



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

OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

January 7, 2009

MEMORANDUM FOR: Selected CPD Field Office Directors (in AL; So-CA; So-FL; IL; MD; MN; MS; NYC; & TX-Ft W)

FROM: Ronald Herbert, Director, Office of Field Management

Through: David Vos, Director, Office of HIV/AIDS Housing, DNH

SUBJECT: Post-Award Operating Instructions for the 2008 HOPWA New Project Grant Awards - Performance Grant Agreement

I. SUMMARY OF CHANGES FOR FY2008

1. These operating instructions are to be implemented for FY2008 newly selected award.
2. Program income is addressed in the Grant Agreement, Attachment 4.
3. Instructions on amending budget line item amounts are updated.

II. INTRODUCTION AND BACKGROUND

This memorandum provides instructions to CPD Field Offices for processing of the nine conditionally selected new 2008 Housing Opportunities for Persons With AIDS (HOPWA) competitive grants that were announced on December 8, 2008.

Similar materials have been used in prior HOPWA competitions to expedite the signing of grant agreements and the accessing of obligated funds as soon as practicable. The agreement continues to specify the HUD-approved budget line items (BLIs) and leveraging for the competitively selected projects. Attachment 2 (sent in an email to applicable field offices) provides the approved amounts. Attachment 2 should be used as Exhibit B in the signed performance grant agreement along with any additional required submissions by the grantee.

Please use the following guidance in managing these grant awards. These documents will be available on the HUD at Work website:

- (1) Attachment 1-** Project descriptions from the HUD news release, which describe the conditionally selected grant awards and can be copied and used for public information;
- (2) Attachment 2-** Attachment 2 will provide the HUD approved BLIs for each of these awards along with any alerts and review comments, and the HUD-approved commitments for leveraging;
- (3) Attachment 3-** A draft notification letter to be used in transmitting the grant agreement;

2008 HOPWA New Project Grant Operating Instructions

- (4) **Attachment 4-** The HOPWA performance grant agreement form for the 9 newly selected FY2008 competitive grants, (AL; CA; FL; IL; MD; MN; MS; NY; TX) which should be prepared in accordance with Attachment 2;
- (5) **Attachment 5-** The HOPWA Regulations 24 CFR part 574 as of April 1, 2007;
- (6) **Attachment 6-** Grantee financial instructions;
- (7) **Attachment 7-** A draft letter to be used when sending the signed documents;
- (8) **Attachment 8-** Reserved for the updated annual performance report and explanatory documents;
- (9) **Attachment 9-** HOPWA competitive grant extension;

Thank you for ensuring that all the provisions of these instructions are implemented in an accurate and timely fashion.

III. ADDITIONAL REVIEWS AND CONDITIONS

A. Budget & Policy Changes. The amounts listed in Attachment 2 for newly selected competitive grants represent the approved budget, leveraging, and housing outputs. These amounts are based on the consensus found by panel reviewers under the reviewing and selection criteria established in the FY2008 NOFA. In some cases: administrative amounts were reduced to the allowable thresholds established in regulation at 24 CFR part 574; supportive service amounts were reduced to the allowable 35% under the cap on supportive services established in the FY2008 NOFA; and some activities were removed as a non-eligible HOPWA activity. Additionally, some grants have conditions to accepting an award that must be met prior to executing the grant agreement and/or during the operation of the grant.

In some cases grantees incorrectly listed amounts in a budget line item that are associated with delivering services for eligible activities under another HOPWA BLI. These costs were identified and realigned to the correct BLI. Newly selected grantees should work with field offices in correcting these adjustments to the original intent and establishing new baseline outputs under the correct BLI for reporting purposes. Field offices should pay close attention to the awarded budget line item amounts, housing outputs, conditions, and alerts listed in Attachment 2 and ensure that grant recipients understand any changes and/or conditions prior to executing the grant agreement.

B. Notice Letters and Reviews. A draft notification letter (Attachment 3) has been prepared for field office use. Field offices should send the letter to the applicant stating the grant amount and

nature of the standard conditions that must be met during the grant term. Additionally, during the operation of selected grants, field offices should oversee the issues identified as alerts and conditions in Attachment 2. Please consult with the Office of HIV/AIDS Housing, as needed, if any substantial amendment is proposed (see section IX, B for the definition of substantial change). To ensure Headquarters has updated project data alert the Office of HIV/AIDS Housing of any changes made.

IV. PREPARATION OF PERFORMANCE GRANT AGREEMENT

A. Executing the Performance Contract. The field office is to complete the performance grant agreement, (Attachment 4), and incorporate the application as “Exhibit A” as part of the agreement. This agreement relies on the application to delineate the project. Additionally, Exhibit B contains the HUD-approved list of commitments for the use of other leveraged resources to be used in conjunction with HOPWA funds. Failure to evidence the utilization or attainment of these commitments could result in a notice of default and affect the project’s continued access to these federal funds.

B. Regulations. The current HOPWA regulations, at 24 CFR part 574, must be attached to the end of the grant agreement and labeled "Exhibit C." Each copy of the unsigned grant agreement must have an Exhibit C attached to it since competitive grants, unlike formula grants, are made subject to the regulations as they are in effect at the time of the application. So that both grantees and HUD staff are acquainted with the program regulations and guidance that governs a grant throughout the term of the grant, and to ensure that the grantee and HUD staff have a readily available source of those rules, the regulations must be made a part of the grant agreement itself. Subsequent changes to regulations will not necessarily apply to the '08 newly selected competitive grants.

C. Performance Grant Agreement and Operating Year Dates. Since 2001, HOPWA grant agreement forms specify the operating dates. When executing the grant agreement, there are two dates of key importance and field offices will need to work with grantees on establishing these dates as follows:

- (i) A “signing of the grant agreement” date, that is the date that HUD effectuates a grant agreement with a HOPWA grantee (i.e. the date of our grant agreement as provided under the signature line for HUD’s authorized official). This date is used to authorize the obligation of the funds awarded; and
- (ii) An “operating period start date,” that is the date specifying the beginning of the operating period of the new grant. The operating period start date is used to begin the active use of funds provided in the award and should be specified in the third paragraph of the grant agreement, as follows:

The term of this Agreement shall begin on _____(mm/dd/yyyy) and end on _____(mm/dd/yyyy), or three years from the beginning date of this agreement, whichever comes first. Notwithstanding the foregoing, if a renewal grant

the term of this Agreement may not begin until the prior grant agreement has expired and all funds remaining under the prior grant agreement have been expired.

This wording limits the period to not more than three years (in case some longer period is inadvertently inserted). The end date must be three years from the begin date of the grant agreement. The APR forms note that this start date could be up to four months following the date of the signing of the grant agreement. Generally, each operating year under the new award should be a 12-month period, which begins on the date of execution or up to four months after the execution date and is as designated as the “beginning” date in the grant agreement. For the purposes of annual progress reports, the grantee and all project sponsors should document activities consistent with this operating period. The annual progress report is due to HUD within 90 days of the end of the designated operating 12-month period. Also, grant funds must be used under this award in a consistent and regular manner over this three-year period.

After the first year of operation, any changes made to the planned (BLI) amounts or housing outputs must be explicitly stated in an amendment to the grant agreement and updated in the grantee’s Logic Model (i.e. the number of households to be assisted with housing support during each of the three years of project operations).

D. Common Conditions for Grants. The following standard conditions should apply to all grants throughout the duration of the grant term:

- 1) **Standard Lease or Occupancy Agreements to Document Permanent Housing.** Grantees that provide permanent supportive housing must show evidence that permanent housing is being provided, such that a household has a legal right to continue use of the housing unit, as shown in a standard lease or occupancy agreement. The agreement must be for a term of at least one year. The document must also be automatically renewable upon expiration, except on reasonable prior notice by either the tenant or landlord. The requirements governing termination of assistance are located in 24 CFR 574.310(e). Failure to maintain this project documentation of the client’s lease or occupancy agreement would constitute a grant default.

- 2) **Adequate supportive services and limits on Health Care and AIDS Drug costs.** The application may refer to the provision of supportive services including costs for accessing or providing health care support for participants. The FY2008 HOPWA program NOFA prohibits direct HOPWA funding to be used for medications (such as AIDS drug assistance) and the standard grant agreement includes a section that addresses this limit.

3) **Drug and Alcohol Abuse Treatment and Counseling Activities:**

Applicants with support to help clients address these needs must follow the condition listed below.

This application includes supportive service activities aimed at assisting HOPWA clients with substance abuse treatment. Note that, in operating this project, the grantee and any project sponsor must comply with federal, state and other applicable laws pertaining to the illegal use of a controlled substance. The grantee and sponsor must undertake reasonable steps to ensure that beneficiaries receive appropriate access to substance abuse treatment and counseling. Admission should be denied, or eviction initiated, for persons engaging in illegal drug activities, where such activities threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. Grantees and project sponsors must establish procedures for project ineligibility and evictions related to illegal drug activities.

Also note that the following alert has been added to the conditions on those grantees that use the term harm reduction:

1. The application uses a term “harm reduction” that is not defined in program guidance or used by HUD for eligible program activities. In undertaking appropriate approaches to engage beneficiaries to address substance use challenges, the program is authorized to provide drug and alcohol abuse treatment and counseling activities, as an eligible supportive service under 24 CFR 574.300(b)(7).

4) **Security Deposits.** If the application proposes to provide security deposits, such costs are to be reasonable and limited to not more than two months rent and classified as part of the BLI shown as Permanent Housing Placement Costs. Grantees should quantify this effort and establish their plan for undertaking and reporting on this activity under this BLI.

5) **Drug-Free Workplace.** Grantees are subject to this standard requirement, repeated from section III (4)(p) in the general section of the SuperNOFA (page 14888).

“p. Drug-Free Workplace. Applicants awarded funds from HUD are required to provide a drug-free workplace. Compliance with this requirement means that the applicant will:

- *(1) Publish a statement notifying employees that it is unlawful to manufacture, distribute, dispense, possess, or use a controlled substance in the applicant’s workplace and that such activities are prohibited. The statement must specify the actions that will be taken against employees for violation of this prohibition. The statement must also notify employees that, as a condition of employment under the*

federal award, they are required to abide by the terms of the statement and that each employee must agree to notify the employer in writing of any violation of a criminal drug statute occurring in the workplace no later than 5 calendar days after such violation;

- (2) *Establish an ongoing drug-free awareness program to inform employees about:*
 - *(a) The dangers of drug abuse in the workplace;*
 - *(b) The applicant's policy of maintaining a drug-free workplace;*
 - *(c) Any available drug counseling, rehabilitation, or employee maintenance programs; and*
 - *(d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;*

- (3) *Notify the federal agency in writing within 10 calendar days after receiving notice from an employee of a drug abuse conviction or otherwise receiving actual notice of a drug abuse conviction. The notification must be provided in writing to HUD's Office of Departmental Grants Management and Oversight, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 3156, Washington DC 20410-3000, along with the following information:*
 - *(a) The program title and award number for each HUD award covered;*
 - *(b) The HUD staff contact name, telephone, and fax numbers; and*
 - *(c) A grantee contact name, telephone, and fax numbers; and*

- (4) *Require that each employee engaged in the performance of the federally funded award be given a copy of the drug-free workplace statement required in item (1) above and notify the employee that one of the following actions will be taken against the employee within 30 calendar days of receiving notice of any drug abuse conviction:*
 - *(a) Institution of a personnel action against the employee, up to and including termination consistent with requirements of the Rehabilitation Act of 1973, as amended; or*
 - *(b) Imposition of a requirement that the employee participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency."*

E. Commitment Deadlines. In order to provide sufficient time for the commitment of funds, field offices are asked to ensure that the HOPWA grantees reach agreement with HUD allowing for the signing and execution of the grant agreement no later than six months from their selection. All grantees must have a beginning start date for their new award no later than September 30, 2009, (the beginning date can be as early as the signing date for the grant agreement). As an additional consideration, the FY2008 Appropriations Act requires HUD to *obligate* funds within two years of the effective appropriation date, (i.e. not later than September 30, 2010), or HUD and the designated

recipient will lose access to these funds. The schedule noted above will allow HUD to meet this deadline.

Grantees must fully expend their grants within three years following the beginning date of their operating start date of the grant agreement, or request from HUD during this period, 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. As an additional consideration, the applicable Appropriations Act requires that all drawn downs for those eligible activities that are undertaken during the 3-year grant operation period be completed within five years of the commitment (i.e. not later than September 30, 2013 for FY2008 funds), or HUD and the designated recipient will lose access to these funds. This provision constrains the Department's authority to extend these new grants or otherwise allow grantees to retain balances on these accounts beyond this date.

F. Staff Costs Assigned by Activity. The HOPWA regulations were amended in 1992 to help clarify staff costs as it applies to administrative costs. Under the definition at 24 CFR 574.3, allowable administrative costs *do not include costs directly related to carrying out eligible activities, since those costs are eligible as part of the activity delivery costs of such activities.* In the case of a program that involves staff that delivers a supportive service, such as client counseling, the staff costs must be credited to that supportive service activity. If that staff also engages in grant administration, costs must be reasonably prorated between the activity costs (administrative costs are limited by statute: for grantees, 3 percent and for project sponsors, 7 percent of the amount that the project sponsor receives) if reimbursed from HOPWA funds.

This concept also applies to operation costs for housing activities and the costs of staff that carry out the housing activities, such as maintenance, security, housing search and placement, etc. In some cases, grantees have applied these housing costs to supportive services, but should have assigned them to the appropriate type of housing activity that is being undertaken to ensure that performance data is accurate in reflecting the costs for delivering these activities. Additionally, most projects are likely to involve other sources of funds. Records on staff time should be maintained in order to document the division of staff time between applicable funding sources.

G. Notification. The field office must send a notification letter, Attachment 3, to the applicant that provides a separate BLI breakdown of funds approved for HOPWA eligible activities and three copies of the grant agreement. Field offices should include the grantee financial instructions, Attachment 6, with the notification letter and unsigned grant agreements. The authorized representative listed on the SF 424 by the applicant must sign the grant agreements and return them to the field office.

H. Budget Line Items (BLIs). For purposes of LOCCS setup under the program code HPAC, HOPWA funds should be grouped according to the following BLI categories consistent with the funding amounts approved in the performance grant agreement in Exhibit B. [Note these were the BLIs established in 1992 and an update to separate the BLIs is now pending approval; if revised, the new BLIs will use the same list of approved eligible activities, as shown in Attachment 2 and the application budget page.]

2008 HOPWA New Project Grant Operating Instructions

- 1010 Acquisition;
- 1020 Rehabilitation and new construction, including conversion and repair;
- 1030 Operating Costs including leasing;
- 1040 Rental Assistance;
- 1050 Supportive Services and other costs, including short-term rent, mortgage, and utility (STRMU) payments, housing information services, and resource identification to establish, develop and coordinate housing assistance resources;
- 1060 Administrative Costs, including grantee and project sponsors costs; and
- 1120 Other (limited to approved HUD activities).

These four-digit numbers are unique to the HPAC program area and are not necessarily used for other HUD programs and the BLIs are tracked in LOCCS and used in HOPWA voucher drawdowns.

I. Leveraged Funds. Grantees have submitted information in their applications that evidenced the commitment of other funds to be used for housing and/or supportive services during the planned 3-year grant period. The grantee will be required to report on the use of these leveraged commitments as shown in Attachment 2 on the list of HUD-approved commitments. To evidence the fulfillment of these commitments, HUD will review the related data submitted in their Annual Progress Report (APR, form HUD 40110-C, exp. 12/31/2010) that will be filed each year. The field office should plan to review documentation for the implementation of these commitments when conducting an on-sight monitoring.

V. DISTRIBUTION OF THE GRANT AGREEMENTS

Fully executed Grant Agreements are to be distributed as follows:

A. After the applicant has signed and returned the grant agreement to HUD, and HUD has signed the grant agreement, the field office is to send one copy of the fully executed grant agreement to the grantee using the transmittal letter, Attachment 7;

B. retain a copy of the grant agreement with original signatures for the field office files;

C. send a copy of the grant agreement with original signatures and copy of the transmittal letter to the Fort Worth Accounting Center; and

D. send a copy of the executed grant agreement to the Office of HIV/AIDS Housing at Headquarters, correspondence code: DNH, Room 7212.

VI. FUND ASSIGNMENT PROCEDURES

A. Headquarters will transmit the reservation of HOPWA Competitive funds to each field office. A copy of the headquarters transaction will be forwarded to appropriate field offices for processing and information.

B. As with HOPWA formula programs, individual competitive grant amounts will be reserved in the Program Accounting System (PAS) from an electronic file processed by the CFO headquarters accounting office; therefore, HUD 718s will not be needed from the field offices for the reservation of these funds. However, when grant agreements are sent to the Fort Worth CFO accounting office, please ensure that the agreements include the Region and Field Office number; Appropriation (86-8/00308) and PAS Program Code (CWF); Source Year and PAS FY Indicator.

C. The Fort Worth accounting center will record the obligation of the funds.

VII. THE START-UP CONFERENCE

Field offices **must** hold training conferences for all newly selected FY2008 Awardees, including a review of the standard grant conditions, alerts and other notes provided in Attachment 2. Field offices may work with HOPWA technical assistance providers in accomplishing start-up conferences and should cover the following items:

A. How to Utilize the LOCCS/Voice Response System. Field offices should discuss how to access HOPWA competitive funds and familiarize each grantee with the disbursement system (see Attachment 6) and ensure that grantees have copies of HUD-27053-A, which are available from your finance office.

B. Eligible Clients and Activities. Hold a general discussion on program eligibility issues, income determinations, and general documentation of their records for the files.

C. HUD Reporting Requirements. Review the HOPWA Annual Progress Report (APR exp. 12/31/2010) and related annual update to the grantee's Logic Model, obtained through the HOPWA webpage, and emphasize annual reporting requirements; see Attachment 8 form HUD-40110-C (exp. 12/31/2010), and logic model updated under current form HUD 96010.

D. HOPWA Grant Agreements. Review the provisions of the HOPWA Performance Grant Agreement and answer any questions from the grantee.

E. Terms of Contract. Grantees should be alerted that funds should be expended within the 3-year period. Program regulations at 24 CFR 574.540 provide for possible deobligation of unspent program funds after that point. Grant performance should be monitored to ensure that grants maintain stable operations during this period.

F. Administrative Costs. As defined in 24 CFR 574.3, administrative costs under the HOPWA program are permitted for a grantee, not to exceed 3 percent of the grant, and for a project sponsor, not to exceed 7 percent of the amount that the project sponsor receives.

VIII. DISBURSEMENTS

Instruct grantees to retain signed vouchers in their records for periodic inspection by HUD. They should not send vouchers directly to the field office, to the Fort Worth accounting center, or to headquarters. Upon inspection, compare the information on the voucher to the request for payment

made through the LOCCS-VRS for consistency.

IX. CHANGES TO AN EXECUTED GRANT AGREEMENT

Field offices reviewing any proposed budget and activity change(s), after the first year of operation, should consider how any change might affect how the application was initially competitively rated. The regulations, at 24 CFR 574.260, establish a process for making amendments to competitive grants. Please consult the Office of HIV/AIDS Housing if you find that the applicant's revisions significantly alter the scope, location, service area, or objectives of an activity proposed in their grant application or the number of eligible persons served. The guidance that follows pertains to considering grant extensions and changes to BLIs.

Grantees must advise their local field office in writing of any proposed changes to an executed grant agreement since this would precipitate field office review and approval before enactment of any proposed changes to an existing grant award. Each program must operate within the statutory limits on administrative costs for grantee and project sponsors, as well as, standards established in the FY2008 HOPWA program NOFA and General Section, such as caps on supportive services and commitments of the leveraged funds. As such, not all changes can be approved. Field offices should consult with the Office of HIV/AIDS Housing to discuss policy and programmatic issues related to these requested changes in addition to ensuring that the national database is updated to reflect all BLI changes. Additionally, field offices should send a copy of such amendments to the Office of HIV/AIDS Housing headquarters office. The amendments should reflect how the funds shifted from one line item to another within the HOPWA specific budget form 1040B. Additionally, a new LOCCS spreadsheet must be submitted by the field office to the appropriate HUD Fort Worth accounting staff so that the revised funds will be accountable in LOCCS. The financial instructions are contained within Attachment 6.

A. Budget Line Item (BLI) Changes. Field Offices should not amend grant agreements and budgets during the first year of operations. Once a grant agreement is executed, grantees must show a good faith effort to implement their project as approved. However, field offices may consider the merits of requests after the first year of operations and approve changes where sufficiently justified. There are two types of BLI changes that may be considered- either a non-substantial or substantial change (the guidance outlined below is to be used after the first year of operation).

- 1) **Non-substantial BLI changes:** A non-substantial change involves: 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; a substitution of leveraged commitments for a type of supportive service of at least equal value to the original HUD-approved commitments for leveraging; adjust client outcome estimates; or other such limited actions. The grantee should notify the field office in writing of the amount of funds to be transferred from an affected BLI to another affected BLI and describe the revised proposed use of funds. The request must be reviewed by the field office and register any needed edit in the appropriate BLIs in LOCCS. No more than one non-substantial change may be allowed at one time or within the same month of operation. Additionally, no more than

two non-substantial changes may be allowed within an annual time frame. The chart below provides an example of a Non-substantial BLI change.

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

2) Substantial BLI Changes: Section 24 CFR 574.260 requires 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. The grantee must additionally provide a copy to HUD of any other amendment to the application considered substantial by the description below for review in order to accept the change. A substantial change involves: a grantee request to add/or subtract more than 10 percent of the amount approved from one BLI to another approved BLI; affect the approved housing outputs established in the performance grant agreement by more than 10 percent, decrease the amount of other leveraged funds that were committed to be used for supportive service activities pursuant to a leveraging requirement; 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 justify the request and provide an assessment on the impact on the approved project plans, and address how the change would be beneficial to addressing the permanent housing needs of HOPWA eligible persons in their service area. No more than one substantial change may be requested within an annual operating period. The chart below provides an example of a Substantial BLI Change.

Budget Line Item	Approved	Amendment Request	Amendment Approved
Tenant Based Rental Assistance (TBRA)	\$30,000	-\$3,300	\$26,700
Short-term Rental, Mortgage, and Utility Assistance (STRMU)	\$40,000	+\$3,300	\$43,300
Supportive Services	\$200,000	0	\$200,000

If the grant amendment is approved by the field office following agreement with the Office of HIV/AIDS Housing, the field office will prepare a grant amendment to be signed by the grantee and that office with a proposed future effective date for the change. Once the amendment is signed and in effect, the field office will redistribute funds between BLIs, and the grantee may request access to such funds accordingly.

3) **Non-eligible BLI changes:** As mentioned at the beginning of this section, some BLI changes not eligible for amendment, include those, which exceed statutory limits for administrative costs for the grantee (i.e. at not more than 3 percent of the grant award) or for a project sponsor (i.e. at not more than 7 percent of the grant funds received by this sponsor). Also, some changes are not eligible due to the maximum allowable standards established in CPD Notice 08-03 and include the bullets listed below.

- In accordance with the criteria established in CPD Notice 08-03 any amendment to the supportive services BLI may not exceed the supportive services cap of 35% of the amount of funding approved that directly benefits program clients (i.e. the total amount awarded after deducting admin costs).
- The inclusion of costs for technical assistance or project outcome analysis as an amendment to a grant agreement is prohibited.
- The leveraging committed to be used in the coordination of housing assistance and supportive services that are critical to the delivery of services promised under the grant agreement must be honored. If leveraging is withdrawn, the grantee will be required to secure any additional leveraging needed to sustain the project for the delivery of the services promised and may not amend the grant agreement to reflect a reduction in leveraged funds and service delivery; and
- A request for additional capital development activities that involve new facilities or sites that were not discussed in the application submitted for funding under the FY2008 NOFA nor approved under the executed grant agreement as an amendment to the grant agreement is prohibited.

B. Changes Not Requiring a Grant Amendment. 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 that these

could be made by the grantee and the grantee is required to provide a copy to HUD. Such changes could involve the supportive service budget amounts dedicated to a type of supportive service activity which is 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 organizational procedures for administering the approved activities, or other such adjustments to improve the responsiveness, appropriateness, or efficiency of delivering the assistance provided under their approved performance grant agreement.

C. Submission and Review of Grant Changes. The following procedures are recommended for submission and review of grant changes. An official representative of the grantee should request the transfer of funds in writing (by letter or email to the Community Planning and Development Division Field Office Director) describing the reason(s) for the transfer, the month and year for the funds to be transferred, the amount of funds being transferred to each BLI and a proposed budget of the old and new line items. The transfer of such funds must be approved/accepted or denied by the field office in writing (by letter or email) with notification to the grantee and HUD staff administering the financial transactions in LOCCS. In the case of a substantial amendment, the change would be recorded in a signed performance grant agreement amendment that would be prepared by the field office and signed by the field office and the grantee. Under no circumstances would a grantee be authorized to expend funds for a substantial change prior to HUD approval of the requested change.

D. Grant Extensions. Attachment 9 contains a sample copy of the grant extension form that shall be used when granting an extension to a renewal HOPWA grant agreement if deemed necessary as the ending date to the grant agreement approaches. The applicable dates are limited and refer to the date that the original grant agreement was signed by HUD and the grantee. Section 574.540 of the HOPWA regulations establishes a grant term of no more than three years. Accordingly, the grant term expiration date is three years from the signature date of the original grant agreement (or three years from the project start date that was agreed upon in the original grant agreement, which may be later than the signing date). Consistent with OMB circulars and 24 CFR 84.25(e)(2), a grant term may be extended up to an additional year from the original expiration date. Importantly, extensions must be approved before the original expiration date occurs. The original grant extension should be retained in the grantee's file and a copy sent to the Office of HIV/AIDS Housing.

X. CLOSEOUT PROVISIONS.

Standard grant close out provisions are found at 24 CFR part 85 – Administrative Requirements for Grants and Cooperative Agreements to State, Local Governments and Non-Profit Organizations, (made applicable by 24 CFR 574.605).

BEFORE YOU CLOSEOUT: Subpart C –Post (grant) Award Requirements:

Sec. 85.26: Basic rule. Grantees and sub-grantees are responsible for obtaining audits in accordance with the Single Audit Act Amendments of 1996 (31 USC 7501 –7507).

Sec. 85.50: CLOSEOUT:

2008 HOPWA New Project Grant Operating Instructions

- (a) General. The federal agency will close out the award when it determines that all applicable administrative actions and all required work of the grant has been completed.
- (b) Reports. Within 90 days after the expiration or termination of the grant, the grantee **MUST** submit all financial, performance, and other reports required as a condition of the grant. Upon request by the grantee, Federal agencies may extend this timeframe.

These may include but are not limited to:

- 1) Final performance reports
- 2) Financial status reports, and/or requests for reimbursement reports
- 3) Final request for payment
- 4) Invitation disclosure (if applicable)
- 5) Federally-owned property reports (e.g., property, both real and personal acquired with funds from the grant)

A grantee must make an inventory of all owned property for which it is accountable and request disposition instructions for the Federal agency of the property no longer needed. Cost adjustments if any will be made by the Federal agency within 90 days after receipt of the report.

- (d) The Federal agency will make prompt payment to the grantee for allowable reimbursement costs (or) if applicable, the grantee must immediately refund to the Federal agency any balance of un-obligated (unencumbered) cash advanced that is not authorized to be retained for use on other grants.

The HOPWA Close out procedures require the following submissions:

- 1) Narrative. (Executive Summary) which describes all activities carried out with grant funds. List all performance measures achieved, benchmarks achieved, numbers and demographics of persons served. Numbers of housing units provided, Type of housing assistance and supportive services provided.
- 2) Complete Standard form 269. (Financial Status Report – Long form)
- 3) Complete the audit certification or submit evidence that all expended grant funds were audited in accordance with OMB circular A-133. (See sample of Certificate language)

Example Closeout Letter

LETTERHEAD OF RECIPIENT

Name of Recipient: _____

Grant Agreement Number: _____

Certification of Recipient

It is hereby certified that all activities undertaken by the Recipient with funds provided under the grant agreement identified above, have to the best of my knowledge, been carried out in accordance with the grant agreement. That proper provision has been made by the Recipient for payment of all unpaid costs and unsettled third party claims identified on line 10m of the attached "Financial Status report" (SF-269). The United States of America is under no obligation to make any further payment to the recipient under the grant agreement excess of the amount identified on line 10n of SF-269. That every statement and amount set fourth in said instrument is, to the best of my knowledge, true and correct as of this date. If any portion of the grant amount has been audited at the time of the execution of this certification, the recipient agrees that the unaudited portion of this grant will be included in the next periodic audit of the Recipient (as required by OMB circular A-133 which implements the Single Audit Act of 1984, P.L. 98-502). In the event any cost is disallowed by the audit and is sustained by HUD after consultation with the Recipient, such amount shall be refunded to HUD.

Signature of Recipient

Date

XI. HOPWA TECHNICAL ASSISTANCE

If projects need assistance in the startup or operation of these efforts, please contact the national HOPWA Technical Assistance provider for your area. For the most recent information on the status, scope, and the geographic areas of service of HOPWA technical assistance providers, please visit the HOPWA website at "<http://www.hud.gov/offices/cpd/aidshousing/>". Please note that in lieu of a demand/response system, these technical assistance grantees are available to provide assistance in your community and may be contacted directly by your office or via this office.

Questions about these instructions on the HOPWA program should be directed to Benjamin Ayers in the Office of HIV/AIDS Housing HOPWA@hud.gov. Thank you for your interest and dedication to the HOPWA program.

XII. LIST OF ATTACHMENTS.

Note: This Document contains 11 “Attachments”

Attachment 1 - Description of the 2007 HOPWA Grant Selections*

Attachment 2 - List of Approved Funding and Standard Conditions on Selected Applications *
[becomes Exhibit B to the grant agreement, including any negotiated revisions on housing outputs]
– *to be sent separately to each field office*

Attachment 3 – Letter sending the grant agreement*

Attachment 4 - HOPWA 2008 Grant Agreement (1 form)* Attachment 4 provides field offices with one grant agreement form to be used for the 9 HOPWA renewal grants for permanent supportive housing (AL; CA; FL; IL; MD; MN; MS; NY; TX)

Attachment 5 - HOPWA Regulations (24 CFR part 574), are found at this website

http://www.access.gpo.gov/nara/cfr/waisidx_05/24cfr574_05.html

Attachment 6 - Grantee Financial Instructions and LOCCS information*

Attachment 7 - Letter to return copies of signed documents*

Attachment 8 – [Reserved for the HOPWA Annual Reporting – The Annual Performance Report, including the use of the logic model. Please check the webpage for the APR and appropriate instructions.]

Attachment 9 - HOPWA Grant Extension

* Sent to all HUD Field Offices on a Word file; documents can also be found on the HOPWA homepage at <http://www.hud.gov/offices/cpd/aidshousing/programs/index.cfm>.

hud NEWS

Department of Housing and Urban Development – Steve Preston, Secretary
Office of Public Affairs, Washington, DC 20410

HUD No. 08-181
Brian Sullivan
(202) 708-0685

FOR RELEASE
Monday
December 8, 2008

<http://www.hud.gov/news/index.cfm>

HUD AWARDS \$10 MILLION TO NINE LOCAL AIDS HOUSING PROGRAMS

Funding to support critically needed housing and services for nearly 300 families a year

WASHINGTON - Nearly 300 persons living with HIV/AIDS and their families will find a stable home and receive help managing their illnesses because of \$10.4 million in grants announced today by Housing and Urban Development Secretary Steve Preston. HUD grants are provided through the Department's [Housing Opportunities for Persons with AIDS \(HOPWA\) Program](#) and will support eight local nonprofit organizations and one city housing agency across the country.

"The funding we announce today will provide hope for families who are struggling to stay healthy and find a stable home this holiday season," said Preston. "By offering critically needed housing to these families, we can also help them to avoid homelessness and provide the services they need to help them to manage their illnesses."

The following local programs are awarded funding (see attached grant summary):

State	City	Recipient	Amount
Alabama	Anniston	Health Services Center, Inc	\$997,838.00
California	Los Angeles	The Salvation Army	\$660,795.00
Florida	Fort Lauderdale	Broward House, Inc.	\$1,369,000.00
Illinois	Chicago	Heartland Human Care Services	\$1,097,529.00
Maryland	Baltimore	AIDS Interfaith Residential Services, Inc.	\$1,369,000.00
Minnesota	Minneapolis	Clare Housing	\$1,057,428.00
Mississippi	Jackson	Grace House	\$1,267,393.00
New York	New York	Bailey House, Inc.	\$1,355,887.00
Texas	Dallas	City of Dallas	\$1,183,680.00
		Total	\$10,358,550.00

The local projects receiving HUD grants will provide permanent and transitional housing, as well as critically needed support services to approximately 300 households. In addition to the new grants announced today, HUD awarded \$19 million last August to renew funding to 18 existing HOPWA-funded competitively selected projects nationwide.

The HOPWA Program is administered by HUD to address the specific focus of providing stable housing for a vulnerable population, very low-income persons living with HIV/AIDS and their families who are homeless or have risks of homelessness. HOPWA makes grants to local communities, States, and nonprofit organizations for projects that benefit low income persons medically diagnosed with HIV/AIDS and their families in obtaining and maintaining housing that serves as a base to improve their access to health-care and other support.

Ninety percent of HOPWA funds are distributed by formula to cities and states based on the number of AIDS cases reported to the Centers for Disease Control and Prevention. HUD's formula grants are managed by 121 local and state jurisdictions, which coordinate AIDS housing efforts with other HUD and community resources.

In Fiscal Year 2008, HUD is providing a record \$300 million in HOPWA funds to help communities provide housing for this special needs population. These resources are expected to assist an estimated 21,000 households with permanent housing support and another 41,000 with short-term and transitional housing support to address pressing housing needs. For FY 2009, HUD is seeking another \$300 million to support new and existing local programs in their efforts to provide housing and support services to their clients. For information on Federal AIDS programs, go to www.aids.gov including links to HOPWA and other HUD programs. HUD's website for the HOPWA program is located at www.hud.gov/offices/cpd/aidshousing/ or email HOPWA@hud.gov.

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HUD is the nation's housing agency committed to increasing homeownership, particularly among minorities; creating affordable housing opportunities for low-income Americans; and supporting the homeless, elderly, people with disabilities and people living with AIDS. The Department also promotes economic and community development and enforces the nation's fair housing laws. More information about HUD and its programs is available on the Internet at www.hud.gov and espanol.hud.gov.

Summary of the FY2008 HOPWA Grant Awards 12-8-08

Alabama

Health Services Center, Inc. is awarded a new HOPWA Special Project of National Significance grant of \$997,838 to implement its Permanent Housing Plus (PH+) program that will provide permanent supportive housing to chronically homeless and low-income individuals living within a rural, 11-county service area in Alabama. The program will offer six permanent supportive housing units that will comprise of newly purchased and pre-existing transitional housing sites. The program is designed to provide short-term rent, mortgage and utility assistance to 20 households annually ensuring that they remain stably housed. It is projected that 60 households will receive permanent housing over the three year grant period. In 2005, Health Services Center received HOPWA funding to operate a six-unit transitional housing program with a full-time housing staff. The program offers housing for up to 15 unique households over the three year grant period. To date, approximately 21 residents have received housing assistance and 77% of residents have moved from the transitional program into a stable housing arrangement. Health Services Center, Inc. has partnered with AIDS Alabama, the Greater Gadsden Housing Authority, along with the Anniston Housing Authority.

For more information contact: PO Box 1347/608 Martin Luther King Drive, Anniston, AL 36202 Rita Flegel, Housing Program Coordinator, phone: (256) 832-0100, email: rhflegel@aol.com

California

The Salvation Army is awarded a HOPWA Special Project of National Significance grant of \$660,795 to continue operation of its Confidential Services Overlay Model (CSOM), which integrates a set of supportive services with emergency shelter and transitional housing for chronically homeless persons living with HIV/AIDS. The program will operate out of the Salvation Army Bell Shelter and Harbor Light Center which are located in the Los Angeles Renewal Community. This program will provide transitional housing and residential substance abuse treatment for 47 homeless households annually and approximately 141 households over the three year grant period. The Salvation Army will identify the cost-effectiveness of the housing model by assessing the residents' quality of life, health and well-being, along with the cost-effectiveness of permanent housing. Beginning in February 2006, The Salvation Army has operated a HOPWA funded transitional housing program at its Bell Shelter. This program is functioning at capacity and is on track to assist approximately 81 households over the three year grant period. In the program year from 2007-2008, 34 clients have been enrolled in the program, in which 71% were considered to be chronically homeless. The Salvation Army has partnered with the JWCH Institute, Inc., AIDS Service Center, Plaza Community Services and the Minority AIDS Project.

For more information contact: 900 W. James M. Wood Blvd., Los Angeles, CA 90015 Steve Lytle, Funding Consultant, phone: (213) 553-3253, email: steve.lytle@usw.salvationarmy.org

Florida

Broward House, Inc. is awarded a new HOPWA Special Project of National Significance grant of \$1,369,000 to implement its Recently Incarcerated Substance Abuse Housing II (RISAH) program that will provide transitional housing and substance abuse treatment to recently incarcerated individuals living with HIV/AIDS in the Fort Lauderdale area. The program will support nine housing units that serve a minimum of 18 households annually, and 54 households over the three year grant period. From 2002-2007, Broward House has successfully operated a Substance Abuse and Mental Health Services Administration (SAMHSA) funded program called Intervention Broward (IB). This program was designed to locate and intervene in the lives of recently incarcerated individuals who were in need of substance abuse treatment and living with HIV/AIDS. Over the duration of the five year grant period, the IB program was able to engage 801 participants and provide assistance to 315 individuals, in which 94% remain substance free and 45% have not received further incarceration. Broward House has partnered with local organizations, including United Way and the Community Foundation of Broward.

For more information contact: 719 SW 4th Court, Fort Lauderdale, FL 33312

J. Michael McGuigan, Senior Director, Contracts and Performance Management, phone: (954) 522-4749, email: mmcguigan@browardhouse.org

Illinois

Heartland Human Care Services (HHCS) is awarded a HOPWA Special Project of National Significance grant of \$1,097,529 to continue its First Step sobriety-based transitional housing program that provides chronically homeless and low-income persons living with HIV/AIDS access to permanent housing and on-going medical care and assistance with substance abuse recovery. Located in the Edgewater neighborhood of Chicago, the program will provide 15 units of transitional housing along with supportive services for 28 households annually. It is anticipated that the program will serve approximately 90 households over the three year grant period. This unique program relies on the system of peer counseling through “buddy” and “sponsor” relationships. Heartland has collaborated with the Mid-America Institute on Poverty (MAIP) of Heartland Alliance to evaluate program needs and necessary changes that will better address housing stability and substance abuse. First Step’s past successes include placing 85 residents, or approximately 71% into permanent housing during the previous grant period. To better serve the chronically homeless population, Heartland has formed linkages with BE-HIV, Howard Brown Health Center, Provident Hospital, Community Counseling Centers of Chicago, Interfaith House, AIDS Care and Vital Bridges.

For more information contact: 208 S. LaSalle Suite 1818, Chicago, IL 60604, John Dinauer, Director of Community and Treatment Services, phone: (703) 751-4006, email: jdinauer@heartlandalliance.org

Maryland

The AIDS Interfaith Residential Services, Inc. (AIRS) is awarded a new HOPWA Special Project of National Significance grant of \$1,369,000 to implement its AIRS Permanent Housing program in the Baltimore metro area, which is designed to target underserved populations. The program will provide tenant-based rental assistance to approximately 26 households, in addition to a range of supportive services focused on medical adherence, income stabilization and growth, and family support. AIRS has built an extensive network of partnerships with local organizations which include: Esperanza Center, Greater Homewood Development Corporation, Chase Brexton Health Services, Adelante Familia and HERO Community Center.

For more information contact: 1800 N. Charles Street Suite 700, Baltimore, MD 21201 Leslie Leitch, Executive Director, phone: (410) 576-5070, email: leslie@airshome.org

Minnesota

Clare Housing is awarded a new HOPWA Special Project of National Significance grant of \$1,057,428 to support low-income persons living with HIV/AIDS who reside in the Clare Midtown facility, a 45 unit apartment building located in Minneapolis. This housing facility targets those living with HIV/AIDS who are chronically homeless, or at significant risk of homelessness. This program will support 26 of the residents with project-based rental assistance annually and 39 households over the three year grant period. Residents will have access to mental health counseling, medical assistance and home delivered meals. Clare Housing has formed linkages with the Minnesota AIDS Project, Hennepin County Medical Center, Clinic 42, the Minnesota HIV Housing Coalition, Open Arms and St. Stephen’s Human Services.

For more information contact: 929 Central Ave. NE, Minneapolis, MN 55413
Lee Lewis, Executive Director, phone: (612) 236-9521, email: lee.lewis@clarehousing.org

Mississippi

Grace House is awarded a new HOPWA Special Project of National Significance grant of \$1,267,393 to provide transitional housing and tenant-based rental assistance to chronically homeless individuals with HIV/AIDS. This program will operate within three scattered site locations in the West Central Mississippi Rural Renewal Community, which includes the Hinds, Madison, Copiah and Warren Counties. Residents will have access to on-site supportive services through provider linkages, including individual and group counseling, rehabilitative

services, and medical support. It is anticipated that the Grace House will provide tenant-based rental assistance to approximately 24 homeless individuals annually and 72 persons over the three year grant period. Grace House's network of partners includes The University of Mississippi Adult Special Care Clinic and the Mississippi State Department of Health.

For more information contact: 236 Millsaps Ave., Jackson, MS 39202
Henry Mangum, Executive Director, phone: (601) 291-2551, email: gracehousecares@aol.com

New York

Bailey House, Inc. is awarded a new HOPWA Special Project of National Significance grant of \$1,355,887 to implement its Success Through Accessing Rental Assistance and Support (STARS) program. The STARS program will offer permanent housing through the provision of tenant-based rental assistance to 34 individuals, between the ages of 18 and 24, who are struggling with substance abuse and/or mental illness. This program is designed to connect individuals living within the Bronx neighborhoods of Hunts Point, Morrisania and Mott Haven, to medical care and a range of supportive services. Bailey House has also partnered with Iris House and the Project Psychiatric Outreach for the Homeless and the Mental Health Empowerment Project.

For more information contact: 275 Seventh Avenue, 12th Floor, New York, NY, 10001 Jeanette Ruffins, Deputy Director, Client Services, phone: (212) 633-2500 ext. 226, email: jruffins@baileyhouse.org

Texas

The City of Dallas, Environmental and Health Services Department, is awarded a HOPWA Special Project of National Significance grant of \$1,183,680 to provide transitional housing to 62 households over the three year grant period. The program will operate out of the new state-of-the-art homeless assistance center, The Bridge, which is a centralized access point to multiple services for the chronically homeless. Residents will have access to ongoing rental assistance and/or transitional housing for a period, not to exceed 24 months while working to become independent and to obtain permanent housing through means of their own. Past successes have shown during the grant period of 2005-2006, that the program has served 42 clients, in which approximately 93% are stably housed. The City of Dallas will partner with the AIDS Arms & Parkland Hospital System, AIDS Interfaith Network Community Dental Care, Legacy Counseling Center, Legal Hospice of Texas, Open Arms, Inc., and the Resource Center of Dallas.

For more information contact: City of Dallas, Environmental and Health Services, 1500 Marilla 4EN, Dallas, TX 75201. Karen Rayzer, Director, phone: (214) 670-5711, email: karen.bradford@dallascityhall.com

Notification of Funding Approval - Transmittal of Performance Grant Agreements

Dear [Applicant]:

SUBJECT: Notification of Funding Approval for HOPWA Project Number:

I am pleased to provide you with the performance grant agreement to implement the award of funds under the Housing Opportunities for Persons with AIDS (HOPWA) program. As you know, your application was selected for funding under the FY2008 Super Notice of Funding Availability (SuperNOFA) competition to undertake housing activities in your community over the next three year period.

Enclosed are three copies of the HOPWA Performance Grant Agreement that constitute the agreement between you and HUD. Please sign all three copies and return them to this office or, if needed, please respond within two weeks for an alternative schedule for the submission of these documents. After this agreement is signed by HUD, this office will send you a copy with original signatures for your files.

In order to expedite the obligation of these funds, HUD agrees to sign the performance grant agreement with you and obligate these funds. **As addressed in this letter and the enclosed information, certain standard conditions on this grant have been identified and must be abided by during your operation of this grant.** Further, HUD reviewed the commitments to use other funds for housing and related supportive services for HOPWA clients. HUD identified those commitments that meet the FY2008 NOFA standards for approval and the use of these other resources during the operating period is a condition for the receipt of your HOPWA award.

As additional considerations, the Department's FY2008 Appropriations Act requires HUD to obligate funds within three years of the appropriation, or HUD and the designated recipient will lose access to these funds. These funds must also be fully expended within three years following the operating period Begin date of the grant agreement. If justified, you may request an extension from HUD during this period, of up to one year from the grant end date shown on the executed grant agreement. Further, the Act requires that all grant funds be expended within five years from that date or HUD and the recipient will lose access to these funds.

This office is available to provide assistance regarding the administration of this grant, as may be needed. In addition, this office will also conduct a start-up conference for your staff, in order to provide more specific information or advice on the administration of your grant. If you have any questions, please contact _____ or _____ at _____ I look forward to working with you on the successful implementation of this grant.

Please let me know if I can be of further assistance.

Sincerely yours,

Director
Office of Community
Planning and Development

Enclosures

Performance Grant Agreement for 2008 Competitive Grants

Grant Number:

Official Contact:

Title:

Mailing Address:

Telephone:

FAX Number:

Tax ID No.:

Email Address:

Project Location (City/Co. & State):

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PERFORMANCE GRANT AGREEMENT FOR FY2008

This Performance Grant Agreement (Agreement) is made between the United States Department of Housing and Urban Development (HUD) and

(Grantee).

Upon execution of this Agreement, HUD agrees to provide \$_____ to Grantee to carry out the project described in the Application, Exhibit A (as revised by Performance Grant Conditions), Exhibit B, and this Agreement.

Grantee shall have access to these federal funds only upon the resolution of the condition(s) specified in the Agreement. Failure to resolve the condition(s) will constitute a default, subject to the remedial actions provided in this Agreement.

The term of this Agreement shall begin on _____(mm/dd/yyyy) and end on _____(mm/dd/yyyy), or three years from the beginning date of this agreement, whichever comes first.

Notwithstanding anything to the contrary in the application, grant funds must be used consistent with Exhibit B, grant conditions, and negotiated changes to the application, if any. Exhibit B provides for the HUD-approved list of commitments of other resources to be used in conjunction with HOPWA funds. Failure to evidence these commitments may result in a notice of default and affect the project's continued access to these federal funds.

This Agreement will be governed by the requirements of the AIDS Housing Opportunity Act, 42 USC 12901 *et seq.* (Act), the Housing Opportunities for Persons With AIDS (HOPWA) Program Regulations, 24 CFR part 574 (the Regulations), and [IF a Competitive Award:] the

Super Notice of Funding Availability (NOFA) published in the Federal Register on May 12, 2008. {OR if a renewal:} CPD Notice 08-03, Standards for Fiscal Year 2008 HOPWA Permanent Supportive Housing Renewal Grant Applications, issued February 28, 2008. The Regulations are attached hereto as Exhibit C and are incorporated into this Agreement.

The terms "Grant" and "Grant Funds" mean the funds provided under this Agreement.

The term "Application" means the application submissions on the basis of which a Grant was originally approved by HUD, including certifications and assurances and any information or documentation required to meet grant award conditions. However, in the event of conflict between a provision of the Application and a provision of this Agreement, the latter shall control.

[IF new award] The term "Application" means the application submission on the basis of which the 2008 Grant for a new Special Project of National Significance or Long Term Project was approved by HUD, including certifications and assurances and any information or documentation required to meet grant award conditions. The Application, _____ (2008 Grant Number), is incorporated into this Agreement and attached hereto as Exhibit A. In the event of conflict between a provision of the Application and any provision of this Agreement, the latter shall control.

"Project Sponsor" means any private nonprofit organization or governmental housing agency that receives funds under a contract with the Grantee to carry out eligible activities identified in the Application.

Grantee agrees to and will ensure that each Project Sponsor agrees to:

- (1) operate the program in accordance with the applicable HUD regulations and notices;
- (2) comply with and meet the performance measure benchmarks established in the NOFA application and logic model for the implementation and operation of this award;
- (3) conduct approved activities in order to achieve the planned housing performance goals for housing outputs established by the renewal application. The performance goals may also involve a performance plan for the number of additional persons served with related supportive services;
- (4) conduct an ongoing assessment of the permanent supportive housing assistance required by the participants in the program, including annual assessments of their housing situations, and report on the annual achievement of HOPWA client outcome goals in achieving stable housing, reducing risks of homelessness and improving access to care for beneficiaries;
- (5) assure the provision of supportive services to participants in the permanent housing program and fulfill the commitment to use other leveraged funds for HOPWA activities by documenting the use of an amount of funds consistent with the HUD-approved list of

commitments found in Exhibit B;

(6) comply with such other terms and conditions, including record keeping and reports (which must include racial and ethnic data on participants, annual housing outputs and client housing outcomes) for program monitoring and evaluation purposes, as HUD has established for purposes of carrying out the program in an effective and efficient manner;

(7) agree to maintain records of beneficiary and program activity eligibility, including documentation that evidences compliance with agreements noted above: and

(8) agree that any program income resulting under this grant be added to the funds committed to the project or other HOPWA program activities under this agreement, to be used to further eligible project or program objectives.

Grant Purpose and Agreements to Provide Permanent Supportive Housing. As a requirement for the receipt of these federal funds if used for permanent supportive housing, Grantee agrees to maintain project eligibility and related documentation on the following:

(1) Agreement to Continue the Provision of Permanent Housing. The project will continue to provide permanent supportive housing support to HOPWA eligible persons over the operating period of this grant. At least 51 percent of the HOPWA program activity funds awarded to the project must be used for this purpose. Any new funds, including commitments of other funds, must be utilized to provide permanent supportive housing to eligible persons for the planned annual outputs.

(2) Agreement to Continue the Use of Other Resources. If your project will rely on other state, local, federal, or private resources to provide the permanent housing or supportive services portion of your project, as documented and approved by HUD in commitment letters for leveraging, you must ensure that the other resources will continue to be available for that purpose throughout the commitment period noted in the grant. Failure to use committed resources as documented and approved by HUD will constitute a grant default, which may result in grant sanctions, including reductions in amounts awarded for supportive services.

(3) Agreement on Permanent Client Occupancy. For projects providing permanent housing, excluding short-term mortgage, rent, and utility payments projects, Grantee must maintain evidence that the client has a continuous legal right to remain in the unit or property and has 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. The lease or occupancy agreement must also be automatically renewable upon expiration, except on reasonable prior notice by either the tenant or the landlord. Failure to maintain this project documentation of the client's lease or occupancy agreement will constitute a grant default.

(4) Grant Purpose and Agreements to Provide Transitional Housing. As a requirement for the receipt of these federal funds if used for transitional housing, the grantee agrees to

maintain project eligibility and related documentation for operating this award. This award will undertake a new or on-going housing project activity or service delivery model for providing transitional housing assistance to eligible persons. This component of a housing program does not provide permanent supportive housing and, therefore, if it is the major focus of this award, a transitional housing project will not be eligible for renewal under the current criteria for permanent supportive housing projects.

(5) Grant Purpose on Supportive Services. The following applies to an application that involves the use of HOPWA funds for supportive service activities aimed at assisting HOPWA clients with substance abuse treatment. Note that, in operating this project, the grantee and any project sponsor must comply with federal, state and other applicable laws pertaining to the illegal use of a controlled substance. The grantee and sponsor must undertake reasonable steps to ensure that beneficiaries receive appropriate access to substance abuse treatment and counseling. Admission should be denied, or eviction initiated, for persons engaging in illegal drug activities, where such activities threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. Grantees and project sponsors must establish procedures for project ineligibility and evictions related to illegal drug activities.

Grantee agrees to comply with environmental review requirements, as set forth at 24 CFR Part 58. Where applicable, Grantee also agrees to provide HUD with information necessary for HUD to perform any required environmental review under 24 CFR Part 50. Grantee shall carry out mitigating measures required by HUD or select alternate eligible property resulting from such review. Grantee shall not acquire, rehabilitate, convert, lease, repair or construct property, or commit HUD or local funds to such program activities with respect to any such property, until it has received notice from HUD that the environmental review is complete.

A default shall consist of any use of Grant Funds for a purpose other than those authorized by this Agreement, noncompliance with the Act or Regulations, failure to comply with or meet the performance benchmarks established in the NOFA, failure to fulfill commitments established in Exhibit B, noncompliance with or any material breach of the Agreement, failure to expend Grant Funds in a timely manner, or misrepresentations in the Application submissions which, if known by HUD, would have resulted in a Grant not being provided. Upon due notice to the Grantee of the occurrence of any such default and the provision of a reasonable opportunity to respond, HUD may take one or more of the following actions:

- (a) direct the Grantee to submit progress schedules for completing approved activities;
- (b) issue a letter of warning advising the Grantee of the default, establishing a date by which corrective actions must be completed and putting the Grantee on notice that more serious actions will be taken if the default is not corrected or is repeated;
- (c) direct the Grantee to suspend, discontinue or not incur costs for the affected activity;

- (d) reduce or recapture the Grant;
- (e) direct the Grantee to reimburse the program accounts for costs inappropriately charged to the program;
- (f) continue the Grant with a substitute Grantee selected by HUD;
- (g) any other appropriate action including, but not limited to, any remedial action legally available, such as affirmative litigation seeking declaratory judgment, specific performance, damages, temporary, or permanent injunctions and any other available remedies.

No delay or omissions by HUD in exercising any right or remedy available to it under this Agreement shall impair any such right or remedy or constitute a waiver or acquiescence in any Grantee default.

This Agreement is hereby executed by the Parties on the dates set forth below their respective signatures, as follows:

UNITED STATES OF AMERICA
Department of Housing and Urban Development
By: The Secretary or HUD designated signatory

By: _____
(Signature)

(Title)

(Date)

GRANTEE
By: _____
(Authorized signatory)

(Type in name of authorized signatory)

(Title of authorized signatory)

(Date)

[NOTE TO CPD FIELD REPRESENTATIVES] Please make sure that a copy of the approved budget line items, housing output commitments, approved leveraging commitments, a list of any conditions, and a copy of the HOPWA regulations are attached.

HOPWA Grantee Financial Instructions

Office of Community Planning and Development

OVERVIEW

This document contains instructions to access HOPWA program funds. HOPWA funds will be wire transferred directly from the U.S. Treasury into your bank account. There will be no need to mail and deposit checks.

Enclosed with this document are instructions along with the forms you will need to access your HOPWA account.

SUMMARY OF THE LOCCS/VRS PAYMENT SYSTEM

All HOPWA grantees will use LOCCS/VRS to request program funds. LOCCS stands for the Line of Credit Control System, and is the system HUD uses to track the payment of grant funds. VRS stands for the Voice Response System, and is the automated system used by grantees to request funds that are recorded in LOCCS. Grantees use VRS to request funds via a touchtone telephone. Synthesized text-to-speech dialogue is used to request payment data from the caller.

VRS requires the caller to enter a User ID, password, and a VRS grant number to ensure that the caller has authority to request grant funds for the HOPWA grant. The requested payment amount is checked against the grant's available balance in LOCCS to ensure that the request does not exceed the grant's authorized funding limits. LOCCS will not allow more than one draw per grant per day. Once the request is approved, funds are wired from the U.S. Treasury directly into the grantee's bank account, usually within 48 hours from the day the request is made.

USING THE VRS/BLI PAYMENT SYSTEM

Creating your Account in LOCCS

You will receive three copies of the HOPWA Grant Agreement to sign and return to the Field Office (FO). When the FO receives all three signed copies, they will be executed (signed) and one executed copy will be returned to you. The effective date of the grant is the date the grant agreement was signed by the FO.

The FO will enter information on the grant agreement, including name, address, and term, into LOCCS. The FO will also enter the amount awarded, by Budget Line Item (BLI). BLIs are listed on your notification letter and on the grant agreement itself, and reflect the categories of funds you listed on your budget exhibits in your application. All funds must be requested by BLI.

User ID and Password

Only users with valid User IDs and passwords may access LOCCS/VRS. Users are allowed access to only those programs, projects, and functions that have been requested and approved by the LOCCS Security Officer at HUD Headquarters.

Renewal grantees should already have authorization to access LOCCS/VRS. For instructions on changing or adding authorized persons visit the HUD website at <http://hudweb.hud.gov/po/f/locvrs.htm>.

Voice Response Number

Each grantee will receive a letter containing his or her computer-generated Voice Response Number corresponding to the renewal grant funds.

Preparing the Voucher

The LOCCS/VRS HPAC Request Voucher for Grant Payment Form (HUD-27053-A) is used for HOPWA VRS payments. A copy of the voucher is enclosed. Please make copies of the voucher as you need them. Instructions for the completion of the voucher are included on the reverse side of the voucher. Grantees will retain vouchers for periodic monitoring by the Field Office.

MAKING THE CALL

VRS Equipment

The LOCCS/VRS phone number is (703) 391-1440. Hours of operation for LOCCS VRS are 8:00 a.m. to 6:00 p.m. Eastern Time, Monday through Friday. After the initial greeting, a menu selection is given. LOCCS is selection number 2.

ID, Password, and Program Area

The caller must have a properly completed voucher in hand as a reference when making the call. LOCCS will first ask for the caller's User ID and password to verify that the caller is authorized to draw down HOPWA funds. Once LOCCS validates the User ID and password, the system will ask the caller for the program area for which the current request is being made; the caller selects "**HPAC**".

Voucher Number

LOCCS/VRS will ask the caller for the three-digit program number; the caller enters **038**. LOCCS/VRS will give the caller the remaining 6 digits of the voucher number. **The caller must write the entire voucher number in Block 1 of the voucher form and then enter the entire 9-digit voucher number before the call is terminated for verification.** This procedure also ensures that each voucher number is unique.

Entering the VRS Number

LOCCS/VRS will ask the caller to enter the 10-digit VRS number that the grantee received by mail. LOCCS/VRS will give the caller the grantee's HOPWA grant number as verification.

BUDGET LINE ITEMS

Expenditures should be assigned to the following HOPWA-specific Budget Line Items (BLI) which group the HOPWA eligible activities into the following BLI categories:

- 1010 Acquisition;
- 1020 Rehabilitation and new construction, including conversion and repair costs of facilities to provide housing and services;
- 1030 Operating costs for housing, including maintenance costs; including leasing
- 1040 Rental Assistance, including tenant-based and project-based costs;
- 1050 Supportive Services and other, services including short-term rent, mortgage and utility payments, housing information, and permanent housing placement services;
- 1060 Administrative costs, including g grantee and project sponsor costs for the general management, oversight, coordination, evaluation and reporting on eligible activities;
- 1120 Other approved activities (other HUD-approved activities that were specified in their application).

These four-digit numbers are unique to the HPAC program area and are not intended to be used for other HUD programs. As noted in the HOPWA regulation, staff costs and other costs directly related to carrying out an eligible activity should be included in that activity BLI as an activity delivery cost. BLIs are tracked in LOCCS and used in HOPWA voucher drawdowns.

Entering Budget Line Items

LOCCS/VRS will then prompt the caller to enter the first 4-digit line item number. LOCCS/VRS verifies that it is a valid number for the grant type and for the program area. The line item's name is spoken back to the caller. For example, if the line item "**1030**" is entered from the grant voucher, LOCCS/VRS will speak, "ENTER THE AMOUNT OF OPERATING COSTS FOLLOWED BY A POUND SIGN."

The caller will then enter the amount of funds to be drawn against the Line Item, followed by a pound (#) sign. Since LOCCS/VRS does not know in advance the number

of digits being entered, the caller must enter a pound sign (#) as the last input to indicate they have completed entering digits.

For example, to request \$28,569.78, the caller would enter:

2 8 5 6 9 . 7 8 #

This process is repeated until the caller indicates that there are no more line items for the given voucher by entering "9999." LOCCS/VRS then summarizes the line item entries and their related dollar amounts and provides the caller with a voucher total amount for confirmation. The caller then has a final option to process or cancel the request.

If the caller has made a drawdown request in error and wishes to cancel the request after the call has been made, he or she must notify the FO immediately. The request can be cancelled if done before 6:00 p.m., Eastern Time, of the day that the request was made.

RESTRICTIONS ON DRAWDOWNS

A grantee may not make more than one payment request per day. OMB Circular A-110 states that a grantee must make drawdowns as close in time as possible to its disbursements. It also emphasizes that LOCCS is designed so that grantees can draw down funds when needed. Funds drawn down should be disbursed in payment of program costs within three days of receipt of funds. That is, grantees should not draw down funds unless they expect to pay out those funds within three days.

BUDGET LINE ITEM (BLI) CHANGES

Changes made to any BLI during the first year of operation are discouraged. However, after the first year of operation, a grantee may make adjustments to BLIs based on need. A grantee may find that after operating their program for a year some adjustments may be necessary in order to run the program more efficiently and effectively. See section IX, CHANGES to an Executed GRANT AGREEMENT, on page 13, of the Operating Instructions cover letter for the complete list of requirements on amending Grant Agreements and transferring funding amounts from BLI to BLI.

PROGRAM EDITS

LOCCS/VRS uses payment controls to ensure that payments are appropriate and consistent with HOPWA program guidelines. These controls are called payment **edits**. Edits on BLIs are applied when the grantee requests funds through LOCCS/VRS. Specific program edits are as follows:

- **Term**. LOCCS will automatically send out for review any payment that is requested after the term has passed. The term for HOPWA grants is 36 months.
- **Total Amount Requested**. LOCCS will automatically reject any payment request that exceeds the total amount authorized for the grant in the grant agreement.

- **Total BLI Amount Requested.** LOCCS will automatically send out for review (to the FO via the LOCCS system) any payment request that exceeds 100 percent of the amount approved for any given BLI.
- **Administration (1060).** A grantee may not draw more than the amount originally awarded for administrative funds. If a grantee requests more than the amount awarded for administration, the payment will be rejected.
- **Reports.** Grantees must submit an Annual Progress Report at the end of each program-operating year. LOCCS/VRS will send grantees two system-generated letters regarding their annual reports. The first letter will remind each grantee that their annual report is due to the FO in 30 days. A second letter will be sent 30 days after the due date if the grantee has not submitted a report. The letter will inform the grantee that all future payments may be suspended until the report is received.

FOUR POSSIBLE OUTCOMES OF A REQUEST FOR PAYMENT

1. The request is consistent with all edits, and the payment is **approved**. The requested funds are wired to the grantee's bank account, in most cases within 48 hours of the request. The drawn-down funds are expended by the grantee within 3 days of the receipt of the drawn-down funds
2. The grantee is unable to request any funds and is told that all further requests for funds have been **suspended**. This occurs when the grantee has failed to submit a report or is otherwise in violation of its grant agreement. Once the report is submitted or the violation is cured, the suspension will be lifted and the grantee may again request funds.
3. A request for a particular BLI is **rejected**. If the grantee does not know why the request was rejected, the grantee should call the FO for assistance.
4. The payment is put **out for review**. The request has triggered a restriction that FO is authorized to lift. The FO must review the request and specifically approve or reject it.

QUERIES

In addition to drawdown capability, LOCCS/VRS allows grantees to query the system for various information. The initial menu will give grantees this option at the start of each VRS call. The available query functions are as follows:

- **Grant Query:** LOCCS/VRS will give current authorized, disbursed, and available balance totals for the selected grant, along with general grant status. A detailed breakdown by line item is available if the caller wishes.
- **Voucher Query:** entering a voucher number, the status of the voucher is given. This includes when the voucher was called in, by whom, and if the voucher has been paid,

canceled, or is out for review. A detailed breakdown by line item is available if the caller wishes.

LAST ASSIGNED VRS GRANT NUMBER

By specifying a Tax ID number, the last assigned VRS number for the selected program area is given by electronic voice. This is useful if the caller has not received the LOCCS/VRS-generated letter with the assigned VRS number, but wishes to draw down funds.

QUESTIONS

If you have any questions regarding the LOCCS/VRS Financial System, please call your local FO representative for assistance.

Transmittal Letter for an Executed Performance Grant Agreement

Grantee's Name
Address
City

Dear [Grantee]:

SUBJECT: Executed HOPWA Performance Grant Agreement for Project Number:

I am pleased to return your copy of the executed Performance Grant Agreement under the Department of Housing and Urban Development's Housing Opportunities for Persons with AIDS (HOPWA) Program.

Thank you for your commitment to provide needed housing support for this special needs population through this project. HUD looks forward to receiving information on your project successes in reports on the annual achievement of HOPWA client outcome goals, in maintaining housing, reducing risks of homelessness and improving access to care for your beneficiaries.

This office is available to provide advice regarding the administration of this grant, as may be needed. If you have any questions, please contact _____ at _____. I look forward to working with you on the successful implementation of this grant.

Please let me know if I can be of further assistance.

Sincerely,

Director
Office of Community Planning and Development

Enclosures

**Housing Opportunities for Persons with AIDS
Extension of Competitive Renewal Grant Agreement**

This Amendment is to the Grant Agreement dated _____, Grant Number _____,
between the United States Department of Housing and Urban Development (HUD) and
_____ (Grantee).

Whereas the Grant Agreement expires on _____; and

Whereas Grantee is desirous of extending the term for an additional period until
_____; and

Whereas HUD has determined that there is good cause to extend the term of the Grant
Agreement;

NOW THEREFORE, it is hereby agreed as follows:

1. The term of the Grant Agreement is hereby extended until _____.
2. This Amendment to the Grant Agreement, when signed by both parties where indicated, constitutes the entire agreement of the parties as to amendment of the Grant Agreement. The remaining terms of the Grant Agreement remain in full force and effect. The effective date of the Amendment shall be the date it is executed by HUD.

In witness whereunto we have affixed our signatures herein below.

HUD:
U.S. Department of
Housing and Urban Development

GRANTEE:

(Name of Grantee)

BY:

BY:

(Authorized Signature)

(Authorized Signature)

(Typed Name of Signatory)

(Typed Name of Signatory)

(Title)

(Title)

DATE: _____

DATE: _____

Attachment 9
2008 HOPWA Operating Instructions

* Field Office Notes:

The dates to be used in this extension form are limited and refer to the date that the original grant agreement was signed by HUD and the grantee. The term of the grant agreement is covered at 24 CFR - 574.540 in establishing up to a three-year use period for this grant. The expiration date is the date that is three years from the date of the signing of the original grant agreement date (or three years from the project start date that was agreed to in the original grant agreement that may be up to four months later than the signing date). Consistent with OMB-circulars, the additional period can only run up to one additional year from this original expiration date. Importantly, extensions must be approved before the original expiration date occurs.

Please send a copy of this extension agreement to Headquarters, to the:

Office of HIV/AIDS Housing, HUD

451 7th Street SW, Room 7212

Washington, DC 20410

or by fax (202) 708-9313