements. In addition, this process enables a level of dialogue to negotiate an approvable request for renewal applicants that meet the threshold eligibility requirements. Renewal grantees will be able to clarify any identified discrepancies and help resolve any other review concerns with the application and submit any identified missing elements in an application. For more information on the negotiation process please see Section X. Application Review and Approval Information.

To support the development of an application, please provide the Office of HIV/AIDS Housing with a letter of intent to apply either by fax at (202) 708-9313 or by email at HOPWA@hud.gov promptly after receiving this notice. The email or faxed letter of intent should be signed by the authorized representative, Chief Executive Officer, Executive Director or equivalent of the grantee and sent both to HUD Headquarters, Office of HIV/AIDS Housing **and** to the local HUD field office.

III. Eligibility for Permanent Supportive Housing Renewal Grant

Demonstrated Results by Eligible Applicants and Project Sponsors

To be eligible for renewal, the project must provide PSH to eligible persons under an expiring HOPWA grant and meet the requirements established under this notice, including demonstrating results under the current HOPWA project. In providing PSH, grantees must maintain evidence that clients have a continuous legal right to remain in the unit and access to ongoing supportive services provided through qualified providers. Grant 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 a term of at least one year that is automatically renewable upon expiration, except with reasonable prior notice by either the tenant or the landlord. Grantees must provide a statement addressing a client's legal right to the unit in their renewal application Operations Procedure Narrative. Additionally, failure to maintain project documentation of leases or occupancy agreements will constitute a grant default, which may result in grant sanctions.

Grants that have successfully demonstrated PSH efforts and expire on or **between** October 1, 2008, and March 31, 2010, are eligible for renewal under this notice. If a grant agreement expired prior to October 1, 2008, the project is not eligible for renewal under this notice. A new grant application may be submitted through the anticipated HOPWA FY2009 program NOFA competition, to be published in the Federal Register later in this fiscal year. If a grant agreement will expire after the noted eligibility date for applicants under this notice, it is expected that renewal funding for that PSH grant will be addressed in a future HOPWA notice.

It is anticipated that the applications that are selected as eligible renewal projects based on this review will continue providing their approved program activities under a new grant agreement for an additional three years. The start date for the new grant agreement is expected to immediately follow the expiration date of the existing grant for continuity of service. If justified, an adjustment to these dates could be negotiated to shorten or lengthen an existing grant period. Grantees that apply for renewal funding under this notice may not extend the term of their existing grant past the eligibility date issued in this notice. As such, due diligence is required in undertaking the analysis of remaining funding under the existing grant using recorded expenditure outlays to plan operations over the remaining months of the current project, as authorized. This outlay planning is essential in determining if a grantee has enough remaining funding to carry operations past the eligibility date published under this notice. If a grantee's plan for using the remaining funding will reasonably carry operations past the eligibility date, the grantee should contact the local HUD field office representative to request an extension that will also have the effect of placing the renewal of the grant under the next renewal cycle.

It is important to note that funding available under this notice is currently subject to authority from a continuing resolution through March 2009. In order to coordinate renewal actions for expiring grants on a need basis, the Department will award renewal grants that meet the requirements of this notice and provide funding in the order of their expiration date up to the available amount of funds. Further, HUD may announce renewal awards on a rolling basis, if needed, to help ensure continued operations of an expiring grant. Grantees selected for renewals are expected to expend their remaining balance of current funds on their approved schedule with their current expiration date. Grantees will be moved in this sequence of funding awards if they require and request an extension for their expiring grant. This will help ensure remaining funds under the existing grant are used for project purposes prior to accessing funding awarded under a renewal grant. HUD will follow this sequence for expiring grants in awarding available renewal funds and will adjust this process once the full year of program appropriations is authorized and available for award later in the fiscal year, as expected. In the case that a grant expires and balances under the existing grant agreement are expended prior to the anticipated renewal award announcement under this notice, arrangements for pre-award costs may be made through an

agreement with HUD subject to the availability of funding as currently authorized from a continuing resolution. Pre-award costs are allowable costs incurred prior to the beginning date of the renewal grant agreement directly pursuant to the expiration of funds available under the existing expiring/expired grant agreement. Such costs are made in anticipation of the new award where such costs are necessary to comply with the proposed delivery schedule or period of performance for continued activities. Pre-award costs are authorized by OMB Circulars A-87 and A-122, which are applicable to the HOPWA program under 24 CFR 574.605. Grantees are required to obtain written approval from HUD for incurring pre-award costs. Eligible costs under the new renewal award grant agreement may include an authorization for pre-award costs to support continuation of the approved renewal activities. Please note, those eligible renewal grantees requesting this authorization would be undertaking activities at their own risk until (and if) the new agreement is approved and funds obligated. HUD understands that potential renewal grantees need to plan for any possible gaps in accessing funds in order to prevent any disruption of services to clients. HUD expects to work with applicants that meet the renewal eligibility standards of this notice to ensure that the program's clients are supported.

To be eligible as a renewal grant, the existing HOPWA competitive project must be operating in a manner that meets program requirements and is in compliance with the HOPWA regulations found at 24 CFR part 574. This is demonstrated by having a record of solid grant performance and no existing unresolved grant management issues. HUD will also consider any evidence of poor performance up to the date of the public announcement of awards under this notice. Examples of poor and questionable performance include: delays in program implementation; a significant reduction in the number of planned housing units to be assisted; untimely filing and inaccurate and/or incomplete submission of annual performance reports; inadequate or incomplete reporting that does not report on client outcomes; unresolved actions pending under a HUD notice of default on a current grant; or significant citizen complaints, which have not been addressed with justified reasons and remain unresolved. Further evidence of weak performance may be found if expenditures of the existing grant funds are not appropriately drawn down over the three-year grant period leaving a large unexpended balance at the time of the existing grant's expiration date, or expending the existing grant funding prior to the expiration date.

Renewal grant recipients are required to maintain the same program design components and individual budget line activities as documented in the prior HOPWA grant agreement approved by HUD. In addition, grant recipients are required to continue using the same project sponsors to implement activities as previously approved. If a grant recipient wishes to revise its program activities and shift emphasis from the provision of one type of housing assistance to another or increase the amount of funding dedicated to supportive services for example, it is recommended that they consider using leveraged resources to complement their approved activities, or they may want to consider applying for a new competitive HOPWA Special Project of National Significance grant in which funding will be announced in a forthcoming Departmental Notice of Funding Availability.

The Department recognizes that some adjustments in service delivery may need to be undertaken to address community needs for specific types of supportive services related to carrying out the PSH purposes of these renewal projects. This change in the type or funding for

supportive service delivery must be addressed in the Operations Procedure Narrative. For more information on the requirements for changing the type of supportive services an organization provides, please see Section IX. Application Narratives. If a non-profit organization is being added as a new project sponsor, or if a sponsor's legal status has changed, the organization must satisfy the nonprofit requirements established in the definition for an eligible nonprofit organization found in 24 CFR 574.3 and submit the required information in Section VIII.D. under the Organizational Capacity Narrative. HUD will consider the presentation of information or documentation to demonstrate the merits for changes in project sponsor arrangements, such as whether the new sponsor evidences the capacity to enhance project operations or to improve responsiveness in the provision of housing and/or supportive services to program beneficiaries. Sufficient reasons for changing a project sponsor may include:

- A need for a higher level of grant management skills;
- A need for a higher degree of financial management and efficiency;
- A desire to increase capacity for stronger program service delivery;
- If the prior project sponsor is no longer in operation;
- A need for significant improvement in project staffing competency;
- A related unresolved monitoring or audit findings;
- If the project sponsor merged with another entity; or
- A loss of non-profit status.

HUD must also be advised of any significant changes in staffing or other indications of changes to a project sponsor's capacity to carry out program activities, including correcting any monitoring or audit findings on the organization's activities. HUD reserves the right to reject a project involving a change in sponsors where an adequate justification is not provided, the capacity shown is too limited, or there are serious questions on the merits of this change.

Renewal projects must establish that PSH for eligible persons is the main focus of the grant. If an applicant is proposing to continue some level of emergency shelter or transitional housing assistance, the plan must include linkages to the provision of PSH and show that the PSH activity is the primary activity of the grant. For eligible persons who will also receive supportive services, such as case management services, the program must be designed to enhance access to other needed services that are available in existing mainstream resources, including healthcare assistance, AIDS drug assistance under the Ryan White CARE Act, and other federal, state, local, and private resources. To the extent possible, HUD encourages renewal grantees to incorporate and identify the commitment of mainstream resources into their project plans to maximize the benefit of HOPWA grants.

The renewal application must present demonstrated measurable progress in the implementation of the current grant award. Measurable progress is defined as:

- Meeting applicable performance benchmarks in program development and operation;

- Meeting project goals and objectives, such as the HOPWA output for the number of homeless (if targeted to homeless families and/or chronic homeless persons) and persons at risk of homelessness assisted in comparison to the number that was planned and approved under the current project;
- Submitting timely and substantially complete performance reports and showing that other results have been disseminated to the public, such as results in client outcomes in maintaining stable housing, reducing risks of homelessness and improving access to care; and
- Expending prior funding in a timely manner as outlined in the existing HOPWA grant agreement with HUD, with no outstanding audit or unresolved significant monitoring issues.

IV. Ineligible Competitive Grants

If a HOPWA competitive grant has expired prior to FY2009, the grantee is not eligible for renewal under this notice but may consider submitting an application under the Department's HOPWA NOFA announcement. For the purposes of this notice, the definition of an expired grant is one that has expired **prior** to October 1, 2008, and for which no extension was requested by the grantee and approved by HUD. In addition, if a HOPWA competitive grant will expire after the renewal eligibility date it is expected renewal funding for that PSH grant will be addressed in a future HOPWA notice and is not eligible for renewal under this FY2009 notice.

In prior years, HUD solicited and approved HOPWA Special Projects of National Significance (SPNS) grants for special targeted housing activities. For example, in prior years, HUD has approved funding for transitional housing projects whose primary focus was on the provision of emergency shelter or transitional housing activities. As such, these **are not** eligible for renewal under the criteria of a PSH project but may consider competing for funding under the Department's annual HOPWA NOFA as published each fiscal year. Persons interested in the HOPWA or other HUD competitions should visit the HUD.gov grants page at <http://www.hud.gov/grants/index.cfm> and select the link for finding and applying for grant opportunities.

In addition, grantees that operate permanent supportive housing grants are not eligible for renewal if any of the following applies:

- Have been charged with an ongoing systemic violation of the Fair Housing Act;
- Are a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging an ongoing pattern or practice of discrimination; or
- Have received a letter of findings identifying ongoing systemic noncompliance under Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, or Section 109 of the Housing and Community Development Act of 1974, and the charge,

lawsuit, or letter of findings has not been resolved to HUD's satisfaction before the application deadline. HUD will determine if actions to resolve the charge, lawsuit, or letter of findings taken before the application deadline are sufficient to resolve the matter. Examples of actions that would normally be considered sufficient to resolve the matter include, but are not limited to:

- A voluntary compliance agreement signed by all parties in response to a letter of findings;
- A HUD-approved conciliation agreement signed by all parties; A consent order or consent decree; or
- An issuance of a judicial ruling or a HUD Administrative Law Judge's decision.

V. Eligible Permanent Supportive Housing Activities

Housing programs seeking renewal funding must provide on-going forms of housing support over three years, such as Tenant-Based Rental Assistance (TBRA) and Short-Term Rent, Mortgage, and Utility (STRMU) payments. These supportive housing activities establish or maintain stable permanent housing, reduce the risks of homelessness, and improve access to healthcare and other needed support. PSH activities may also provide operating costs for permanent housing facilities and costs for leasing of permanent housing facilities.

Related project costs are also eligible to assist beneficiaries of these housing projects, such as costs for supportive services, permanent housing placement, and housing information services. Housing information services and permanent housing placement services may be used to assist beneficiaries in moving to other permanent housing, such as outplacement to independent living arrangements, homeownership, or other on-going forms of housing assistance that do not involve HOPWA funding. In prior years, some housing placement costs were included in other budget line items (BLI). These costs can be identified, deducted from their current BLI, and realigned to the permanent housing placement BLI.

Eligible activities with their standards and limitations may be found in the HOPWA regulations at 24 CFR 574.300-574.340. A copy of the regulations may be downloaded from http://www.access.gpo.gov/nara/cfr/waisidx_08/24cfr574_08.html.

VI. Ineligible Activities

In applying for renewal funding please note the following:

- Acquisition, new construction, rehabilitation, or costs involving new housing facility sites, such as operating costs or leasing of new housing facilities and community residences, for the purposes of expanding existing operations to additional new locations are ineligible. However, this does not preclude the leasing of individual housing units for the purpose of continuing TBRA or master leasing assistance nor does this apply to a justified replacement for an existing facility in which the lease expires and the facility

operations and activities must be relocated to a new site. Applicants are cautioned that an environmental review with regard to any new site must be completed in accordance with 24 CFR 574.260 before a lease or other commitment is made with respect to the new site. If an applicant is interested in undertaking additional capital development activities, or in significantly expanding HOPWA activities beyond those allowed in this notice, the applicant should consider competing for funding under the annual HOPWA program NOFA competitive process or under other appropriate programs.

- Resource identification activities to establish, coordinate, and develop housing assistance resources, and/or technical assistance for community residence activities are ineligible for renewal funding.
- An additional BLI for data collection on project outcomes is ineligible. Collecting performance data and reporting to HUD are required as a central grants management function and are eligible administrative costs, subject to statutory limitations.
- Healthcare costs, such as costs for medications, are ineligible.
- HOPWA funds cannot be used for personal items such as:
 - Clothing;
 - Property taxes and condominium fees;
 - Furniture, unless part of a permanent housing facility operations where the furniture stays with the unit;
 - Grooming;
 - Personal vehicle maintenance and repairs;
 - Financial assistance and consumer credit payments;
 - Entertainment activities;
 - Pets; and
 - Other non-housing-related costs.

Those funds currently awarded to any of the non-renewable BLIs listed above are not available for movement into BLIs that are eligible for renewal in an effort to expand activities beyond the currently approved levels.

VII. Funding Restrictions

Limitations on Maximum Grant Amounts

Under this notice, HUD will evaluate the renewal eligibility of an applicant's HOPWA project's current effort. If an applicant wishes to modify and/or expand activities beyond the scope of the currently approved and executed grant agreement, the applicant should consider seeking other available funding under HUD's NOFA announcement or through the availability of HOPWA formula funding from local and/or state allocations, or from other funding sources. A renewal grant can be funded up to 100 percent of current HUD-approved BLI funding levels for program activities (with administrative costs determined from the approved totals). HUD reserves the right to decrease BLIs if it is determined that the number of persons/units assisted (housing outputs) is substantially less than the amount agreed upon in the current executed grant agreement.

As justified, an applicant may request to increase TBRA, STRMU, operating costs, and leasing BLIs if there is evidence of extenuating circumstances affecting the costs for continuing the currently approved level of service delivery. This evidence may include information showing an increase in housing costs due to a change in the fair market rent or an increase in housing facility operational costs that require commitment of additional HOPWA resources to continue housing support for current beneficiaries, to maintain the housing facility or program, or to assist with related facility or unit damage in an area covered by a Presidentially-declared disaster. The applicant is required to submit a detailed narrative that justifies the funding increase requests. All justifications must provide a breakdown of the additional costs including a description on how this additional needed funding to continue serving at the currently approved capacity was derived. HUD reserves the right to negotiate with the grantee and to adjust requests under this paragraph to address the circumstance and project purposes. Please note that a requested increase in any budget line item in order to increase the approved output level to expand the scope of an activity is not an adequate justification. If an applicant's project is in need of additional resources to provide for additional need in their community the applicant should consider seeking additional funding for a new grant under the Department's annual competitive NOFA process.

In the case of a PSH project in which acquisition, new construction, or rehabilitation of a housing facility was a major component of the original HOPWA-funded project, a reasonable amount of funding for operating costs for the housing facility may be requested to continue operations of this facility over the next three-year grant period. The amount requested must be based on the current cost of operating the housing facility or a housing facility of a similar type and size. However, the request may not exceed the limit on maximum funding for program activities established in this section. HUD reserves the right to negotiate with the grantee and to adjust requests under this paragraph to the scale of projects of similar size and purpose.

Administrative costs for grantees and project sponsors include costs for data collection and annual performance reporting to HUD. Supplemental funding for these administrative grants management activities is not available. HUD expects that grantees will ensure strong

program management that result in accurate reporting of housing outputs and client outcomes, as required by the program.

The request for renewal funding must be consistent with the limitations on maximum grant amounts. If a grantee's current BLIs exceed the limits listed below, HUD reserves the right to reduce those BLIs consistent with the following limitations:

- The maximum amount for program activities that directly benefit eligible persons is \$1,300,000. The request for program activity costs must include the amounts for continuing a previously approved project at about the same level of housing provided in the previous grant and as agreed upon under the signed grant agreement.
- The maximum amount for program activities for the supportive services BLI is no more than 35 percent of the maximum grant amount for program activities costs (i.e., not more than \$455,000 over a three-year period), excluding costs for permanent housing placement activities, which can be addressed as a separate BLI. Costs for staff engaged in delivering the supportive service is part of the supportive service activity BLI and should not be listed as operating cost or "other" cost in the application's proposed budget.
- The maximum amount for grant administrative costs of the grantee is subject to the limit on administrative costs of three percent of the amount requested for project activities in the application for renewal (i.e., a maximum of \$39,000).
- The maximum amount for grant administrative costs for project sponsors is subject to the limit on administrative costs of seven percent of the amount requested for project activities to be conducted by project sponsors in the application (i.e., a maximum of \$91,000 if all program activities are carried out by sponsors).
- The total for the maximum grant amount is \$1,430,000 subject to applicable limitations in this section.

VIII. Application Submission Requirements

Required Application Submission Forms and Content

The following is a list of the forms and narratives that are required for the submission of a complete application for renewal funding.

- The federal application for grant funds form HUD-SF 424
- HOPWA application budget summary and detailed project budget and housing outputs form HUD-40110-B
- Logic Model form HUD-96010

- Certification of Consistency with the Consolidated Plan HUD-2991
- Disclosure of Lobbying Activities HUD-SF-LLL
- Operational Procedures Narrative
- Current effort and program evaluation narrative, (3 double-spaced pages)
- Continuing current efforts narrative (2 double-spaced pages)
- Documentation of leveraging for renewal projects (chart or list)
- Organizational capacity narrative and proof of non-profit status (2 double-spaced pages for new project sponsors and for current project sponsors that have undergone significant organizational changes)

In an effort to streamline future funding requests, grantees may be asked to update and resubmit their organization's code of conduct. HUD will post the codes of conduct to the HUD grants management website, located at <http://www.hud.gov/grants/index.cfm>, for public viewing. Once posted, the 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 grantee's responsibility to ensure that HUD has the most updated code of conduct as editing occurs. The required information in a code of conduct may be found in HUD regulations at 24CFR 84.42 and 85.36(b)(3).

Application Headings and Page Numbering

HUD recommends that the renewal application be presented in narrative pages of 12 point typeface that include a footer with pages numbered per the following example: "page 1 of 12." In addition, narrative responses should include a header providing the name of the applicant or the project.

Application Forms and Technical Assistance

In addition to the narratives, please complete the HOPWA Application Budget Summary form HUD-40110-B. This form will provide a summary of the total budget for this project, the annual HOPWA amounts to be used in each of the three years of operation, and a detailed description budget by grantee and project sponsor of the HOPWA funds to be used by each organization. In addition, consistent with the Federal Funding Accountability and Transparency Act of 2006 requirements (listed below), please include the following:

- The name of any other entity receiving part of a grant award;
- The amount allotted to each subrecipient;

- Information on the subrecipient activities, such as a descriptive title of the purpose of each funding action;
- The location of the project sponsor and any other subrecipient entity receiving part of the award and primary location of performance under their award, including the city, state, congressional district, and country; and
- A unique identifier, such as the Employer Identification Number (EIN) of the project sponsor and any other subrecipient receiving part of the award and the name of the parent entity of the subrecipient, should the subrecipient be owned by another entity.

Applicants receiving a renewal award from HUD should be aware that the Federal Funding Accountability and Transparency Act of 2006 calls for HUD to establish a central website in which the information requested above, and any other relevant information specified by the Office of Management and Budget (OMB), will be posted and available to the public for the full disclosure of all entities receiving federal funds. In fulfillment of the requirements of the Act, OMB launched <http://www.USAspending.gov> in December 2007. Beginning no later than January 2009, data on subawards will be made available on the same website. Federal transactions below \$25,000, credit card transactions prior to October 1, 2006, and information on individual program participants receiving HOPWA services are exempt. Furthermore, the data collection elements listed above are assimilated into the HOPWA Annual Performance Report data collection requirements. Please note consideration is being given to requiring the disclosure of additional data elements to track the flow of funding from the original federal award. Such data elements under consideration include: the tier at which the subaward was made (to a project sponsor or additional subrecipients by contract); the federal award number issued to the direct awardee; and the dollar amount of the federal award emanating from the direct award going to the subawardee as well as the total subaward amount, which could include funds from other sources. Additional information regarding these requirements will be issued by OMB and will be provided when available.

Detailed descriptive budget amounts should roll up to the amounts represented on the budget summary page and Logic Model form (HUD-96010). In addition, all output levels listed on the detailed descriptive budget should roll up to those output levels listed on the Logic Model and in the Continuing Current Efforts narrative.

Applicants are required to complete the Application Budget Summary, the Detailed Project Budget and Housing Outputs form HUD-40110-B, and the Logic Model. Applicants should update and complete the current available edition of the Logic Model form (HUD-96010) to illustrate plans for the use of HOPWA and other resources. The Logic Model responses and project plan goals should be consistent with those amounts and levels listed on the HOPWA project budget (form HUD-40110-B) and Continuing Current Efforts narrative. Identify the major project activities and related housing output goals and dollar amounts, client outcomes (including the required HOPWA program outcomes), and other project goals. Awarded applicants must address the project management questions listed below in the reporting tab of the logic model on an annual basis with annual output updates to the Logic Model.

- How many households are served with each type of housing assistance?
- Who are they?
- What is their median income?
- How many individuals and households are served?
- What services do you provide?
- What does it cost? (cost of activity)
- What happened as a result of direct housing assistance?
- What happened as a result of related support activities?

In addition, the project plan goals will be reported on in the Annual Performance Report (APR).

HUD staff will be available to provide guidance and technical assistance regarding this notice of policy and procedural requirements. In complying with statutory requirements for priority treatment of renewal projects, HUD staff are permitted to assist in advising renewal applicants on how to successfully submit their application and negotiate approvable BLIs.

IX. Application Narratives

Report on Current Effort and Program Evaluation Narrative

On no more than five double-spaced pages, provide an overview of the accomplishments of the expiring HOPWA grant, including:

1. A comparison between the project housing outputs and operating benchmarks by BLI, as approved in the current grant agreement, to the actual current accomplishments for the expiring project. For example, if the original grant application stated an estimated 12 households would be assisted each year, the comparison would show:
 - The actual number of households assisted, including the number of households assisted by each type of housing component (outputs) and any related development benchmarks for undertaking the activity;
 - The outcome status of assisted households with respect to stable housing arrangements and use of an individual housing service plan;

- If some housing support (such as use of STRMU funds) were for temporary arrangements, how recipient households reduced risks of homelessness and improved access to care;
 - How stable housing was maintained, if provided by some other source;
 - How access to healthcare and/or supportive services was undertaken; and
 - How coordination with other mainstream programs was improved.
2. If the project had some unsuccessful results in helping clients or was unable to track the housing status of some clients, please describe the situation and the program's plan of action for addressing these types of unstable housing situations in the new grant period. Grantees seeking renewal of their program should make use of the results achieved and related data submitted in their previously submitted APRs for this section.

[Optional] On additional pages as needed, an applicant may provide an optional Return on Investment (ROI) statement on current results. The Department published an ROI initiative in the 2008 HOPWA NOFA. As a result, the Department found that many grantees are already undertaking related evaluations and cost comparisons that may provide insight into more efficient and effective operations for similar HOPWA programs that could be shared with the community at large. An ROI review provides insight on the effectiveness of addressing various levels of supportive housing needs for HOPWA-eligible households, both within the project's HOPWA and leveraged resources and in assisting beneficiaries with access to other external benefits. The ROI evaluation should demonstrate how an applicant established data collection steps to show an ROI in the use of HOPWA resources. Provide the relevant data collected, including the required HOPWA output and outcome data as well as the comparison data used as a baseline for the assessment. State the sources for obtaining the relevant data, demonstrating their relevance and credibility and show how such data allowed for an assessment of:

- A comparison of average HOPWA costs to likely alternatives, such as reviewing possible reductions in costs or reliance on other public services, such as hospitalization, supportive housing or transitional housing and services that offer higher levels of care;
- Greater efficiencies in service delivery for the types and levels of support provided to HOPWA beneficiaries; and/or
- Another ROI.

The review might show how an applicant assessed related savings in quality of life measures, such as gained by households achieving better relative health, greater family stability, and improved life outcomes. An ROI may also measure other

results in relevant outcomes, data sources and elements in relation to HIV prevention, care and treatment efforts, or in affordable and appropriate housing objectives through a comparison of the average costs for delivering HOPWA supportive permanent housing assistance in the project reviewed in contrast to relevant local data on average costs for HOPWA-eligible households that would likely otherwise be accessing emergency support along with greater reliance on hospitalization or inpatient health care services. The review could show some assessment of how housing stability achieved with HOPWA resources reduces reliance on this other type of support.

Continuing Current Permanent Housing Efforts Narrative

On no more than five double-spaced pages, describe the plan for continuing the permanent housing project over the next three year period, including:

1. A description of how the project will utilize HOPWA and other funding to continue to provide permanent housing as the main focus of the project with housing outputs at about the level of the current grant. This description should include an explanation of any changes from the current project's housing outputs and outcome goals in order to establish a baseline for the planned efforts to achieve stable housing outcomes, reduce risks of homelessness and improve access to care. All changes to housing outputs and outcome goals should be based on the actual achievements of the current program per activity type and as reported on in the Report on Current Effort and Program Evaluation Narrative and previously submitted APRs.
2. A description of the method to be used for collecting data on HUD program measures to evidence achievement of the project's goals and objectives.

Operational Procedures for Support Narrative

On no more than ten double-spaced pages provide an overview of the project's operational procedures to be used in providing this housing and related support including:

1. A description of the outreach procedures including affirmative marketing to hard to reach populations, and intake, enrollment and client assessment procedures;
2. A description of how each client will access related case management or other support through the program, such as guidance to be provided under elements in an individual housing and service plan, for the purpose of maintaining or achieving permanent housing arrangements and be connected to mainstream resources of care such as Medicare, SSI, SSDI, food stamps, and other available resources;
3. A description of the nature and type of supportive services to be provided under this competitive award and how the services will be coordinated. The Department recognizes that the need for certain types of supportive services may have changed in an applicant's community since previously awarded. If an applicant wishes to

provide supportive services that are different from those services provided under the current award the applicant must provide a justification narrative for this change. This justification narrative must include a description of the supportive services previously provided and a description of the new supportive services the applicant wishes to provide. Additionally, the applicant must provide for how the need for services has changed in the community in connection with the applicant's local area Consolidated Plan.

Documentation of Leveraging for Renewal Projects

The renewal application must show continued commitments for leveraged resources from federal, state, local, and/or private sources that are an essential part of carrying out service delivery plans under the approved current grant. Failure to use committed resources, as documented and approved by HUD, will constitute a grant default, which may result in grant sanctions. Be advised that HUD reserves the right to reject an application if there is a substantial loss of community coordination as shown in the amount of leveraged resources and the proposed amount of leveraging does not provide evidence of adequate continued provision of supportive housing or sufficient capacity to manage the project cooperatively through community efforts with adequate resources.

Each applicant must document the commitment of leveraged resources by providing either a list or a chart containing the following information: (1) the name and address of the organization(s) providing the commitment(s), including a note if the organization will serve as a project sponsor; (2) the type of commitment (applicant or third party cash resources, non-cash resources, volunteer time, contribution of a building, contribution of lease-hold interest); (3) the dollar value of the commitment; and (4) the name, title, and contact information of the organization's authorized representative.

The value of donated land, buildings and equipment are one-time only and **cannot** be claimed as leveraging more than once. For example, the value of donated land, buildings or equipment claimed in 2005 as leveraging **cannot** be claimed as leveraging by that project in the 2009 renewal cycle, unless the donated resource was a lease for an allotted period of time and at the expiration of the lease the donator renews that lease for an additional allotted period of time. The value of the leveraging listed on the leveraging list or chart should roll up to the value of leveraging represented on the Application Budget Summary and Detailed Project Budget and Housing Outputs form HUD-40110-B (Revised 11/2007). Other HOPWA funds, such as formula allocations, **cannot** be used as a leveraging resource. If leveraged resources are from a city or state office, list the program source of that funding to ensure it is not HOPWA formula funds that are counted as leveraged dollars. Applicants may also describe a plan for how the project will continue to operate in future years, with a decreased reliance on any leveraged federal resources. The Department will periodically monitor the use of these commitments by requiring the collection of information in annual progress reports to establish that the leveraged resources are being used, as committed, in undertaking the project. Attempts to falsify commitment of leveraged funds or failure to maintain and produce letters of commitment upon request could lead to the termination of the awarded grant and criminal penalties.

If the renewal application does not request HOPWA funding for supportive services, the grantee is obligated to utilize other leveraged sources to provide a reasonable level of supportive services similar to those previously provided by leveraged sources to be considered a permanent supportive housing program.

Organizational Capacity Narrative

If a new project sponsor is added to the renewal request, or a significant organizational change has occurred for an existing sponsor, an organizational capacity narrative is required along with the submission of the organization's nonprofit status and statement pertaining to the organization's HIV/AIDS mission. On no more than five double-spaced typed pages per new project sponsor the Organizational Capacity Narrative must describe the project sponsor's ability in conducting program activities. The capacity statement must address the extent of the project sponsor's past organizational experience and knowledge: in serving persons with HIV/AIDS and their families; administering programs similar to those proposed in the application; monitoring and evaluating program performance and disseminating information on project outcomes; and achieving the purpose for which funds were provided, as measured by expenditures and measurable progress in providing grants management oversight of the project.

HUD reserves the right to reject an application if there is a change in project sponsorship and the new sponsor does not provide evidence of sufficient capacity to manage the project (i.e., not receiving at least 14 of 20 points in an assessment by HUD).

X. Application Review and Approval Information

Once renewal applications are received by HUD headquarters, they will be reviewed by HOPWA program staff. After the initial review, if needed, the applicant will be contacted via email with a request for available dates to commence the negotiation period via conference call or other means. An applicant's designated primary contact must participate in this effort. Additionally, the Department suggests all staff who participated in the development of the application participate in the negotiation communication as well. During the negotiation conference, HUD will seek to have the applicant address the identified issues regarding clarifications, concerns or missing information covering: eligible and ineligible activities; output and outcome achievements and goals; activity BLI requested amounts; justifications for housing cost changes from current approved amounts; descriptive narratives; and consistency in budgets and logic models. HUD will confirm by email an outline or summary of the issues discussed. Grantees should make use of this email in preparing clarification statements on all issues as well as budget and logic model corrections. This effort will be used to reach agreement on project plans to continue operations of projects meeting threshold and review requirements under this notice.

It is important to note that funding available under this notice is currently subject to authority from a continuing resolution through March 2009. In order to coordinate renewal actions for expiring grants on a need basis, the Department will award renewal grants that meet the requirements of this notice and provide funding in the order of their expiration date up to the available amount of funds. Further, HUD may announce renewal awards on a rolling basis, if

needed to help ensure continued operations of an expiring grant. Grantees selected for renewals are expected to expend their remaining balance of current funds on their approved schedule with their current expiration date. Grantees will be moved in this sequence of funding awards if they require and request an extension for their expiring grant. This will help ensure remaining funds under the existing grant are used for project purposes prior to accessing funding awarded under a renewal grant. HUD will follow this sequence for expiring grants in awarding available renewal funds and will adjust this process once the full year of program appropriations is authorized and available for award later in the fiscal year, as expected.

Once appropriations are available on a full year for this program, and deducting amounts if awarded under procedures noted above, HUD will adjust the renewal selection process, as follows: if additional eligible applicants are approved for renewal awards and the total approved funding for all these eligible applicants is greater than the amount made available under the Department's fiscal year 2009 Appropriation Act, HUD will allocate awards to each applicant based on a pro-rata reduction of their approved requests. HUD will also review requests and adjust funding consistent with funding restrictions found in Section VII. These actions will help to ensure that all eligible and performing renewal grants receive funding and continue operations.

Rating New Project Sponsors

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, CPD staff will conduct a substantive review based on the requirements established in Section III and Section VIII. If a proposed sponsor fails to meet the conditions for adding a sponsor or fails to demonstrate sufficient capacity, the sponsor will be ineligible to receive program funds. HUD will rate the proposed new project sponsor in the following way: in reviewing the elements of organizational capacity under Section VIII, HUD will rate the proposed sponsor on the basis of 20 points, with a minimum of 14 points required for selection of a new sponsor as eligible in demonstrating sufficient capacity. A new sponsor with unresolved management issues affecting the applicant's HOPWA proposal will be scored at the lowest level. If this element is not addressed, 0 points will be awarded.

XI. Application Submission

Application Due Date

Renewal applications are due at HUD no later than 5:00 PM on February 27, 2009. As noted, HOPWA grant recipients that intend to apply for renewal funding are asked to fax or email a letter of intent as soon as practicable after receiving this notice.

Incomplete grant applicant submissions may jeopardize the funding and award of a renewal grant application if HUD is unable to accurately assess and measure grant performance and/or determine that an applicant is likely to successfully continue their HOPWA supported permanent housing program activities.

Delivery and Receipt Procedures

The following procedures apply to the delivery and receipt of the HOPWA renewal applications in HUD Headquarters and field offices. Carefully and completely read the following instructions:

1. HUD will not accept or consider any applications sent by facsimile.
2. To facilitate the review of an applicant's application, one copy must be sent to HUD Headquarters and a second copy must be sent to the local servicing HUD field office. Complete applications, including the required number of copies, must be submitted to the appropriate offices. Mail applications to HUD Headquarters at the following address:

U.S. Department of Housing and Urban Development
Attn: HOPWA Program
451 7th Street, SW, Room 7251
Washington, DC 20410

The addresses for the local HUD field offices may be found at the following web site: <http://www.hud.gov/local>. For all packages sent to the HUD field offices, include the HOPWA program name in the address.

3. Applications delivered by courier service must be received at HUD Headquarters and HUD field offices no later than the application due date noted above. HUD urges applicants sending packages by courier service to HUD Headquarters to use Federal Express or United Parcel Service. Both companies have access to the Headquarters building. Note: If a courier service is not granted access to the building due to security or other reasons, the package will not be determined delivered and accepted by HUD. HUD will not breach security measures to accept an undeliverable package. Proof of timely submission of an application sent to HUD will be: the delivery service receipt indicating the application was delivered to a courier service at least 24 hours prior to the application deadline; a postmark date at least 24 hours prior to the application deadline due date; and if the Postal Service does not normally postmark large packages, proof of timely submission may be evidenced by a receipt from the Postal Service that contains the post office name, location, date and time of mailing. No other proof of timely submission will be accepted for the use of the USPS to submit an application.

XII. Information Collection Summary

Each year, HUD strives to improve the procedures for submitting a grant application request. Consistent with the Federal Financial Management Improvement Act of 1999 (Pub. 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://www.hud.gov/offices/adm/grants/egrants/egrants.cfm>. Information on grant streamlining can be found at <http://www.hud.gov/offices/adm/grants/pl-106107.cfm>. HUD continues to welcome comments and feedback from applicants and other members of the public on how HUD may further improve the HOPWA funding 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. 12/31/2010).