

U.S. Department of Housing and Urban Development

Special Attention of

All HOPWA Renewal Grantees
All CPD Field Office Directors

Notice CPD-08-03

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Cross References

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

Subject:

Standards for Fiscal Year 2008 HOPWA Permanent Supportive Housing Renewal Grant Applications

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I. Purpose

This Notice provides guidance for the renewal of Housing Opportunities for Persons With AIDS (HOPWA) Permanent Supportive Housing grants in Fiscal Year (FY) 2008 and updates and clarifies standards used in Community Planning and Development (CPD) Notice 07-13, Standards for Fiscal Year 2007 HOPWA Permanent Supportive Housing Renewal Grant Applications, issued on February 21, 2007, for FY2007 renewals. As established in section XI of this Notice, FY2008 renewal applications are due on April 30, 2008, (60 days after publication).

Distribution: W-3-1

II. Background

Pursuant to the Department's FY2008 Appropriations Act, the Department is required to renew all expiring HOPWA competitive grants that provide permanent supportive housing (PSH) and meet program requirements. Under this Notice, the Department defines the process for approving renewal funding of PSH grants. The most significant step in the approval process is determining whether the primary activity of the expiring grant is PSH. HUD will consider the primary activity of the project as PSH when at least 51 percent of the grant funds are used to undertake program activities that provide PSH to eligible persons, including the direct housing costs and other related service costs. Permanent housing refers to housing in which the eligible person has a continuous legal right to remain in the unit, and supportive housing refers to activities that provide eligible persons with ongoing supportive services through qualified providers. HUD will renew previously funded competitive PSH grants that meet the program requirements specified below. Applications will be given a pass/fail threshold review for eligible activities and budget line funding requests. To assist in developing an approvable renewal request, grantees should review their current HUD approved budget and logic model for use as a guide in preparing the renewal application.

This renewal procedure seeks to simplify the approval process and expedite grant awards. In addition, this process enables a level of dialogue to negotiate an approvable request. Renewal grantees will be able to clarify discrepancies and any other concerns with the application and submit any identified missing elements in an application.

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

III. Eligibility for Permanent Supportive Housing Renewal Grant

Eligible Applicants and Project Sponsors

To be eligible for renewal, the project must provide PSH to eligible persons under an expiring HOPWA grant and meet the threshold requirements established under this Notice. In providing PSH grantees must maintain evidence that clients have a continuous legal right to remain in the unit and access to ongoing supportive services provided through qualified providers. Grant files must include a copy of the standard lease form or occupancy agreement used for residents of the project. The lease or occupancy agreement must be for a term of at least one year that is automatically renewable upon expiration, except on reasonable prior notice by either the tenant or the landlord. Failure to maintain project documentation of leases or occupancy agreements will constitute a grant default, which may result in grant sanctions.

Grants that have successfully demonstrated PSH efforts and expire on or **between** October 1, 2007, and March 30, 2009, are eligible for renewal under this Notice. If a grant agreement expired before October 1, 2007, the project is not eligible for renewal under this Notice. A new grant application may be submitted through the anticipated HOPWA FY2008 SuperNOFA competition, to be published in the Federal Register later in this fiscal year. If a

grant agreement will expire after March 30, 2009, it is expected that renewal funding for your PSH grant will be addressed in a future HOPWA notice.

It is anticipated that the applications that are selected as eligible renewal projects based on this review will continue providing their approved program activities under a new grant agreement for an additional three years. The start date for the new grant agreement is expected to immediately follow the expiration date of the existing grant for continuity of service. If justified, an adjustment to these dates could be negotiated to shorten or lengthen an existing grant period.

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

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

To the maximum extent possible, the renewal project should retain the same program design elements and continue with the same project sponsors, as documented in the prior HOPWA grant agreement approved by HUD. If a non-profit organization is being added as a new project sponsor, or if a sponsor's legal status has changed, the organization must satisfy the nonprofit requirements established in the definition for an eligible nonprofit organization found in 24 CFR 574.3 and submit the required information in Section VIII.D. under the

Organizational Capacity Narrative. HUD will consider the merits for changes in project sponsor arrangements, such as the new sponsor evidences the capacity to enhance project operations or to improve responsiveness in the provision of housing and/or supportive services to program beneficiaries. Sufficient reasons for changing a project sponsor may include:

- Need for a higher level of grant management skills
- Need for a higher degree of financial management and efficiency
- Desire to increase capacity for stronger program service delivery
- The prior project sponsor is no longer in operation
- Need for significant improvement in project staffing competency
- Related unresolved monitoring or audit findings
- The project sponsor merged with another entity
- Loss of non-profit status

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

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

IV. Ineligible Competitive Grants

If a HOPWA competitive grant has expired prior to FY2008, the grantee is not eligible for renewal under this notice but may submit an application under the Department's SuperNOFA announcement. For the purposes of this Notice, the definition of an expired grant is one that has terminated **prior** to October 1, 2007, and for which no extension was requested by the grantee and approved by HUD. In addition, if a HOPWA competitive grant will expire after March 30, 2009, (i.e., more than six months into FY2009) it is expected that renewal funding for the PSH grant will be addressed in a future HOPWA notice and is not eligible for renewal under this notice.

In prior years, HUD solicited and approved HOPWA Special Projects of National Significance (SPNS) grants for special targeted housing activities. For example, in FY2005 HUD solicited and approved one-time funding for 17 transitional housing demonstration projects. These projects and others that are focused on the provision of emergency shelter or transitional housing activities **are not** eligible for renewal under the criteria of a PSH project but

may compete for funding under the Department's annual SuperNOFA as published each fiscal year.

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

- Have been charged with an ongoing systemic violation of the Fair Housing Act; or
- Are a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging an ongoing pattern or practice of discrimination; or
- Have received a letter of findings identifying ongoing systemic noncompliance under Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, or Section 109 of the Housing and Community Development Act of 1974, and the charge, lawsuit, or letter of findings referenced in subparagraphs (a), (b), or (c) above has not been resolved to HUD's satisfaction before the application deadline, then you are ineligible. HUD will determine if actions to resolve the charge, lawsuit, or letter of findings taken before the application deadline are sufficient to resolve the matter. Examples of actions that would normally be considered sufficient to resolve the matter include, but are not limited to:
 1. A voluntary compliance agreement signed by all parties in response to a letter of findings;
 2. A HUD-approved conciliation agreement signed by all parties;
 3. A consent order or consent decree; or
 4. An issuance of a judicial ruling or a HUD Administrative Law Judge's decision.

V. Eligible Permanent Supportive Housing Activities

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

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

Eligible activities with their standards and limitations may be found in the HOPWA regulations at 24 CFR 574.300-574.340. A copy of the regulations may be downloaded from <http://www.hud.gov/offices/cpd/aidshousing/lawsregs/index.cfm>.

VI. Ineligible Activities

In applying for renewal funding the following activities are ineligible:

- Acquisition, new construction, rehabilitation, or costs involving new housing facility sites, such as operating costs or leasing of new housing facilities and community residences, for the purposes of expanding existing operations to additional new locations are ineligible. However, this does not preclude the leasing of individual housing units for the purpose of continuing TBRA or master leasing assistance nor does this apply to an existing facility in which the lease expires and the facility operations and activities must be relocated to a new site. Applicants are cautioned that an environmental review with regard to any new site must be completed in accordance with 24 CFR 574.260 before a lease or other commitment is made with respect to the new site. If you are interested in undertaking additional capital development activities, or in significantly expanding your HOPWA activities beyond those allowed in this Notice, you should consider competing for funding under the annual SuperNOFA competitive process or under other appropriate programs.
- Resource identification activities to establish, coordinate, and develop housing assistance resources, and/or technical assistance for community residence activities are ineligible for renewal funding.
- An additional BLI for data collection on project outcomes is ineligible. Collecting performance data and reporting to HUD are required as a central grants management function and is an eligible administrative cost, subject to statutory limitations.
- Healthcare costs, such as costs for medications, are ineligible.
- HOPWA funds **cannot** be used for personal items such as:
 - clothing;
 - property taxes and condominium fees;
 - furniture;
 - grooming;
 - personal vehicle maintenance and repairs;
 - financial assistance and consumer credit payments;
 - entertainment activities;
 - pets; and
 - other non-housing-related costs.

Note: those funds currently awarded to any of the nonrenewable BLIs listed above are not available for movement into BLIs that are eligible for renewal in an effort to expand activities beyond the currently approved levels.

VII. Funding Restrictions

Limitations on Maximum Grant Amounts

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

As justified, an applicant may request to increase TBRA, STRMU, operating costs, and leasing BLIs if there is evidence of extenuating circumstances affecting the costs for continuing the currently approved level of service delivery. This evidence may include information showing an increase in housing costs due to a change in the fair market rent or an increase in housing facility operational costs that require commitment of additional HOPWA resources to continue housing support for current beneficiaries, to maintain the housing facility or program, or to assist with related facility or unit damage in an area covered by a Presidentially declared natural disaster. The applicant is required to submit a detailed narrative that justifies the funding increase requests. HUD reserves the right to negotiate with the grantee and to adjust requests under this paragraph to address the circumstance and project purposes. Please note that a requested increase in any budget line item in order to increase the approved output level of an activity is not an adequate justification.

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

Administrative costs for grantees and project sponsors include costs for data collection and annual performance reporting to HUD. Supplemental funding for these administrative grants management activities is not available. HUD expects that grantees will ensure strong program management that result in accurate reporting of housing outputs and client outcomes, as required by the program.

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

- The maximum amount for program activities that directly benefit eligible persons is no more than \$1,300,000. The request for program activity costs must include the

amounts for continuing a previously approved project at about the same level of housing provided in the previous grant and as agreed upon under the signed grant agreement.

- The maximum amount for program activities for the supportive services BLI is no more than 35 percent of the maximum grant amount for program activities costs (i.e., not more than \$455,000 over a three-year period), excluding costs for permanent housing placement activities, which can be addressed as a separate BLI. Note: Costs for staff engaged in delivering the supportive service is part of the supportive service activity BLI and should not be listed as operating cost or “other” cost in the application’s proposed budget.
- The maximum amount for grant administrative costs of the grantee is subject to the limit on administrative costs of three percent of the amount requested for project activities in your application for renewal (i.e., a maximum of \$39,000).
- The maximum amount for grant administrative costs for project sponsors is subject to the limit on administrative costs of seven percent of the amount requested for project activities to be conducted by project sponsors in your application (i.e., a maximum of \$91,000 if all program activities are carried out by sponsors).
- The total for the maximum grant amount is \$1,430,000 subject to applicable limitations in this section.

VIII. Application Submission Requirements

Required Application Submission Forms and Content

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

- The federal application for grant funds form HUD-SF424
- HOPWA application budget summary and detailed project budget and housing outputs form HUD-40110-B
- Logic Model form HUD-96010
- Certification of Consistency with the Consolidated Plan HUD-2991
- Disclosure of Lobbying Activities HUD-SFLLL
- Current effort and program evaluation narrative, (3 double-spaced pages)
- Continuing current efforts narrative, (2 double-spaced pages)
- Documentation of leveraging for renewal projects, (chart or list)
- Organizational capacity narrative and proof of non-profit status, (2 double-spaced pages for new project sponsors and for current project sponsors that have undergone significant organizational changes)

In an effort to streamline future funding requests, grantees may be asked to update and resubmit their organization’s code of conduct. HUD will post the codes of conduct to the HUD grants management website, located at <http://www.hud.gov/grants/index.cfm>, for public viewing.

Once posted the codes of conduct will be considered public record and grantees will not be required to resubmit this document to HUD in future funding requests. However, it is the grantee's responsibility to ensure that HUD has the most updated code of conduct as editing occurs. The required information in a code of conduct may be found in HUD regulations at 24CFR 84.42 and 85.36(b)(3).

Application Headings and Page Numbering

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

Application Forms and Technical Assistance

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

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

Applicants receiving a renewal award from HUD should be aware the Federal Funding Accountability and Transparency Act of 2006 calls for HUD to establish a central website in which the information requested above and any other relevant information specified by the Office of Management and Budget (OMB), will be posted and available to the public for the full disclosure of all entities receiving federal funds. Federal transactions below \$25,000, credit card transactions prior to October 1, 2006, and information on individual program participants receiving HOPWA services are exempt. Furthermore, the data collection elements listed above are assimilated into the HOPWA Annual Performance Report data collection requirements. The procedure for the collection of this data is subject to change and additional information regarding these requirements will be provided when available.

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

Furthermore, applicants should update and complete a Logic Model form HUD-96010 to illustrate your plans for the use of HOPWA and other resources. Identify the major project activities and related housing output goals, client outcomes (including the required HOPWA program outcomes), and other project goals. As you operate the project over the next three years, your Logic Model responses and project plan goals should help address the project management questions listed below and should be consistent with those amounts and levels listed on the Budget and in the Continuing Current Efforts narrative. In addition, the project plan goals will be reported on in your Annual Performance Report (APR) with annual output updates to the Logic Model.

- How many households are served with each type of housing assistance?
- How many units in housing are provided?
- How many clients receive medical care by the end of each year?
- How many households are served with case management and how many with other supportive services?
- What is the cost per housing activity delivered? (Annual cost per unit by type of housing activity)
- What is the client outcome for stable housing/rate of success for housing activity?

Applicants are required to complete the Application Budget Summary, the Detailed Project Budget and Housing Outputs form HUD-40110-B, and the Logic Model.

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

IX. Application Narratives

Report on Current Effort and Program Evaluation Narrative

On no more than three double-spaced pages, provide an overview of the accomplishments of your current HOPWA grant, including:

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

- The outcome status of assisted households with respect to stable housing arrangements and use of an individual housing service plan;
 - If some housing support (such as use of STRMU funds) were for temporary arrangements, how recipient households reduced risks of homelessness and improved access to care;
 - How stable housing was maintained, if provided by some other source;
 - How access to healthcare and/or supportive services were undertaken; and
 - How coordination with other mainstream programs were improved.
2. If the project had some unsuccessful results in helping clients or was unable to track the housing status of some clients, please describe the situation and the program's plan of action for addressing these types of unstable housing situations in the new grant period.
3. [Optional] On additional pages as needed, you may provide an optional Return on Investment (ROI) statement on current results. A ROI review provides insight on the effectiveness of addressing various levels of supportive housing needs for HOPWA-eligible households, both within the project's HOPWA and leveraged resources and in assisting beneficiaries with access to other external benefits. Your ROI evaluation should demonstrate how you established data collection steps to show an ROI in the use of your HOPWA resources. Provide the relevant data collected, including the required HOPWA output and outcome data as well as the comparison data used as a baseline for the assessment. State the sources for obtaining the relevant data, demonstrating their relevance and credibility and show how such data allowed for an assessment of:
- A comparison of average HOPWA costs to likely alternatives, such as reviewing possible reductions in costs or reliance on other public services, such as hospitalization, supportive housing or transitional housing and services that offer higher levels of care;
 - Greater efficiencies in service delivery for the types and levels of support provided to HOPWA beneficiaries; and/or
 - Other ROI.

The review might show how you assessed related savings shown in quality of life measures, such as gained by households achieving better relative health, greater family stability, and improved life outcomes. A ROI may also measure other results in relevant outcomes, data sources and elements in relation to HIV prevention, care and treatment efforts, or in affordable and appropriate housing objectives through a comparison of the average costs for delivering HOPWA supportive permanent housing assistance in your project reviewed in contrast to relevant local data on average costs for HOPWA-eligible households that would likely otherwise be accessing emergency support along with greater reliance on hospitalization or inpatient health care services. The review could show some assessment of how housing stability achieved with HOPWA resources reduces reliance on this other type of support.

Continuing Current Efforts Narrative

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

1. A description of how the project will utilize HOPWA and other funding to continue to provide PSH with housing outputs at about the level of the current grant. This description should include an explanation of any changes from the current project's housing outputs and outcome goals in order to establish a baseline for your planned efforts to achieve stable housing outcomes, reduce risks of homelessness and improve access to care.
2. A description of the method to be used for collecting data on HUD program measures to evidence achievement of the project's goals and objectives.

Documentation of Leveraging for Renewal Projects

The renewal application must show continued commitments for leveraged resources from state, local, federal, and/or private sources that were an essential part of the original grant. Failure to use committed resources, as documented and approved by HUD, will constitute a grant default, which may result in grant sanctions. Be advised that HUD reserves the right to reject an application if there is a change in leveraged resources and the proposed amount of leveraging does not provide evidence of sufficient capacity to manage the project.

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

The value of donated land, buildings and equipment are one-time only and **cannot** be claimed as leveraging by more than one selected project. For example, the value of donated land, buildings or equipment claimed in 2005 as leveraging **cannot** be claimed as leveraging by that project in the 2008 renewal cycle, unless the donated resource was a lease for an allotted period of time and at the expiration of the lease the donator renews that lease for an additional allotted period of time. The value of the leveraging listed on the leveraging list or chart should roll up to the value of leveraging represented on the Application Budget Summary and Detailed Project Budget and Housing Outputs form HUD-40110-B (Revised 11/2007). Other HOPWA funds, such as formula allocations, **cannot** be used as a leveraging resource. You may also describe a plan for how the project will continue to operate in future years, with a decreased reliance on any leveraged federal resources. The Department will periodically monitor the use of your commitments by requiring the collection of information in annual progress reports to establish that the leveraged resources are being used, as committed, in undertaking the project. Attempts to falsify commitment of leveraged funds or failure to maintain and produce letters of commitment upon request could lead to the termination of the awarded grant.

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

Organizational Capacity Narrative

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

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

X. Application Review and Approval Information

To the degree of available funding under the Department's FY2008 HOPWA appropriation, the Department will award funding for renewal requests that meet program requirements consistent with this Notice. If eligible applicants are approved for renewal and the total approved funding for all eligible applicants is greater than the amount made available under the appropriation, HUD will allocate awards to each applicant based on a pro-rata reduction of their approved requests. HUD will also review requests and adjust funding consistent with funding restrictions found in Section VII. These actions will help to ensure that all eligible and performing renewal grants receive funding and continue operation.

Rating New Project Sponsors

If a project sponsor is being added to an existing project, or a project sponsor's legal status has changed due to a merger or other action, CPD staff will conduct a substantive review based on the requirements established in Section III and Section VIII. If a proposed sponsor fails to meet the conditions for adding a sponsor or fails to demonstrate sufficient capacity, the sponsor will be ineligible to receive program funds. HUD will rate the proposed new project sponsor in the following way:

In reviewing the elements of organizational capacity under Section VIII, HUD will rate the proposed sponsor on the basis of 20 points, with a minimum of 14 points required for selection of a new sponsor as eligible in demonstrating sufficient capacity. HUD will consider the extent to which the proposal demonstrates the new project sponsor's organizational capacity, and will award 16 to 20 points to sponsors with direct, extensive, clear, and satisfactory experience. A moderate score of 10 to 15 points will be awarded to new sponsors with direct but

limited experience. If the experience is limited and/or indirect on some of the items, or if only limited or no information is provided, 2 to 9 points will be awarded. A new sponsor with unresolved management issues affecting your HOPWA proposal will be scored at the lowest level, 1 point. If this element is not addressed, 0 points will be awarded .

XI. Application Submission

Application Due Date

Renewal applications are due at HUD no later than 5:00 PM on April 30, 2008. As noted, HOPWA grant recipients that intend to apply for renewal funding are asked to fax or email a letter of intent as soon as practicable after receiving this Notice.

Delivery and Receipt Procedures

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

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

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

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

- (3) Applications delivered by courier service must be received at HUD Headquarters and HUD field offices no later than 5:00 PM xxx, xxx, 2008. HUD urges applicants sending packages by courier service to HUD Headquarters to use Federal Express or United Parcel Service. Both companies have access to the Headquarters building. Note: If a courier service is not granted access to the building due to security or other reasons, the package will not be determined delivered and accepted by HUD. HUD will not breach security measures to accept an undeliverable package. Proof of timely submission of an application sent to HUD will be: the delivery service receipt indicating the application was delivered to a courier service at least 24 hours prior to the application deadline; a postmark date at least 24 hours prior to the application deadline due date; and if the Postal Service does not normally postmark large packages, proof of timely submission may be evidenced by a receipt from the Postal

Service that contains the post office name, location, date and time of mailing. No other proof of timely submission will be accepted for the use of the USPS to submit your application.

XII. Information Collection Summary

Each year, HUD strives to improve the procedures for submitting a grant application request. As part of streamlining efforts (Public Law 106-107), HUD began making considerable changes to the format and presentation of its funding notices, which have been enhanced further for FY2008. HUD is continually seeking to ensure effective communication with current and potential program funding recipients. HUD has been posting pertinent documents related to these efforts on its website. Applicants are encouraged to visit the Department's website on an ongoing basis to keep abreast of the latest developments. HUD's website address for information on this initiative is <http://www.hud.gov/offices/adm/grants/egrants/egrants.cfm>. Information on grant streamlining can be found at <http://www.hud.gov/offices/adm/grants/pl-106107/pl106-107.cfm>. HUD continues to welcome comments and feedback from applicants and other members of the public on how HUD may further improve the HOPWA funding process.

The information collection requirements contained in this document have been approved by the Office of Management and Budget under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and are assigned the OMB control number of 2506-0133 (exp. 12/31/2010).