



OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

Special Attention of:

All HOPWA Renewal Grantees
All CPD Field Office Directors

Notice: CPD-18-07

Issued: May 9, 2018

This notice remains effective until amended, superseded, or rescinded.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 2018 HOPWA Permanent Supportive Housing
Renewal Grant Applications

I.	Purpose and Contact Information.....	1
II.	Eligible Applicants.....	2
III.	Award Information.....	3
IV.	Threshold Requirements.....	4
V.	Eligible Activities.....	7
VI.	Funding Restrictions.....	13
VII.	Application Submission.....	14
VIII.	Review and Selection Process.....	22
IX.	Program Implementation Expectations.....	24
X.	Information Collection.....	30

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 guide for eligible Fiscal Year (FY) 2018 renewal applicants. Pursuant to the authority provided by the Department of Housing and Urban Development Appropriations Act, 2018, Pub. L. No. 115-141, Div. L, 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 FY2018 renewal grants must be received no later than 11:59:59PM ET on June 11, 2018.

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 allotted. If a grantee is continually unable to fully expend their grant in the three-year period of performance allotted, HUD will consider whether the grantee is meeting threshold requirements (Section IV) to implement a renewal grant. Starting in the FY2018 HOPWA renewal cycle, renewal award amounts will be reduced 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, Award Information.

If you have questions about the FY2018 HOPWA Permanent Supportive Housing Renewal Grant Application process, please contact Lisa Steinhauer, CPD Specialist, or Claire Donze, Management Analyst, in the Office of HIV/AIDS Housing. Lisa Steinhauer can be reached at (215) 861-7651 or by email at Lisa.A.Steinhauer@hud.gov. Claire Donze can be reached at (202) 402-2365 or by email at Claire.L.Donze@hud.gov. These are not toll-free numbers. 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 FY2018 HOPWA Permanent Supportive Housing (PSH) competitive grant funding are grantees of HOPWA PSH competitive grants expiring between June 1, 2018 and May 31, 2019. A list of grants potentially eligible for renewal in FY2018 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, 2019.

Table 1. Eligible Renewal Applicants

	<u>Grantee Name</u>	<u>Grant No.</u>
1	Alaska Housing Finance Corporation	AK-H150012
2	City of Los Angeles	CA-H150003
3	Lutheran Social Services of Northern California	CA-H150015
4	Salvation Army Alegria	CA-H150018
5	Ministry of Caring, Inc.	DE-H150025
6	Gregory House	HI-H150010
7	City of Chicago Public Health Department	IL-H150013
8	AIDS Foundation of Chicago	IL-H150016
9	Chicago House & Social Service Agency, Inc.	IL-H150017
10	Interfaith Residence dba Doorways	IL-H150023
11	Community Healthlink, Inc.	MA-H150007
12	AIDS Action Committee of Massachusetts	MA-H150021
13	City of Baltimore	MD-H150022
14	Frannie Peabody Center	ME-H150004
15	Frannie Peabody Center	ME-H150008
16	Frannie Peabody Center	ME-H150019

17	Cass Community Social Services, Inc.	MI-H150005
18	Interfaith Residence dba Doorways	MO-H150014
19	State of Montana	MT-H150006
20	State of New Hampshire	NH-H150020
21	Bailey House, Inc.	NY-H150009
22	Calcutta House	PA-H150002
23	Burlington Housing Authority	VT-H150011
24	AIDS Resource Center of Wisconsin	WI-H150024
25	Wyoming Department of Health	WY-H140013

If a HOPWA PSH renewal grant expires prior to June 1, 2018, the grant is not eligible for renewal under this notice. If a PSH grant expires after May 31, 2019, 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, 2019, 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 FY2018 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.

Each eligible renewal grant will be reduced by the averaged percentage of funds returned from the eligible applicant’s last three expired renewal grants. For example, if the eligible applicant is currently administering an FY2015 grant, the applicant’s last three expired renewal grants (in this example, from FY2006, FY2009, and FY2012) would be used in the reduction calculation. The averaged percentage of returned funds for the three expired awards would be used to reduce the potentially eligible award amount under the FY2018 HOPWA PSH renewal cycle. All decimals will be rounded to the ten-thousandths place prior to the percentage conversion; 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 returned in dollars and as a percentage of the awarded grant.

Table 2. Example Grant Reduction Chart

Expired grant	Awarded Grant Amount	Grant Funds Returned	% of funds returned
FY2006	\$1,000,000	\$60,000	6.00%
FY2009	\$1,000,000	\$3,000	0.30%
FY2012	\$1,000,000	\$15,000	1.50%
Sum	\$3,000,000	\$78,000	2.6%

The reduction calculation for the example above represents the percentage of the sum of the funds returned under the three expired grants compared to the total awarded on the three expired grants for a total reduction on the FY2018 renewal grant of 2.60% ($\$78,000 / \$3,000,000 = 2.6\%$). Therefore, if the potentially eligible FY2018 grant award amount is \$1,000,000, it 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 ($\$1,000,000 - \$26,000 = \$974,000$) under this Notice for the FY2018 HOPWA 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 award renewal grants that meet the requirements of this notice and provide funding in the order of grant expiration dates based on funding availability. Further, HUD may announce renewal awards on a rolling basis, if needed, to help ensure continued operations of an expiring grant. 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 FY2018 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 FY2018 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 issues 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 §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 local funds for eligible activities, until the responsible entity (as defined in 24 CFR 58.2) has completed the environmental review procedures required by 24 CFR part 58 and the environmental certification and HUD approval of form HUD-7015.15, “Request for Release of Funds and Certification” (RROF) of compliance with the National Environmental Policy Act and implementing regulations at 24 CFR part 58 (Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities). HUD will not release grant funds if the recipient or any other party commits funds (i.e., incurs any costs or expenditures to be paid or reimbursed with such funds) before the recipient submits and HUD approves its RROF (where such submission is required).

Although many eligible activities under this notice are categorically excluded from environmental review, eligible applicants should be aware that there are certain activities and circumstances that may require an environmental review. For example, the relocation

of existing facility-based assistance and the leasing of new units by the grantee would both be subject to an environmental review.

V. Eligible Activities

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

Applicants seeking renewal funding must provide continuous forms of housing support over the 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)**;
- **Operating Costs** for permanent housing facilities;
- **Leasing** costs for permanent housing facilities or units;
- **Permanent Housing Placement (PHP)** services to place households into permanent housing; and
- **Short-Term Rent, Mortgage, and Utilities (STRMU)** payments to maintain current housing arrangements.

Eligible non-housing activities include:

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

Staff costs associated with the delivery of housing assistance or supportive services activities are billable directly to the associated housing or supportive service budget line item. 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 FY2018 HOPWA PSH Renewal Notice:

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

- **Resource Identification.** Under the FY2013 and FY2014 HOPWA PSH Renewal Process, applicants had the opportunity to request up to \$40,000 in resource identification funding for coordination with CoC activities over the three-year grant period. This funding was provided on a one-time only basis, and is not renewable under this notice.

Funds currently awarded for resource identification are not available for movement into BLIs that are eligible for renewal in an effort to expand other funded activities beyond their currently approved levels.

- **Ineligible Project Activities.** Under this notice, the following activities 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 FY2018 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 **May 18, 2018**. 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, 2019 to be eligible for an FY2018 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, 2019 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. 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 **June 11, 2018**. 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 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 2018 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 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 the federal field.
 - 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 this form.

- 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. Certification of Consistency with the Consolidated Plan (HUD-2991).** This is a required form for applicants who do not submit a consolidated plan to HUD for approval. Per 24 CFR 91.2, competitive grants under the HOPWA program require either that the jurisdiction receiving funds directly from HUD have a consolidated plan that is approved by HUD **or** that application for HUD funds contain a certification that the application is consistent with a HUD-approved consolidated plan. Applicants who do not submit a consolidated plan to HUD for approval must obtain a Consolidated Plan certification signed by the applicable state or local government official responsible for submitting the appropriate plan for the areas in which activities are targeted. If the application’s service area has significant grant activities in more than one consolidated plan area, the applicant must submit a HUD-2991 for each of those areas. This form must be submitted to HUD prior to the signing of a grant agreement to show that activities under the renewal award will be coordinated with local Consolidated Plan activities. The authorizing official from the state or local government must sign this certification. If your project will be carried out on a national basis or will be located on an Indian reservation or in one of the U.S. Territories of Guam, the U.S. Virgin Islands, American Samoa, or the Northern Mariana Islands, you are not required to include a Consolidated Plan certification from these areas with your application.
- 5. 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 FY2018 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 budget 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 also check that budget amounts add to the correct totals and match across the budget summary, detailed budget, and the descriptive budget discussed under narratives. 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.**

6. **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/gmomgmt/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).

7. **Narratives.** All applicants are required to submit a Descriptive Budget Justification Narrative and a Technical Assistance Narrative. The Organizational Capacity Narrative is only required for applicants with changes to project sponsors. Applicants should review the information provided for all narratives to ensure they are submitting 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 should not bill administrative costs to any other BLI, and to that end, should avoid using language 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 activity, personnel and non-personnel for each BLI, must also show a calculation justifying the requested amounts under the renewal award. If your project utilizes indirect cost rates to pay for office space rental and other eligible indirect costs, then these costs should also be identified and included in the budget justification chart/list by BLI. Appendix IV and Appendix VII to 2 CFR 200 list allowable Indirect Cost Allocation Methods that can be applied to grants awarded under this notice. 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 does not show indirect cost expenses as indirect costs are not currently common in HOPWA programs. If you bill against indirect costs, those costs should be broken out by activity for each agency. The example provided in Table 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 provided material 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		
<p>[Grantee Name] Personnel Costs Position: Housing Coordinator (.20 FTE) Activities: Calculate resident rent payment for clients receiving TBRA, review unit selected by clients for rent reasonableness and rent standard compliance, conduct</p>	<p>(\$76,800 salary/year including 28% fringe/benefits) x (.20 FTE) x 3 years =</p>	<p>\$46,080</p>

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.		
<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
<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
<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> Activities: Monthly rent payments for 9 units averaging \$990 per month	9 units x \$990/month x 36 months =	\$320,760
	Total TBRA	\$1,468,440

(b) **Technical Assistance Narrative.** This is a required narrative for all applicants. Responses for the Technical Assistance Narrative are limited to two pages. Technical

assistance refers to the transfer of skills and knowledge to entities that may need, but do not possess, such skills and knowledge. The assistance may include, but is not limited to, written information such as papers, manuals, guides, and brochures; person-to-person exchanges; web-based curriculums, training and Webinars. The following information should be included in the Technical Assistance Narrative:

- Indicate whether the HOPWA and/or HUD technical assistance currently available is sufficient in transferring the skills and knowledge needed to implement a successful HOPWA program.
- Describe technical assistance 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. Sufficient reasons for realigning or changing a project sponsor include:

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

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

For applicants with a new project sponsor added to the renewal request or an existing project sponsor who has experienced significant organizational change, additional information is required in the Organizational Capacity Narrative along with the submission of the organization's nonprofit status (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 points are required for a new project sponsor to qualify for funding under this renewal notice. Project sponsors will be scored based on the criteria below:

- Describe team member experience and knowledge in serving persons living with HIV/AIDS. Team members include the proposed project manager and key staff relevant to carrying out the proposed activities.
 - *5 points* – Full points will be awarded if the narrative presents direct, extensive, and clear evidence of team member experience relevant to the proposed activities in serving persons living with HIV/AIDS and their families.
- Describe team member experience with managing and implementing programs similar to those proposed in your application, including HOPWA grants and other housing and service programs for special needs populations.
 - *5 points* – Full points will be awarded if the narrative presents direct, extensive, and clear evidence of team member experience and knowledge in providing activities similar to the range of housing and service activities proposed in the application.
- Describe team member experience in achieving measurable results and meeting previous applicable performance benchmarks in the operation of existing or previous HOPWA grants or other similar housing and supportive service grants. This includes meeting project goals and objectives, such as number of persons assisted in comparison to the number that was planned at the time of the application; submitting timely performance reports; and expending funds as outlined in grant agreements/contract, with no outstanding audit or monitoring issues.
 - *5 points* – Full points will be awarded if the narrative presents clear evidence of team member experience in achieving results and meeting benchmarks under existing or previous HOPWA grants or other similar grant programs.
- Describe team member experience and knowledge in: (1) monitoring and evaluating the performance of housing and service programs; **and** (2) reporting on project outcomes similar to the HOPWA client outcomes of housing stability, reduced risks of homelessness, and access to care.
 - *5 points* – Full points will be awarded if the narrative fully describes team member experience in monitoring and evaluating program performance **and** reporting on project outcome information similar to HOPWA outcomes.

HUD reserves the right to reject an application if there is a change in project 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 to be eligible for funding under this renewal notice.

C. Application Submission Format

All FY2018 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. Certification of Consistency with the Consolidated Plan (HUD-2991)
6. HOPWA Budget (HUD-40110-B) *
7. Descriptive Budget Justification Narrative*
8. Technical Assistance Narrative*
9. Organizational Capacity Narrative

VIII. Review and Selection Process

The following process will be followed for the review and selection of FY2018 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 deemed unresolved if it is not addressed through a corrective action plan approved by the local HUD Field Office. Applicants with grants that have unresolved monitoring issues may be denied access to renewal funding. Grantees with programs that are denied access to renewal funding due to unresolved monitoring findings have an obligation to transfer existing clients to other suitable housing assistance. If a grantee denied renewal funding operates a facility-based housing program, the grantee is required to: 1) abide by the minimum use requirements at 24 CFR 574.310(c); and 2) follow the disposition requirements in 2 CFR 200.311.

In HUD Headquarters staff review of annual performance data submitted in the applicant's most recent APR, the focus will be performance threshold eligibility. The renewal applicant

must demonstrate measurable progress in the implementation of the current grant award as reported in the most recent APR. HUD reserves the right to deny an applicant for renewal if 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 defined in Section VII. A minimum of 14 points are required for a new project sponsor to qualify for funding under this renewal notice.
- (3) **Negotiations.** Comments from reviewers on identified deficiencies and/or application clarification needs will be provided through email to 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 through the grant operating period, 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 existing 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 accepting 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;
- CCR and DUNS number requirements under SAM;
- 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 with funding projected to be available past the grant expiration date may request an extension on their current grant. However, extension requests may not extend the grant past May 31, 2019, the cutoff date for eligibility in this notice. Importantly, grant extensions must be approved by HUD ten days before the original expiration date.

Regarding the FY2018 renewal award, grantees must fully expend their grants within three years from the operating start date of the grant agreement, or request and receive HUD's approval for a

grant extension of up to one year from the grant end date shown on the executed grant agreement. The grant term expiration date is three years from the 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 to their local HUD field office of any proposed changes to an executed grant agreement. Some proposed changes must receive prior field office review and approval. Each program must operate within the statutory limits on administrative costs for grantee (3%) and project sponsors (7%), as well as standards established in this notice. 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 shifted from one line item to another within the HOPWA-specific budget form, HUD-40110-B. 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 and HUD Headquarters in writing 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 funds in IDIS BLI levels appropriately after the Department has been notified of the change. No more than one insignificant change will be allowed within a monthly time frame. However, if additional insignificant amendments of funding between BLIs are needed, the Department may approve on a case-by-case basis. The chart below provides an example 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	Amendment Total Request
Tenant Based Rental Assistance (TBRA)	\$30,000	-\$3,000	\$27,000
Short-term Rental, Mortgage, and Utility Assistance (STRMU)	\$40,000	+\$3,000	\$43,000
Supportive Services	\$200,000	\$0	\$200,000
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 and the request should: (1) justify the request and provide an assessment of the impact on the approved project plans; and (2) address how the change would be beneficial to addressing the permanent housing needs of HOPWA eligible persons in their service area. For budget changes, the grantee must provide a summary of the amount of funds to be transferred from one BLI to the other BLI as shown in Table 5, and an updated HUD-40110-B incorporating those 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.

Table 5. Significant BLI Change Example

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

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

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

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;
- The inclusion of costs for technical assistance, and/or project outcome analysis as an amendment to a grant agreement;
- 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 states that in these cases involving any other amendment to the application, these could be made by the grantee and the grantee is required to provide a copy to HUD. Such changes could involve the type of supportive service activities which are undertaken in connection with the permanent housing program components, adjustments in the planned types of operating costs for housing facilities, changes in housing information services or program methods for administering the approved activities, or other such adjustments to improve the responsiveness, appropriateness, or efficiency of delivering the assistance provided under the approved performance grant agreement. 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

Two of HUD's strategic goals in its Strategic Plan for 2014-2018 are meeting the need for quality affordable rental homes and utilizing housing as a platform for improving quality of life. Applicants are strongly encouraged to undertake efforts consistent with these strategic goals 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 competitive renewal grants are required to use IDIS for financial transactions and reimbursement of approved project activities. It is important that grantees understand the required separation of duties to drawdown funding and how to keep the accounts active. New IDIS users will need to work with their field office representative to submit a request for access to an IDIS account. More information on IDIS account creation and maintenance can be found here: <https://www.hudexchange.info/programs/idis/idis-technical-assistance/>. 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 grant operating period. 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/>
- HUD Exchange Ask A Question:
<https://www.hudexchange.info/get-assistance/my-question/>

As of [March 4, 2016](#), 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 operating period 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/>
- HOPWA Rental Assistance Guide:
<https://www.hudexchange.info/resources/documents/HOPWARentalAssistanceGuidebook.pdf>
- HOPWA Income Resident Rent Calculation:
<https://www.hudexchange.info/resource/1835/hopwa-income-resident-rent-calculation/>
- Administering HOPWA Housing Assistance Fact Sheet:
<https://www.hudexchange.info/resources/documents/AdministeringHOPWAHousingAssistance.pdf>
- Memorandum on the Applicability of Section 8 Requirements to Rental Assistance Funded through the HOPWA Program:
<https://www.hudexchange.info/resource/4861/memo-12-15-applicability-of-section-8-requirements-to-rental-assistance-funded-through-the-hopwa-program/>
- CPD Financial Management Curriculum:
<https://www.hudexchange.info/news/cpd-launches-financial-management-curriculum>
- HOPWA Short-Term Rent, Mortgage, and Utility Assistance Resource:
<https://www.hudexchange.info/resource/4843/hopwa-short-term-rent-mortgage-and-utility-assistance/>
- Short-Term Rent, Mortgage, and Utility Assistance Fact Sheet:
<https://www.hudexchange.info/resources/documents/HOPWASTRMUAssistanceFactSheet.pdf>
- Frequently Asked Questions on emergency hotel/motel vouchers, STRMU, administrative costs, and FFATA:
<https://www.hudexchange.info/hopwa/faqs/>
- HOPWA Confidentiality User Guide:
<https://www.hudexchange.info/resources/documents/HOPWA-Confidentiality-User-Guide.pdf>

- Program Administration Toolkit:
<https://www.hudexchange.info/resource/1025/hopwa-program-administration-toolkit/>
- Getting to Work: A Training Curriculum for HIV/AIDS Service Providers and Housing Providers:
<https://www.hudexchange.info/training-events/dol-hud-getting-to-work-curriculum-for-hiv-aids-providers/>
- HOPWA eLearning Best Practices Training Series:
<http://www.vpi.org/tap/webinars/>
- Information on the HOPWA Back to Work Employment Initiative:
<http://www.vpi.org/tap/webinars/>
- CPD Monitoring Handbook 6509.2 (see Chapter 10 on HOPWA):
<https://www.hudexchange.info/resource/290/hud-community-planning-and-development-monitoring-handbook-65092-rev7/>
- Homeless Management Information System (HMIS) Resources:
<https://www.hudexchange.info/hmis/>
- HOPWA White Paper: The Connection Between Housing and Improved Outcomes Along the HIV Care Continuum:
<https://www.hudexchange.info/resource/4143/connection-between-housing-and-improved-outcomes/>
- Information about the related Ryan White HIV/AIDS Program:
<http://hab.hrsa.gov/>

X. Information Collection

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).