

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

OVERVIEW INFORMATION

A. Federal Agency Name: Department of Housing and Urban Development, Office of Community Planning and Development (CPD), Office of HIV/AIDS Housing.

B. Funding Opportunity Title: Housing Opportunities for Persons With AIDS (HOPWA).

C. Announcement Type: Initial Announcement

D. Funding Opportunity Number: FR-5200-N-21; OMB Approval Number 2506-0133.

E. Catalog of Federal Domestic Assistance (CFDA) Number: 14.241 Housing Opportunities for Persons With AIDS Program.

F. Dates: The application deadline date is **July 18, 2008**. Applications submitted through <http://www.grants.gov> must be received and validated by grants.gov no later than 11:59:59 PM Eastern time on the application deadline date. The validation process may take up to 72 hours. Refer to the **General Section**, published March 19, 2008 (73 FR 14882), for application submission and timely receipt requirements.

G. Additional Information:

1. Purpose of the Program: To provide states and localities with the resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of low-income persons with Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS). Grant recipients will measure client outcomes to assess how housing assistance creates or maintains stable housing, reduces risks of homelessness, and improves access to health care and other needed support. States, units of general

local government, and nonprofit organizations interested in applying for funding under this grant program should carefully review the **General Section** and detailed information listed in this NOFA.

2. Available Funds. Approximately \$8 million in Fiscal Year (FY) 2008 funding is made available under the Consolidated Appropriations Act, 2008 (Pub. L. 110-5, December 26, 2007). Funds for the renewal of expiring HOPWA competitive grants that have successfully undertaken permanent supportive housing projects will be distributed under a separate process described in a separate notice from this NOFA. The remaining funds will be made available under this NOFA after renewals have been funded. This notice makes funding available for two types of new HOPWA projects: (1) Long-term projects for housing activities conducted by eligible states and units of general local government in areas that are not eligible for formula allocations or in the balance of the state areas outside of eligible metropolitan statistical areas by a governmental agency that is not eligible to receive formula grants; and (2) Special Projects of National Significance (SPNS) projects that will undertake housing service delivery models to provide HOPWA clients with improved stable housing arrangements by a governmental agency or an eligible nonprofit organization.

The Department will advise existing competitive grantees that provide permanent supportive housing of the procedure for qualifying for additional funds as a renewal of an expiring HOPWA grant. As implemented in FY2006 and FY2007, the renewal process has changed: existing grantees will not be required to submit an application under this competition for a renewal grant. In FY2005, one-time funding was also made available for 17 transitional housing demonstration projects that are not eligible for the renewal as

permanent supportive housing projects. The 2005 selection criteria noted that funded projects would only be for demonstration efforts and that applications were reviewed for on-going sustainability, evidenced by plans that continued to outplace clients to permanent housing arrangements and plans for continued operation of projects from other sources following the demonstration effort. However, along with other applicants, the transitional housing projects awarded under the 2005 NOFA could be eligible to apply and compete for additional funding under this NOFA. A project application could propose new activities to be undertaken over the next three year period and applicants are not required to maintain the same design elements for any currently operating projects by making changes to address needs. HUD further advises that the amount of funds available for the new awards would potentially only support 6 to 8 new projects and that this number of awards will be significantly less than the likely number of new applications, including potential applications from grantees now operating one of these 17 expiring demonstration grants.

3. Eligible Applicants. States, units of general local government, and nonprofit organizations are eligible to apply.

4. Match. None.

5. Authorities. HOPWA program regulations at 24 CFR Part 574 and the AIDS Housing Opportunity Act (42 U.S.C. 12901-12912) govern the program.

FULL TEXT OF ANNOUNCEMENT

I. Funding Opportunity Description:

A. Program Description

1. Long-Term Projects in Non-formula Areas. HUD will award funding for short-term, transitional and/or permanent supportive housing activities. These projects should improve stable housing arrangements for eligible persons who reside in areas that do not qualify for FY2008 HOPWA formula allocations. Applications should be submitted by the state or the unit of general local government undertaking activities in an area not eligible for formula funds or in the balance of state areas outside of eligible metropolitan statistical areas.

2. Special Projects of National Significance (SPNS). SPNS projects will provide assistance that stabilizes housing for eligible persons through model and/or innovative service delivery models. Consistent with the selection considerations established at 42 U.S.C. 12903(c)(3)(C), SPNS projects must demonstrate potential replicability in the larger HOPWA program. Applications should be submitted by states, units of general local government, and non-profit organizations in accordance with the General Eligibility for Applicants and Sponsors section of this NOFA.

3. Definitions for all HOPWA grants.

a. **Chronically Homeless Person.** An unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least 4 episodes of homelessness in the past 3 years. For this program, a disabling condition is defined as a diagnosable substance abuse disorder, serious mental illness, developmental disability, or chronic physical illness or disability, including AIDS or a disabling condition due to HIV, including the co-occurrence of two or more of these conditions.

b. **Lease or Occupancy Agreement.** In establishing that an eligible person has obtained permanent supportive housing and a legal right to remain in that housing unit, 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 and timely prior notice by either the tenant or the landlord. A short-term lease or lease in the name of the provider may be used to undertake transitional housing activities.

c. **Nonprofit Organization.** Nonprofit organizations include those that: (1) Are state or locally chartered; (2) Are organized under state or local laws; (3) Have no part of earnings inuring to the benefit of any member, founder, contributor or individual; (3) Have a functioning accounting system that is operated in accordance with generally accepted accounting principles, or has designated an entity that will maintain such an accounting system; and (4) Have among its purposes significant activities related to providing services or housing to persons with acquired immunodeficiency syndrome or related diseases, as clarified to include infection with the human immunodeficiency virus (HIV).

d. **Permanent Supportive Housing.** Housing in which the eligible person has a continuous legal right to remain in the unit and which provides the eligible person with ongoing supportive services through qualified providers.

e. **Transitional Housing.** Housing that will help facilitate the movement of eligible person(s) to permanent housing within 24 months.

B. Statutory and Regulatory Requirements

For more information on the HOPWA program, including eligible uses of funds, see the HOPWA program regulations at 24 CFR Part 574 and the AIDS Housing Opportunity Act (42 U.S.C. 12901-12912), which govern the program.

C. Availability of Other HOPWA Resources

1. **Formula Allocations and Renewal Funds.** Applicants are advised to also consider seeking funds from the formula component of the HOPWA program and from other resources. Ninety percent of the HOPWA program is allocated by formula to eligible states and qualifying cities. In FY2007, HUD distributed \$256,162,000 in HOPWA funds by formula to the qualifying cities and one county in 84 eligible metropolitan statistical areas (EMSAs) and to 39 eligible states for areas outside of EMSAs. In addition, expiring projects that provided permanent supportive housing under a competitive award in a prior year may qualify for renewal funds, as authorized by HUD appropriations acts. In 2007, HUD provided \$27,280,081 to 27 renewal projects that were eligible, consistent with CPD Notice 07-13, Standards for Fiscal Year 2007 HOPWA Permanent Supportive Housing Renewal Grant Applications, issued on February 21, 2007.

2. **National HOPWA Technical Assistance.** To apply for funding to serve as a provider of HOPWA technical assistance, you must submit an application for funds under the Community Development Technical Assistance (CDTA) section of the SuperNOFA. The CDTA notice makes HOPWA funds available to organizations qualified to provide technical assistance support to HOPWA grantees and project sponsors. Organizations seeking help in managing their current HOPWA project, such as advice or other help

needed in planning, operating, reporting to HUD and evaluating HOPWA programs, can request technical assistance by contacting their state or area CPD office.

II. Award Information

A. Total. The total available HOPWA competitive funding in FY2008 is approximately \$300 million. After first awarding funds to renew existing HOPWA permanent housing projects in FY2008, HUD estimates that approximately \$8 million will be available for new projects.

B. Announcement of Awards. HUD anticipates that projects awarded under this notice will be announced by August 31, 2008. HUD expects that selected projects will undertake program activities under a grant agreement for a 3-year operating period.

C. Minimum and Maximum Grant Award. In order to fairly distribute available funding, the conditions on grant size for an award that you may receive are:

1. For program activities (e.g., activities that directly benefit eligible persons): at least \$500,000 and up to \$1.3 million;
2. For grant administrative costs of the grantee: 3 percent of the awarded grant amount (e.g., an additional \$39,000 if the maximum grant is awarded);
3. For grant administrative costs for project sponsors: 7 percent of the amount received by the project sponsor under the grant (e.g., an additional \$91,000 if the maximum grant is awarded). A grantee carrying out all program activities without the use of a project sponsor is only eligible to receive grantee administrative costs of 3 percent and is not eligible for the additional project sponsor administrative costs of 7 percent;
4. Total maximum grant amount for all categories of grant awards under this NOFA is \$1.43 million with an additional onetime funding of up to \$30,000 for Return on

Investment (ROI) activities if your organization submits a Return on Investment plan that is awarded for funding. For more information on Return on Investment activities see Section III.C..3..b.(4), Other HUD-Approved Activities, in this NOFA.

D. Average Grant Award. Based on the results of the FY2007 HOPWA competition, the average grant award for the four new project grants selected was \$1.2 million.

III. Eligibility Information

A. Eligible Applicants

1. Eligibility for Funding to Nonprofit Organizations. If you are a nonprofit organization, you must also satisfy the nonprofit requirements established in the definition for eligible nonprofit organization found in 24 CFR 574.3 and in the definitions section of this Program NOFA.

2. General Eligibility for Expiring Grant Projects. To be eligible for a new grant for an existing HOPWA project, a project that does not qualify for renewal as a permanent supportive housing project, such as the transitional housing demonstration grants funded under the FY2005 NOFA, or a grantee that wishes to significantly change an existing project, the project must meet all program requirements. Existing HOPWA projects that show poor performance or unresolved grants management issues up to the date of the public announcement of awards under this NOFA will not be funded. Unresolved problems may include: (1) HUD knowledge that activities approved under a grant agreement remain significantly delayed in their implementation; (2) A significant number of the housing units approved under a grant agreement are vacant; (3) Required annual progress reports are not timely filed with HUD; (4) Unresolved actions pending under a

HUD notice of default on your current grant or significant citizen complaints are unresolved or not responded to with justified reasons.

3. General Eligibility for Applicants and Sponsors. States, units of general local government, and nonprofit organizations may apply under the SPNS grants category to propose new projects or to obtain additional funding for existing projects that do not qualify as permanent supportive housing renewal grants.

States and units of general local government may apply under the “Long-term” category, if the project entails housing activities in areas that did not receive or are not designated to receive HOPWA formula allocations in FY2008 or if the government agency is not eligible to receive formula funds and will serve a balance of state area outside of any EMSA. Nonprofit organizations are not eligible to apply directly for Long-term grants, but may serve as project sponsors for an eligible state or local government applicant.

B. Cost Sharing or Matching.

There are no cost sharing or matching requirements for applications under this program NOFA. However, leveraging is encouraged and addressed in Rating Factor 4, Leveraging.

C. Other

1. Threshold Requirements for All Applications. Applicants must meet the threshold requirement identified in the **General Section**. HUD will also review your application to determine that you are eligible for funding, as follows:

a. Eligible Applicant.

(1) Your application is consistent with the requirements of Section III.A of this NOFA for eligibility based on applicant requirements, project sponsor requirements, and the lack of any unresolved management issues for applicants who currently administer HOPWA grants; and

(2) Your application complies with the Dun and Bradstreet Data Universal Numbering System (DUNS). More information on the requirement of the DUNS can be found in the **General Section**.

b. Eligible Project Sponsors. Your application is consistent with the requirements for eligibility of project sponsors, as follows:

If the project sponsor is a nonprofit organization, it must also satisfy the nonprofit requirements established in the definition of an eligible nonprofit organization found in 24 CFR 574.3 and in the definition section of this NOFA.

2. Program Requirements.

All grant recipients must also meet the following program requirements, including performance goals and operational benchmarks, and conduct project activities in a consistent and ongoing manner over the approved grant operating period. If a selected project does not meet the appropriate requirement, HUD reserves the right to cancel and/or withdraw the grant funds.

a. General Provisions. The provisions outlined within the **General Section** apply to the HOPWA program unless otherwise stated within this NOFA. Specifically, you are encouraged to review Section III.C., entitled, Other Requirements and Procedures Applicable to All Programs.

b. Environmental Requirements. All HOPWA assistance is subject to the National Environmental Policy Act and applicable related federal environmental authorities. While some eligible activities, such as tenant-based rental assistance, supportive services, operating costs, and administrative costs, are excluded from environmental review because of the lack of environmental impact, other activities require environmental review. All new facility-based projects must undergo an environmental review. In accordance with the HOPWA regulations at 24 CFR 574.510, environmental reviews for HOPWA activities are to be completed by responsible entities in accordance with 24 CFR Part 58. Applicants or grantees that are not a responsible entity must request the unit of general local government to perform the environmental review. HOPWA grantees and project sponsors may not commit or expend any grant or non-federal funds on project activities (other than those listed in 24 CFR 58.22(f), 58.34 or 58.35(b) for which the responsible entity documents its findings of exemption or exclusion for the environmental review record (24 CFR 58.34(b) or 24 CFR 58.35(d)) until HUD has approved a “Request for Release of Funds and Certification” (RROF), form HUD-7015.15, on compliance with the National Environmental Policy Act and implementing regulations at 24 CFR Part 58 (Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities). The recipient, its project sponsors and their contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for a project, or commit or expend HUD or local funds for such eligible activities, until the responsible entity (as defined in 24 CFR 58.2) has completed the environmental review procedures required by 24 CFR part 58 and the environmental certification and the RROF have been approved. HUD will not release grant funds if the

recipient or any other party commits grant funds (i.e., incurs any costs or expenditures to be paid or reimbursed with such funds) before the recipient submits and HUD approves its RROF (where such submission is required). The recipient shall supply all available, relevant information necessary for the responsible entity to perform, for each property, any environmental review required.

c. Required HOPWA Performance Goals. Grant recipients must conduct activities consistent with their planned annual housing assistance performance output goals, objectively measure actual achievements against anticipated achievements, and report on their actual performance housing outputs and client outcomes. Applicants are required to use the HOPWA Budget Form (form HUD-40110-B) found in the instructions to the published NOFA on Grants.gov/Apply in this NOFA for recording the funding for housing assistance activities that are associated with these performance outputs, including any funding request for HOPWA funds and/or commitment to use other funds for this purpose. This form is consistent with the new Annual Progress Report that grantees will be required to complete. In establishing and reporting on performance goals, applicants are required to use the Logic Model (Form HUD-96010) as described under paragraph (e). Applicants must establish a reasonable client outcome goal on achieving housing stability, reducing risks of homelessness and improving access to care to be quantified after each year of operation to demonstrate client outcomes. HUD expects that each HOPWA grantee will show that at least 80 percent of the beneficiaries achieve stable housing, have reduced risks of homeless and improve access to care in their program during the operating year, as shown by an assessment of the housing status for the household at the end of each operating year. The grantee will assist in establishing a

baseline on annual performance to help measure how future efforts lead to the achievement of higher levels of housing stability. On a national basis, HUD has established the goal that more than 80 percent of clients will be in stable housing situations by 2009. The following performance measures must be used in your project plan and your logic model under paragraph (e):

(1) Required Output refers to the number of units of housing/households assisted during the year, as measured by the annual use of HOPWA funds. For HOPWA, the application must specify one-year goals for the number of households to be provided housing through the use of HOPWA activities for: (a) short-term rent, mortgage, and utility assistance payments to prevent homelessness of the individual or family; (b) tenant-based rental assistance; and (c) units provided in housing facilities that are being developed, leased, or operated with HOPWA funds. You should also include the projected numbers of low-income eligible households who are expected to benefit from the other types of HOPWA assistance to be provided through your project during each operating year, such as the number receiving permanent housing placement support, or supportive services.

(2) Required Outcomes refer to the number of eligible households who have been provided housing assistance (as noted above for outputs) and thereby maintain a stable living environment in housing that is safe, decent, and sanitary. The program will measure these results in annual assessments on the housing status of beneficiaries along with other outcome measures on the reduced risks of homelessness and improved access to HIV treatment and other health care and support. On a nationwide basis, the program is expected to demonstrate stable housing, reduced risks of homelessness and improved

access to care results for beneficiaries through the use of annual resources with a national goal that this status be achieved by 80 percent of all HOPWA beneficiaries by 2008.

d. Optional Program Performance Goals.

In addition to required performance measures described in the paragraph above, you may include other measures or annual indicators in your project plan and in your logic model under paragraph (e).

e. HUD Logic Model. You must use the Logic Model (Form HUD-96010) in this NOFA to illustrate the planning for the use of resources, project activities, required outputs and outcomes, and other grantee-identified goals, and for reporting on annual accomplishments. Applicants must make use of the required elements in paragraph (a) in this form. If you are awarded a grant under this notice, please note that the Logic Model form will also be used as part of your Annual Progress Report to document results obtained under your approved plans during each operating year. Training on the logic model will be conducted via satellite broadcast and archived on HUD's website and the satellite broadcast and webcast date will be published on HUD's website. See Section VI.C., Reporting for additional information on Logic Model reporting requirements.

f. HOPWA Facility Use Period Requirement. Any building or structure assisted with amounts under this part will be maintained as a facility to provide assistance for eligible persons: (1) for not less than 10 years in the case of assistance involving new construction, substantial rehabilitation or acquisition of a building or structure; and (2) for not less than 3 years in cases involving non-substantial rehabilitation or repair of a building structure.

g. Execution of Grant Agreement and Obligation of Awards. HOPWA grants are obligated upon execution of the grant agreement by both parties (i.e., the recipient and HUD). Applicants selected to receive FY2008 funding must execute grant agreements as soon as practicable, but no later than 6 months after the notice of selection.

h. Disbursement of Funds. Grant recipients must fully expend their grant funding no later than 3 years following the effective date or the operation start date in the grant agreement, unless HUD has approved a one-time extension for an additional 12 months or less. A time limit on grant expenditures that is established in the National Defense Authorization Act for FY1991 requires the expenditure of all HOPWA funds awarded under this NOFA by September 30, 2013. After September 30, 2013, any unexpended funds shall be canceled and, thereafter, shall not be available for obligation or expenditure for any purpose.

i. Site Control of Housing Facilities through Acquisition or Lease. If you propose to acquire a site or structure or lease a structure to serve as a housing facility in your project, you are required to gain site control within one year from the date of your notice of selection by HUD.

j. Rehabilitation or New Construction. If you propose to use HOPWA funds for rehabilitation or new construction activities for housing projects, you must agree to begin the rehabilitation or construction within 18 months (including any time taken in the facility's acquisition or lease under paragraph (i)), and all rehabilitation or construction work must be completed within the terms of your grant agreement with HUD. Such activities will trigger certain accessibility requirements of Section 504 of the

Rehabilitation Act of 1973 and/or the Design and Construction requirements of the Fair Housing Act of 1988.

k. Project Operations. If funds are used for operating costs of existing housing facilities, you must agree to begin to use these funds within 6 months, consistent with the terms of your grant agreement with HUD. If funds are to be used for operating costs, in connection with the new construction or substantial rehabilitation of housing facilities, the amount of funds designated for operating costs must be limited to the amount to be used during the portion of the planned three-year period for your grant agreement for which the facility will be operational and assisting eligible program participants. Delays in the project's development activities, such as the planned completion of the construction or rehabilitation activities, could result in the loss of funds designated for operating costs, if such funds remain in excess after the authorized use period for this award. For example, if you expect to take two years to complete the rehabilitation of the facility, any operating costs could only be requested for use in the remaining one-year of the planned 3-year operating period for this award.

l. Section 3 of the Housing and Urban Development Act of 1968. If HOPWA funds are requested for new construction or rehabilitation costs, the applicant must agree to comply with Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701(u)), and comply with regulations pursuant thereto (24 CFR part 135), which require that, to the greatest extent feasible, employment and other economic opportunities generated by federal financial assistance for housing and community development programs be directed toward the low and very low-income residents of the project's service area and that contracts for work in connection with the project be

awarded in substantial part to persons residing in the service area of the project.

Applicants that propose New Construction and/or Rehabilitation activities must address the Section 3 requirements, at a minimum, by (a) quantifying the opportunity, such as number and type of jobs to be made available, scope and nature of contacts for development services or other similar elements, (b) establishing a schedule or elements of a plan to implement the opportunity and (c) a plan to track and report on accomplishments in performance under this requirement. If selected, the applicant/grantee would report on accomplishments in annual reports to HUD.

m. Improving Access to Services for Persons with Limited English Proficiency

(LEP). Applicants obtaining an award from HUD must comply with Executive Order 13166, “Improving Access to Services for Persons with Limited English Proficiency.”

For more information on Executive Order 13166, reference Section IV, Additional Nondiscrimination and Other Requirements in the General Section of the FY2008 SuperNOFA.

n. Affirmatively Furthering Fair Housing. Funding recipients are obligated to affirmatively further fair housing. For more information on the Affirmatively Furthering Fair Housing program requirement reference Section III.C.4. in the **General Section**.

3. Eligible Activities

a. Proposed Project Activities. In your application, you must specify the activities and budget amounts for which HOPWA funds are being requested, consistent with the eligible activities found in the HOPWA regulations at 24 CFR 574.300. Your activities must address housing needs of eligible members of the community and specify whether the project will be undertaking permanent, transitional, short-term and/or emergency

housing assistance. A copy of the regulations may be downloaded from www.hud.gov/offices/cpd/aidshousing/lawsregs/index.cfm. You are encouraged to review the HOPWA regulations before seeking funding, and other program guidance, such as CPD Notice 06-07, HOPWA Short-term Rent, Mortgage and Utility Payments (STRMU) and Connections to Permanent Housing, issued August 3, 2006. HOPWA documents can be found on the program webpage noted above. HUD will not approve proposals that depend on a prospective determination as to how program funds will be used. For example, a proposal to establish a local request-for-proposal process to select either activities or project sponsors, that would have the effect of delaying the obligation of funds due to the unplanned use of HOPWA funds, will not be approved.

b. Additional Guidance on Use of Program Funds.

(1) Housing Assistance. HOPWA projects must demonstrate that housing assistance is the main focus of program activities. Please indicate if you propose to use HOPWA funds to provide permanent supportive housing (as defined in Section I.A.). If you are proposing emergency or transitional housing assistance, your plan must include linkages to permanent supportive housing. See 24 CFR 574.300(b)(8) for descriptions of appropriate operating costs for a housing project.

(2) Supportive Services. Many of the eligible persons who will be served by HOPWA may need other support in addition to housing. It is important that you design programs that enhance access to those existing mainstream resources through communitywide strategies to coordinate assistance to eligible persons. These mainstream programs include: the Ryan White CARE Act; Medicaid; the Children's Health Insurance Program; Temporary Assistance for Needy Families; Food Stamps; Mental Health Block

Grant; Substance Abuse Block Grant; Workforce Investment Act; the Welfare-to-Work grant program; as well as other state, local and private sources. No more than **35 percent** of the proposed budget for program activities undertaken by project recipients can be designated for supportive services costs. In addition, HUD will not award funds for the acquisition, lease, rehabilitation, or new construction of a supportive services-only facility. Additional restrictions and limitations that apply to supportive services such as limitations addressing only uncompensated health care costs, can be found at 24 CFR 574.300. HUD will not provide funds for medications or other health care costs, as these are reasonably available from other sources. Costs for staff engaged in delivering the supportive service is part of the supportive service activity cost, and should not be listed as operating costs or “other” costs in the application’s proposed HOPWA budget.

(3) Permanent Housing Placement Assistance. Permanent housing placement at 24 CFR 574.300(b)(7) may also be used in connection with the provision of housing support provided under these awards and is not considered a supportive service under limitations stated in paragraph (2). Permanent housing placement costs may involve costs associated with helping eligible persons establish a new residence where ongoing occupancy is expected to continue, including rental application fees, related credit checks, and reasonable security deposits necessary to move persons to permanent housing, provided such deposits do not exceed 2 months of rent. Leveraged resources may involve other forms of move-in support, such as essential housing supplies, smoke alarms, standard furnishings, minor repairs to the unit associated with move-in, and other incidental costs for occupancy of the housing unit. While these items are not eligible as permanent housing placement costs, grantees may make use of other leveraged funds for these costs.

(4) Other HUD-Approved Activities. You may propose other activities not already authorized at 24 CFR 574.300(b), subject to HUD's approval. Your proposal should address the expected beneficial impact of this alternative activity in addressing housing needs of eligible persons by describing the project impact and the identified performance output and client outcome measures for this activity.

In addition, HUD is interested in developing Return-On-Investment models to provide insight from specific community-based efforts that can help determine the cost effectiveness of the HOPWA program and related services delivered in the community. As discussed in the General Section, the Carter-Richmond Methodology presents the building blocks for effective program management and for developing Return-on-Investment models. There are nine questions in the Carter-Richmond Methodology, the first seven are the building blocks for effective program management and can be used to develop benefit/cost models, and the last two questions address valuing outcomes and calculating Return-On-Investment (ROI).

When developing ROI models there are several principles to be considered:

- These models should address the connection between investment and results.
- In order to compute an ROI effectively, one must clearly delineate the nature of investment and the nature of results or outcomes.
- All public services, including housing assistance and related support provided through HOPWA projects, should produce a measurable outcome. All outcomes have a value; however the value is not always monetary. It is incumbent upon agencies to determine the value of these outcomes for the

individual client/family and for the community in monetary or non-monetary terms.

- In technical terms, ROI is a rate of “dollars saved per dollars invested.” If the investment and return are measurable in dollars, one has a quantifiable ROI methodology.
- When calculating an ROI, the calculation may result in an effective ROI, a neutral ROI, or a less than effective ROI. An effective ROI is where the value of the benefit or dollars saved exceeds the cost of the investment. A neutral ROI is where the value of the benefit or dollars saved equals the cost of the investment. A less than effective ROI is where the value of the benefit or dollars saved is less than the investment. Your organization will not be penalized for a less than effective ROI.

An example of a “dollars saved per dollars invested” ROI could be that HOPWA funds provided to the grantee for supportive housing (the investment) would result in a cost savings by maintaining clients in the community (the return) rather than a longer term institutional placement. The grantee would need to compare the funds provided from the supportive housing grant to the savings resulting from community placement compared to an institutional or long term placement. An effective ROI would be achieved if the savings achieved were greater than the initial grant investment.

HUD is also interested in calculating ROI as “benefits per dollars invested.” An example of a “benefits per dollars invested” ROI is the number of people housed in permanent housing compared to the development cost of constructing the housing, along

with related operating costs for a facility based program, or costs in providing rental assistance over a measured period of support.

Additional support is also available in this notice to assist HOPWA grantees in conducting program evaluation using the ROI methodology. This NOFA provides additional one-time funding for related ROI data collection and analysis efforts up to a maximum of \$30,000 per grantee. These additional funds are available under rating factor 5, Achieving New Results, (see rating criteria under Section V.A.1.d. Application Selection Process for Projects, Rating Factor 5 Achieving New Results). You may earn up to an extra five points for developing and submitting a plan to demonstrate a ROI for your program activities. Projects must demonstrate a viable ROI plan and methodology with data sources that support relevant and accurate reports on the project's ROI to the community's public systems of support for HOPWA-eligible households. The highest scored ROI plan (5 points) would need to establish:

- For 1 point under ROI: A description of your methodology, including the rationale for using one or both of the ROI types as described above (“dollars saved per dollars invested” and “benefits per dollars invested”) and the reason this type of methodology was selected.
- For 1 point under ROI: Identify the program or service to be addressed by the ROI and why it was selected. When establishing the cost for delivering the program housing assistance or service addressed by the ROI, add the direct HOPWA portion of these project costs to the related leveraged resources that are used to support beneficiaries with the program or service addressed by the ROI.

- For 1 point under ROI: A description of the expected benefit(s)/outcome(s) whether resulting in cost savings or achieving a specific program benefit(s).
- For 1 point under ROI: A submission of your data collection and analysis plan describing the source(s) of output and outcome data, establishment of baseline data for comparative analysis over a three-year time period and how the outcome is to be valued. For example, if the case is being made that community based supportive housing is less expensive than institutional care, how was the cost of institutional care derived? This is necessary to support a legitimate comparison of costs.
- For 1 point under ROI: A description of your organization's capacity to conduct the project. Your organization must provide a brief description of the staff you propose to assign to the ROI effort and their relevant experience in working with data collection and evaluation activities.

In general HOPWA is looking for ROI methodologies that address:

- Cost savings to the HOPWA-funded project or to related public systems of housing, care and related support.
- Greater efficiencies in service delivery for the types and levels of support provided to HOPWA beneficiaries.

Here are several examples of areas of interest to HOPWA. These are only examples and not necessarily recommended courses of action:

- An ROI model that could compare average HOPWA costs to costs associated with the reliance on other public services, such as hospitalization, and services that offer higher levels of personal care (dollars saved per dollars invested).

- An ROI model that proposes how to assess if the program resulted in improved quality of life measured by households' achieving better relative health, greater family stability, and improved life outcomes compared to possible institutional placement (benefits per dollars invested and dollars saved per dollars invested).
- An ROI model that could compare the average costs for delivering HOPWA supportive permanent housing assistance in contrast to greater reliance on hospitalization or inpatient health care services. The model could also provide insight on how housing stability achieved with HOPWA resources reduces reliance, where appropriate, on this other type of support (benefits per dollars invested).
- An ROI model related to care and treatment efforts to maintain independent living in the community (benefits per dollars invested and/or dollars saved per dollars invested).

HUD is interested in developing pragmatic models and norms based on the actual costs it takes to operate your program including programs assisting persons with various levels of supportive housing needs. This evaluation can help ensure that resources are targeted to reduce the most pressing needs for vulnerable populations, including housing and related assistance for persons who are homeless or have severe risks of homelessness, along with challenges of serious mental illness and/or chronic substance abuse.

When applying for these supplemental ROI funds, please enter the requested amount up to \$30,000 under the "other" budget line item. HUD reserves the right to deny your request for funding under the Other budget line item for ROI activities if your ROI

plan is deemed limited, incomplete, or unresponsive to this assessment objective (i.e., receives less than half of these points in the rating review), or duplicative in the process and methodology of other higher rated applications.

The following is an example of calculating “benefits per dollars invested” ROI, using the Carter-Richmond Methodology and a published example:

(i) How many clients are you serving? 100.

(ii) Who are they? Single unemployed women ages 21-34 who are seeking employment and have at least one child under the age of 12.

(iii) What services do you give them? A package of job readiness training, job placement and a 90 day follow-up services after job placement.

(iv) What does it cost? \$100,000.

(v) What does it cost per service delivered? $\$100,000/100 = \$1,000/\text{job readiness/training/placement package, or } \$1,000/\text{client}.$

(vi) What happens to clients as a result of the service? 10 clients or 10% of the program participants will obtain a full time job above minimum wage with employer provided benefits.

(vii) What does it cost per outcome? $\$100,000/10 \text{ clients} = \$10,000/\text{outcome}.$ The outcome is a full time job above minimum wage with employer provided benefits.

(viii) What is the value of a successful outcome? The value of the outcome is income from employment (\$20,000), benefits from employer (\$5,000), EITC (\$2,000), payment of taxes (\$500), elimination of welfare and other subsidized benefits (\$22,500) for a total of \$50,000 per year. (EITC increases the client’s benefit value which should reduce or offset the value associated with elimination or decrease in subsidized benefits.

The total value of the return may be disputable depending on how we identify the investor.)

(ix) What is the return on investment?

- ROI Individual = Value of outcome \$50,000/ Cost of outcome \$10,000 or a 500% return.

- ROI Program = Value of outcomes (\$50,000) x (10) participants=\$500,000/
Cost of outcomes (\$10,000) x (10) participants= \$100,000.

- The cost of the program at \$100,000 returned \$500,000 in benefits.

- Every \$1.00 invested in the program returned \$5.00 in benefits.

Example cited from: Return-On-Investment Training for Community Action, © 2007, F. Richmond, B. Nazar, with permission from Reginald Carter, The Center for Applied Management Practices, Camp Hill, PA 717-730-3705, www.appliedmgt.com, all rights reserved.

(5) Resource Identification. Resource Identification activities may be used to establish, coordinate, and develop housing assistance resources in your community.

IV. Application and Submission Information

A. Addresses to Request Application Package

Copies of the published NOFAs and application forms for HUD programs announced through NOFA are available at the Grants.gov website, http://www.grants.gov/applicants/apply_for_grants.jsp. If you have difficulty accessing the information, customer support is available from Grants.gov by calling its Support Desk at (800) 518-4726 between 7:00 a.m. and 9:00 p.m. eastern time or by sending an email to support@grants.gov. If you do not have Internet access and need to obtain a

copy of the NOFA, you can contact HUD's NOFA Information Center toll-free at (800) HUD-8929. Persons with hearing or speech impairments may access this number via the toll-free Federal Information Relay Service at (800) 877-8339.

B. Content and Form of Application Submission

By signing the SF-424, applicants are agreeing to the assurances found in the **General Section**. If conditionally selected for funding, the following certifications as noted must be provided prior to the signing of a grant agreement. Standard certifications and forms are listed in the **General Section** and the HOPWA budget and certification (form HUD-40110-B), is identified in this NOFA.

1. **Forms:** Applicants are requested to submit the following information:
 - a. SF-424, Application for Federal Assistance (Required).
 - b. SF-424 Supplement, Survey on Ensuring Equal Opportunities for Applicants ("Faith Based EEO Survey (SF-424 SUPP)" on Grants.gov) (Optional).
 - c. HUD-96010, Program Outcome Logic Model (Required).
 - d. HUD-2991, Certification of Consistency with the Consolidated Plan (Required).
 - e. HUD-2990, Certification of Consistency with the RC/EZ/EC-II Plan – if applicable to the service area of your project (Optional).
 - f. HUD-2880, Applicant/Recipient Disclosure/Update Report ("HUD Applicant Recipient Disclosure Report" on Grants.gov) (Required).
 - g. SF-LLL, Disclosure of Lobbying Activities, if applicable (Required).
 - h. HUD-40110-B, HOPWA Application Budget Summary, including HOPWA Applicant Certifications (Required).

- i. HUD-27300, Questionnaire for HUD's Removal of Regulatory Barriers ("HUD Communities Initiative Form" on Grants.gov) (Optional).
- j. HUD-2993, Acknowledgement of Application Receipt, if applicable due to an approved waiver of the electronic submission requirement (Optional).
- k. HUD 2994-A, You Are Our Client! Grant Applicant Survey (Optional).
- l. HUD-96011, Third Party Documentation Facsimile Transmittal ("Facsimile Transmittal Form" on Grants.gov) (for electronic applications).

2. Additional HOPWA guidance on forms.

a. **HOPWA Application Budget Summary (form HUD-40110-B).** Do not complete the standard budget form contained in the **General Section**. Applicants must use this program-specific budget form (HUD-40110-B, HOPWA Budget Application Summary) that demonstrates how funds will be used for eligible activities. The HOPWA HUD-40110-B will provide a summary of the total budget for your project, the annual HOPWA amounts to be used in each of the three years of operation and description budget by project sponsor of the HOPWA funds to be used by each sponsor. On this form, you must provide a short narrative which outlines each of your requested budget line items and how the funds will be used, including the amount of requested funding, by line item for you and your project sponsors.

b. **Certification of Consistency with the Consolidated Plan (HUD-2991).** Except as stated below, you must obtain a Consolidated Plan certification signed by the applicable state or local government official for submitting the appropriate plan for the areas in which activities are targeted. This form must be submitted to HUD prior to the signing of a grant agreement. The authorizing official from the state or local government must sign

this certification. If your project will be carried out on a national basis or will be located on an Indian reservation or in one of the U.S. Territories of Guam, the Virgin Islands, American Samoa, or the Northern Mariana Islands, you are not required to include a Consolidated Plan certification from these areas with your application.

3. Application Content for Long-term and Special Projects of National Significance

(SPNS) Project Applications. The review criteria for long-term, and SPNS applications can be found in Section V.A. of this NOFA. For your narrative responses, **number** the pages and include a header or a footer that provides the name of the applicant or the project.

a. **Executive Summary.** On no more than two double-spaced pages, provide an Executive Summary of the proposed project. The summary should provide an overview of the main components of your planned HOPWA project, any special service delivery method or project purposes and the projected annual housing output for the first year of operation. In the executive summary, provide the name of the grantee and any project sponsors, along with contact names, phone numbers, and email addresses.

For projects involving sites (e.g., a structure where HOPWA funds will be used for the housing activities, involving construction, acquisition, rehabilitation, leasing, operating costs, and/or project-based rental assistance), provide the address of the proposed site of this structure and describe what other resources will be used to complete the development of this housing facility. Please identify if the site is a Confidential Site or a Public Site. (HUD will not release the address of confidential sites).

b. **Proof of Nonprofit Status and AIDS Purpose.** Excluding situations where nonprofit documentation was submitted to HUD under prior HOPWA awards and there has been

no change in this status for the project sponsor(s), all conditionally selected applicants must provide a copy of the nonprofit documentation for each sponsor that is a nonprofit organization consistent with the standards under paragraph (1) below prior to the signing of a grant agreement. Conditionally selected applicants must also provide documentation consistent with paragraph (2) below prior to the signing of a grant agreement to demonstrate that each sponsor's organizational documents include a purpose of significant activities related to providing housing or services to persons with HIV/AIDS. For submission of the documentation in paragraphs (1) and (2) on paper forms, you should follow the directions in the **General Section**, with the exception of the budget forms.

(1) HUD will accept as evidence of your nonprofit status:

(a) A copy of the Internal Revenue Service (IRS) ruling providing tax-exempt status under Section 501(c) (3), (4), (6), (7), (9) or (19) of the IRS code; or

(b) A ruling from the Treasury Department of the Commonwealth of Puerto Rico granting income tax exemption under section 101 of the Income Tax Act of 1954, as amended (13 LPRA 3101); or

(c) Documentation that the applicant is a certified United Way agency; or

(d) Copy of your most recent completed tax statement, Form IRS-990 or Form 990-EZ; or

(e) All of the following:

(i) a certification by the appropriate official of the jurisdiction where the nonprofit was organized that your organization was organized as a nonprofit organization and is in good standing;

(ii) a certification from a designated official of the organization that no part of the net earnings of the organization inures to the benefit of any member, founder, contributor, or individual; that the organization has a voluntary board; and that the organization practices nondiscrimination in the provision of assistance in accordance with applicable program requirements; and

(iii) an opinion letter from an independent public accounting firm that the nonprofit entity has a functioning accounting system that provides for each of the following:

(A) Accurate, current, and complete disclosure of the financial results of each federally funded project;

(B) Records that identify adequately the source and application of funds for federally funded activities;

(C) Effective control over and accountability for all funds, property and other assets;

(D) Comparison of outlays with budget amounts;

(E) Written procedures to minimize the time elapsing between the transfer of funds to the recipient from the U.S. Treasury and the use of funds for program purposes;

(F) Written procedures for determining reasonableness, allocable, and allowable costs; and

(G) Accounting records including cost accounting records that are supported by source documentation.

(2) HUD will also accept, as evidence of your organization's HIV/AIDS-related purpose, a copy of the organization's articles of incorporation and bylaws, mission

statement, program management plan, or other organizational policy document that evidences the organization's activities or objectives related to providing services or housing to persons with HIV/AIDS.

c. Capacity of Applicant and Project Sponsors and Relevant Organizational

Experience Narrative. On no more than 5 double-spaced typed pages or similar chart or table, for the Applicant, and no more than 2 double-spaced pages or similar chart or table per additional sponsor, demonstrate the extent to which you and any project sponsor(s) have the organizational resources necessary to successfully implement your proposed activities in a timely manner.

d. Need/Extent of the Problem Narrative. On no more than 5 double-spaced typed pages or similar chart or table define your planned service area and demonstrate the need for funding eligible activities in the area to be served.

e. Soundness of Approach: Model Qualities and Responsiveness/Coordination

Narrative. On no more than 10 double-spaced, typed pages or a similar chart or table, address the method by which your plan meets your identified needs. Demonstrate how your project will provide its planned activities through HOPWA and other resources, and how it will serve as a model with exemplary qualities to address the ongoing housing and supportive service needs of eligible persons within a replicable operational framework. If HOPWA funds are requested for new construction or rehabilitation costs, the applicant must agree to comply with Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701(u)), and comply with regulations pursuant thereto (24 CFR part 135), which require that, to the greatest extent feasible, employment and other economic opportunities generated by federal financial assistance for housing and

community development programs be directed toward the low and very low-income residents of the project's service area and that contracts for work in connection with the project be awarded in substantial part to persons residing in the service area of the project. Applicants that propose New Construction and/or Rehabilitation activities must on one additional page describe their plan for addressing the Section 3 requirements, at a minimum, by (a) quantifying the opportunity, such as number and type of jobs to be made available, scope and nature of contracts for development services or other similar elements, (b) establishing a schedule or elements of a plan to implement the opportunity and (c) a plan to track and report on accomplishments in performance under this requirement. If selected, the applicant/grantee would report on accomplishments in annual reports to HUD.

f. **Documentation of Leveraged Resources.** As described in paragraph 4 of this section, to receive a leverage score for your project, provide a detailed chart of commitments that you have obtained and have on file that provides evidence of your ability to secure community resources for operating and sustaining your housing project.

g. **Achieving Results and Program Evaluation Narrative.** To complement the use of the Logic Model form, in no more than three double-spaced, typed pages or a similar chart or table, provide a supplemental optional narrative that may detail or further demonstrate your commitment to ensuring that the goals that you set forth and your performance will be assessed in a clear and effective manner. Address how you will implement the HOPWA Program goals and identify the benefits or outcomes of your program, including details on your activities, benchmarks, and interim activities or performance indicators shown in the Logic Model. Provide comments as may be needed

on details for an evaluation plan that will objectively measure actual achievements against anticipated achievements. In addition, under rating factor 5 Achieving New Results you may earn an extra 5 rating points for developing a plan to demonstrate a ROI on your program activities, (see rating criteria under Section V.A.1.d. Application Selection Process for Projects, Rating Factor 5 Achieving New Results). Your ROI evaluation plan should test new methods or other innovations and serve as a model with developed features. When developing ROI models there are several principles to be considered:

- These models should address the connection between investment and results.
- In order to compute an ROI effectively, one must clearly delineate the nature of investment and the nature of results or outcomes.
- All public services, including housing assistance and related support provided through HOPWA projects, should produce a measurable outcome. All outcomes have a value; however the value is not always monetary. It is incumbent upon agencies to determine the value of these outcomes for the individual client/family and for the community in monetary or non-monetary terms.
- In technical terms, ROI is a rate of “dollars saved per dollars invested.” If the investment and return are measurable in dollars, one has a quantifiable ROI methodology.
- When calculating an ROI, the calculation may result in an effective ROI, a neutral ROI, or a less than effective ROI. An effective ROI is where the value of the benefit or dollars saved exceeds the cost of the investment. A neutral

ROI is where the value of the benefit or dollars saved equals the cost of the investment. A less than effective ROI is where the value of the benefit or dollars saved is less than the investment. Your organization will not be penalized for a less than effective ROI.

An example of a “dollars saved per dollars invested” ROI could be that HOPWA funds provided to the grantee for supportive housing (the investment) would result in a cost savings by maintaining clients in the community (the return) rather than a longer term institutional placement. The grantee would need to compare the funds provided from the supportive housing grant to the savings resulting from community placement compared to an institutional or long term placement. An effective ROI would be achieved if the savings achieved were greater than the initial grant investment.

HUD is also interested in calculating ROI as “benefits per dollars invested.” An example of a “benefits per dollars invested” ROI is the number of people housed in permanent housing compared to the development cost of constructing the housing, along with related operating costs for a facility based program, or costs in providing rental assistance over a measured period of support..

Additional support is also available in this notice to assist HOPWA grantees in conducting program evaluation using the ROI, methodology. This NOFA provides additional one-time funding for related ROI data collection and analysis efforts up to a maximum of \$30,000 per grantee. Projects must demonstrate a viable ROI plan and methodology with data sources that support relevant and accurate reports on the project’s ROI to the community’s public systems of support for HOPWA-eligible households. The highest scored ROI plan (5 points) would need to establish:

- For 1 point under ROI: A description of your methodology, including the rationale for using one or both of the ROI types as described above (“dollars saved per dollars invested” and “benefits per dollars invested”) and the reason this type of methodology was selected.
- For 1 point under ROI: Identify the program or service to be addressed by the ROI and why it was selected. When establishing the cost for delivering the program housing assistance or service addressed by the ROI, add the direct HOPWA portion of these project costs to the related leveraged resources that are used to support beneficiaries with the program or service addressed by the ROI.
- For 1 point under ROI: A description of the expected benefit(s)/outcome(s) whether resulting in cost savings or achieving a specific program benefit(s).
- For 1 point under ROI: A submission of your data collection and analysis plan describing the source(s) of output and outcome data, establishment of baseline data for comparative analysis over a three-year time period and how the outcome is to be valued. For example, if the case is being made that community based supportive housing is less expensive than institutional care, how was the cost of institutional care derived? This is necessary to support a legitimate comparison of costs.
- For 1 point under ROI: A description of your organization’s capacity to conduct the project. Your organization must provide a brief description of the staff you propose to assign to the ROI effort and their relevant experience in working with data collection and evaluation activities.

In general HOPWA is looking for ROI methodologies that address:

- Cost savings to the HOPWA-funded project or to related public systems of housing, care and related support.
- Greater efficiencies in service delivery for the types and levels of support provided to HOPWA beneficiaries.

Here are several examples of areas of interest to HOPWA. These are only examples and not necessarily recommended courses of action:

- An ROI model that could compare average HOPWA costs to costs associated with the reliance on other public services, such as hospitalization, and services that offer higher levels of personal care (dollars saved per dollars invested).
- An ROI model that proposes how to assess if the program resulted in improved quality of life measured by households' achieving better relative health, greater family stability, and improved life outcomes compared to possible institutional placement (benefits per dollars invested and dollars saved per dollars invested).
- An ROI model that could compare the average costs for delivering HOPWA supportive permanent housing assistance in contrast to greater reliance on hospitalization or inpatient health care services. The model could also provide insight on how housing stability achieved with HOPWA resources reduces reliance, where appropriate, on this other type of support (benefits per dollar invested).

- An ROI model related to care and treatment efforts to maintain independent living in the community (benefits per dollars invested and/or dollars saved per dollars invested).

HUD is interested in developing pragmatic models and norms based on the actual costs it takes to operate your program including programs assisting persons with various levels of supportive housing needs. This evaluation can help ensure that resources are targeted to reduce the most pressing needs for vulnerable populations, including housing and related assistance for persons who are homeless or have severe risks of homelessness, along with challenges of serious mental illness and/or chronic substance abuse.

When applying for these supplemental ROI funds, please enter the requested amount up to \$30,000 under the “other” budget line item. HUD reserves the right to deny your request for funding under the Other budget line item for ROI activities if your ROI plan is deemed limited, incomplete, or unresponsive to this assessment objective (i.e., receives less than half of these points in the rating review), or duplicative in the process and methodology of other higher rated applications.

The following is an example of calculating “benefits per dollars invested” ROI, using the Carter-Richmond methodology and a published example:

- (i) How many clients are you serving? 100.
- (ii) Who are they? Single unemployed women ages 21-34 who are seeking employment and have at least one child under the age of 12.
- (iii) What services do you give them? A package of job readiness training, job placement and a 90 day follow-up services after job placement.
- (iv) What does it cost? \$100,000.

(v) What does it cost per service delivered? $\$100,000/100 = \$1,000/\text{job}$
readiness/training/placement package, or $\$1,000/\text{client}$.

(vi) What happens to clients as a result of the service? 10 clients or 10% of the program participants will obtain a full time job above minimum wage with employer provided benefits.

(vii) What does it cost per outcome? $\$100,000/10 \text{ clients} = \$10,000/\text{outcome}$.
The outcome is a full time job above minimum wage with employer provided benefits.

(viii) What is the value of a successful? The value of the outcome is income from employment (\$20,000), benefits from employer (\$5,000), EITC (\$2,000), payment of taxes (\$500), elimination of welfare and other subsidized benefits (\$22,500) for a total of \$50,000 per year. (EITC increases the client's benefit value which should reduce or offset the value associated with elimination or decrease in subsidized benefits. The total value of the return may be disputable depending on how we identify the investor.)

(ix) What is the return on investment?
- ROI Individual = Value of outcome $\$50,000/\text{Cost of outcome } \$10,000$ or a 500% return.

- ROI Program = Value of outcomes $(\$50,000) \times (10) \text{ participants} = \$500,000/\text{Cost of outcomes } (\$10,000) \times (10) \text{ participants} = \$100,000$.

- The cost of the program at \$100,000 returned \$500,000 in benefits.

- Every \$1.00 invested in the program returned \$5.00 in benefits.

Example cited from: Return-On-Investment Training for Community Action, © 2007, F. Richmond, B. Nazar, The Center for Applied Management Practices, Camp Hill, PA

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OACCA/OCATO, Columbus, Ohio, April 21, 2007.

4. Application Content on Leveraging for All Types of Applications

To receive consideration for leveraged resources, all types of applications must include information on the commitments from other state, local, federal, or private entities to provide additional resources in operating and sustaining your planned activities to support project beneficiaries. Other HOPWA funds, such as formula allocations, may not be used for this purpose in determining leveraging. To receive a score for leveraging, any project must provide a list in a chart with information on the nature of the secured leveraged commitments that you have in hand at the time of your application submission to HUD. You may also describe a plan for how the project will continue to operate in future years, with a decreased reliance on these federal resources.

As a change from prior year competitions, you should not submit an electronic copy or facsimile transmittal of these letters of commitment with your HOPWA application, but should use these letters or documents to report on the information requested below. The applicant must retain in its files all of the leveraging letters or documents, and a conditionally selected applicant may be required to provide HUD with a copy or other evidence of these letters or documents as part of the conditions for receiving HOPWA funds.

In the application, provide information **only** for contributions for which you have a **written commitment in hand at the time of application**. A written commitment could include signed letters, memoranda of agreement, and other documented evidence of a firm commitment for resources to be available during the operating period of your

project, if selected for award. This does not include resources that are in use prior to the new grant operating period. Leveraging items may include any written commitments that will be used towards your leveraging of the project, as well as any written commitments for buildings, equipment, materials, services and volunteer time. The value of commitments of land, buildings and equipment are **one-time only** and cannot be claimed by more than one selected project (e.g., the value of donated land, buildings or equipment claimed in 2007 and prior years for a project that was selected for funding cannot be claimed as leveraging by that project in subsequent competitions). The written commitments must be documented on letterhead stationery, signed by an authorized representative, dated **and** in your possession prior to the deadline for submitting your application.

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. Failure to provide evidence of these commitments or the related use of these additional resources in operating your project could result in a notice of default and affect the project's continued access to federal funds awarded under this NOFA.

C. Submission Dates

Application Deadline Date. Your completed application must be received and validated electronically by Grants.gov no later than 11:59:59 p.m. Eastern time on **the deadline date for HOPWA July 18, 2008**. The validation process may take up to 72 hours. Failure to have the application validated by Grants.gov prior to the deadline will result in a late application making the application ineligible for funding under this NOFA.

Please follow the application submission and timely receipt requirements that are established in the **General Section**.

All parts of an electronic application must be submitted via the Grants.gov portal with additional documentation as called for in this NOFA provided via electronic facsimile transmittal in accordance with the requirements stated in the **General Section**. For electronic applications, HUD will not accept parts of an application submitted through the mail or entire applications by facsimile. For applications receiving a waiver of the electronic application submission requirements, the entire application must be submitted in hard paper copy format with the required number of copies.

D. Intergovernmental Review

The HOPWA program is not subject to Executive Order (EO) 12372, Intergovernmental Review of Federal Programs.

E. Funding Restrictions

1. Limitations on Maximum Grant Amounts. Your request for funding must be consistent with the following limitations on minimum and maximum grant amounts:

- a. For program activities (e.g., activities that directly benefit eligible persons): At least \$500,000 and a maximum of \$1.3 million, subject to the limitations in this section;
- b. For grant administrative costs of the grantee: A maximum of no more than an additional \$39,000, subject to the limit on administrative costs of 3 percent of the amount requested for project activities in your application for grantees.
- c. For grant administrative costs for project sponsors: A maximum of no more than an additional \$91,000, subject to the limit on administrative costs of 7 percent of the amount requested for project activities to be conducted by project sponsors in your application.

(Note: An applicant that will serve as a grantee, but carry out activities directly without a third-party project sponsor, cannot add amounts from this paragraph to its eligible amount under paragraph (b) above.)

d. Total for maximum grant amount: \$1.43 million, with an additional onetime funding up to a maximum of \$30,000 for Return on Investment (ROI) activities if your organization submits a Return on Investment plan that is awarded for funding. For more information on Return on Investment activities see Section III.C.3.b.(4), “Other HUD-Approved Activities,” in this NOFA.

2. Limitation on Supportive Services. Your request for the supportive services line item in program activities must be consistent with the program limits of not more than 35 percent of the proposed budget for program activities undertaken by project recipients.

3. Limitation on Prospective Determinations. HUD will not approve proposals that depend on a prospective determination as to how program funds will be used, except as needed in securing housing units for participants. More specifically, proposals to establish a local request-for-proposal process to select either activities or project sponsors, and other similar proposals that have the effect of delaying the obligation of funds due to the unplanned use of HOPWA funds, will not be approved.

Eligible HOPWA costs cannot involve costs for personal items, such as grooming, clothing, pets, financial assistance, consumer credit payments, entertainment activities, personal vehicle maintenance and repairs, property taxes, condominium fees, and other non-housing-related costs. Eligible costs are also subject to additional HOPWA standards at 24 CFR Part 574.

F. Other Submission Requirements.

1. **Electronic Delivery.** HUD requires applicants to electronically submit via www.grants.gov. See Sections IV.B. and F. of the **General Section** for instructions for submitting leveraging documentation, certifications, and other required forms.
2. **Waivers to the Electronic Submission Process:** Applicants may request a waiver of the electronic submission process (see the **General Section** for more information). Applicants should submit waiver requests in writing, by e-mail, fax, or to the address listed below. Waiver requests must be submitted no later than 15 days prior to the application deadline date, **July 18, 2008**, to:

Office of HIV/AIDS Housing
Department of Housing and Urban Development
451 Seventh Street, SW, Suite 7212
Washington, DC 20410-7000
Email: <mailto:HOPWA@hud.gov>
facsimile (fax) 202-708-9313.

Applicants who are granted a waiver based on a HUD-approved justification must submit their applications in accordance with the requirements stated in the approval to the waiver request. Paper applications must be received by HUD at the proper location by the deadline date of **July 18, 2008**.

V. Application Review Information

A. Criteria

1. Criteria for Project Applications.

a. **Departmental Policy Priorities.** As outlined in the **General Section**, HUD has identified policy priorities that project applicants are encouraged to address through their proposed project plans. HUD has identified 5 Departmental policy priorities as being applicable for new HOPWA projects. Applications for HOPWA funding will receive rating points for each applicable Departmental policy priority initiative addressed through

the proposed program activities and performance goals and objectives. Applicants must demonstrate how these priorities will be addressed through the Soundness of Approach of the application as outlined under Rating Factor 3. Under the points available for Rating Factor 3, one or two Rating Points, as specified below, will be awarded for each of the following addressed priorities:

(1) In accordance with the **General Section**, for applicants seeking HOPWA funds for capital development activities, including rehabilitation or new construction, or identifying leveraged commitments of other funds for these activities in assisting HOPWA beneficiaries, for one rating point under project soundness of approach, you are encouraged to institute visitability and universal design standards in these activities undertaken with HOPWA funds. Visitability standards allow a person with mobility impairments access into the home, but do not require that all features be made accessible; and such standards incorporate universal design in the construction or rehabilitation of housing undertaken with HOPWA funds. Universal design provides housing that is usable by all without the need for adaptation or specialized design.

(2) For 1 rating point under project soundness of approach, you are encouraged to propose projects in which the grantee, or the project sponsor(s), fulfills the policy priority for being a nonprofit, grassroots community-based organization, including faith-based organizations, as defined in the **General Section**.

(3) For 1 rating point under project soundness of approach, you are encouraged to propose applications in which the grantee, or project sponsor(s), commits to follow the Energy Star standard in any new construction, or rehabilitation activity, or in maintaining housing or community facilities to be undertaken in the proposed project with HOPWA

or other funds. This would also apply to undertaking program activities that include developing energy star promotional and information materials, providing outreach to low- and moderate-income renters and buyers on the benefits and savings when using Energy Star products. The Energy Star standard is as defined in the **General Section**.

(4) For up to 2 rating points under project soundness of approach, you are encouraged to propose an application in which the grantee, or project sponsor(s), if it is a state or local government agency, as defined in the **General Section**, completes the regulatory barriers policy questionnaire, “Questionnaire for HUD’s Initiative on Removal of Regulatory Barriers” (Form HUD-27300) and provides the required documentation, contact information and/or a website link where the information can be readily found.

(5) For up to 2 rating points under project soundness of approach, you are encouraged to propose an application in which the grantee will serve the special population of HOPWA-eligible persons who are chronically homeless persons with HIV/AIDS. Persons who are infected with HIV are more likely to be able to follow complex treatment regimens if they have a reliable address where they can be reached by care providers, a safe place to keep medications, refrigeration for drugs that require it, and other necessities that many of us take for granted. HUD is encouraging applications that strive to create additional models for permanent housing for eligible persons living with HIV/AIDS that are experiencing chronic homelessness. Applicants must work collaboratively with the local Continuum of Care Plans to create these models for persons living with HIV/AIDS and their families and demonstrate a plan for the integration of HOPWA activities with those systems such as the use of Homeless Management Information Systems (HMIS). HMIS participation is required for all

recipients of award funding under this NOFA whose projects intentionally target HOPWA eligible persons who are homeless or chronically homeless. In a number of Continuum of Care communities, HOPWA projects are directly involved in providing outreach, assessment, housing and supportive services to HOPWA eligible persons who are homeless at the time they enter into program support. HMIS activities or the use of related information technology systems may already be operating to support the delivery of housing information services to these HOPWA clients.

d. Application Selection Process for Projects.

Rating Factor 1: Capacity of the Applicant and Project Sponsors and Relevant Organizational Experience (20 points); (Minimum for Funding Eligibility – 14 points)

Address the following factor by using not more than five double-spaced, typed pages or a similar chart or table. For each project sponsor, you may add two additional pages. This factor addresses the extent to which you and any project sponsor have the organizational resources necessary to successfully implement your proposed activities in a timely manner. If you will be using project sponsor(s) in your project, you must identify each project sponsor in your application. HUD will award up to **20 points** based on your and any project sponsor's ability to develop and operate your proposed program in relation to which entity is carrying out an activity.

(1) With regard to both you and your project sponsor(s), you should demonstrate:

(a) Past experience and knowledge in serving persons with HIV/AIDS and their families;

(b) Past experience and knowledge in programs similar to those proposed in your application, including HOPWA formula funding;

(c) Experience and knowledge in monitoring and evaluating program performance and disseminating information on project housing outputs and client outcomes similar to the HOPWA outcomes of stable housing, reduced risks of homelessness, and access to care; and

(d) Past experience as measured by expenditures and measurable progress in achieving the purpose for which funds were provided.

(2) In reviewing the elements of the paragraph above, HUD will consider:

(a) The knowledge and experience of the proposed project director and staff, including the day-to-day program manager, consultants, and contractors in planning and managing the proposed activities. You and any project sponsor will be judged in terms of recent, relevant, and successful experience of staff in undertaking eligible program activities.

(b) Your and/or the project sponsor's experience in managing complex interdisciplinary programs, especially those involving housing and community development programs directly relevant to the work activities proposed and carrying out grant management responsibilities.

(c) If you and/or the project sponsor received funding in previous years in the program area for which you seek funding, those past experiences will be evaluated in terms of the ability to attain demonstrated measurable progress in the implementation of your grant awards. Measurable progress is defined as:

- (i) Meeting applicable performance benchmarks in program development and operation;
- (ii) Meeting project goals and objectives, such as the HOPWA output for the number of homeless persons assisted in comparison to the number that was planned at the time of the application;
- (iii) Submitting timely performance reports and other results, such as client outcomes in maintaining stable housing, reducing risks of homelessness and improving access to care; and
- (iv) Expending prior funding as outlined in the existing HOPWA grant agreement with HUD, with no outstanding audit or monitoring issues.

Applicants must receive a minimum of 14 points in Rating Factor 1 to be eligible for funding under this NOFA. An application that plans to use project sponsors but fails to provide information on their capacity could not receive the minimum score.

Rating Factor 2: Need/Extent of the Problem (15 points)

Address the following factor using not more than 5 double-spaced, typed pages or similar chart or table. Up to 15 points will be awarded for this factor.

a. **AIDS Cases (5 points).** You must define your planned service area. HUD will obtain AIDS surveillance information pertinent to that area from the Director of the Centers for Disease Control and Prevention. Up to 5 points will then be awarded based on the relative numbers of AIDS cases and per capita AIDS incidence within your service area, in metropolitan areas of over 500,000 population and in areas of a state outside of these metropolitan areas, in the state for proposals involving state-wide activities, and in the nation for proposals involving nationwide activities.

b. Description of Unmet Housing Need (10 points). Up to 10 points will be awarded based on demonstration of need for funding eligible housing activities in the area to be served. To receive the maximum points, demonstrate that substantial housing and related service needs of eligible persons and/or the target population, as outlined in Section V.A.1.b., are not being met in the project area and that reliable statistics and data sources (e.g., Census, health department statistics, research, scientific studies, and Needs Analysis of Consolidated Plan and /or Continuum of Care documentation) show this unmet need. To receive the maximum points, show that specific elements of your jurisdiction's Consolidated Plan and Analysis of Impediments to Fair Housing Choice, Continuum of Care Homeless Assistance plans (if homeless persons are to be served), and comprehensive HIV/AIDS housing plans are applicable to your project, and identify the level of the problem and the urgency of the need. A Consolidated Plan certification alone is not sufficient to demonstrate need for the project as established under this criterion.

(1) If you apply for a SPNS grant, you must describe a housing need that is not currently addressed by other projects or programs in the area, including reference to the area's existing HOPWA programs. You must further describe how the planned activity will complement these in a manner that is consistent with the community's plan for a comprehensive and coordinated approach to housing needs of persons living with HIV/AIDS that establishes stable housing for clients and helps foster greater self sufficiency and independence. Also, describe any unresolved or emerging issues and the need to provide new or alternative forms of assistance that, if provided, would enhance your area's programs for housing and related care for persons living with HIV/AIDS and

their families. You must also describe how your project will enhance the community's Consolidated Plan strategies for providing affordable housing and access to related mainstream services to HOPWA-eligible persons; or

(2) If you apply as a long-term project that will operate in a non-formula area or balance-of-state area, you must describe the housing need that is not currently addressed by other projects or programs in the area including any HOPWA competitive grants or other HIV/AIDS housing projects and how the planned activity will complement these in a manner that is consistent with the community's plan for a comprehensive and coordinated approach to housing needs of persons living with HIV/AIDS. You must also describe any unresolved or emerging issues and/or the need to provide forms of assistance that enhances the community's strategy for providing housing and related services to eligible persons.

HUD will evaluate your presentation of statistics and data sources based on soundness, reliability, and the specificity of information to the target population and the area to be served. If you propose to serve a subpopulation of eligible persons on the basis that these persons have been traditionally and are currently under-served (e.g., HOPWA eligible persons who are chronically homeless), your application must demonstrate the need for this targeted effort through statistics and data sources that support the need of this population in your service area. Programs may serve a qualified subpopulation of persons with AIDS based on the presence of another disability or group of disabilities, only if doing so is necessary to provide this subpopulation with as effective housing, benefits, aid, or services as that provided to others. See 24 CFR 8.4(b)(1)(iv).

Rating Factor 3: Soundness of Approach: Responsiveness, Coordination and Public Policy Priorities, and Model Qualities (45 points)

Address this factor on not more than 10 double-spaced, typed pages or similar chart or table. Include the HOPWA Budget forms identified in this NOFA. This factor addresses the method by which your plan meets your identified needs. HUD will award up to **45 points** (15 for responsiveness, 5 for coordination, 7 for public policy priorities, and 18 for model qualities) based on the extent to which your plan evidences a sound approach for conducting the HOPWA activities in a manner that is responsive to the needs of eligible persons and that your plan for project coordination will offer model qualities in providing supportive housing opportunities for eligible persons with access to mainstream health and human welfare services, when compared to other applications and projects funded under previous HOPWA competitions.

a. Responsiveness, Coordination, and Public Policy Priorities (27 points). HUD will award up to 27 points (Responsiveness – **15 points** and Coordination – **5 points** and Public Policy Priorities – **7 points**) based on how well your project plans respond to the unmet needs in housing and related supportive services for the eligible population, including target populations outlined under Section V.A.1.b. You should demonstrate the extent to which you have coordinated your activities and the activities of your project sponsors with other organizations that are not directly participating in your proposed work activities. This involves organizations with which you share common goals and objectives in assisting eligible persons. In order to ensure that resources are used to their maximum effect within the community, it is important that you demonstrate collaboration and leveraging of other resources from state, local, and private funding resources.

(1) Responsiveness (15 points). To receive the highest rating in this element your application must address:

- The projected number of persons to be served through each activity for each year of your program;
- The projected number of housing units, by type, to be provided through your project, by year, over a 3-year period; and
- The specific organizations, either through an agreement with your organization or through funding from your project, that will provide housing, and agreements with organizations that will provide mainstream supportive services, or other activities.

Include a description of the roles and responsibilities of your project sponsors and/or other organizations within your project plan and how these will be coordinated in conducting eligible activities. To receive the maximum points for your project plan, you must explain and describe the eligible housing activities you or your project sponsor intend to conduct, where these activities will take place (either on-site or at another location), and how those activities will benefit eligible persons. Please describe:

(a) Housing Activities. You must demonstrate how the emergency, transitional, or permanent housing needs of eligible persons will be addressed through one or more of the HOPWA eligible activities and through any other resources and how such activities are coordinated with other available housing assistance. Your plan for housing assistance must include:

(i) Access to permanent supportive housing for applicants. In proposing a housing project, you must describe how eligible persons will access permanent housing

and/or use emergency, short-term and transitional housing support through your project and through any specific commitments with other community housing providers. If your project involves some initial emergency or transitional assistance for clients, please describe your plans to facilitate the movement of eligible persons receiving this emergency or transitional housing support to permanent housing or independent living arrangements within 24 months.

(ii) Permanent housing placement. If you use funds to help beneficiaries secure new housing units, please describe your plans to use funds and the related housing outputs for these permanent housing placement services (under that budget line item) such as costs for first month's rent and security deposits;

(iii) Description of Housing Site. You must describe any appropriate site features including use of universal design, accessibility, visitability, and access to other community amenities associated with your project.

(iv) Development and Operations Plan. You must describe a development and/or operations plan for the emergency, transitional, or permanent housing assistance you are proposing to provide. For rental assistance programs, this will include your plan for providing rental assistance, proposed housing sites if project-based, and length of stay if less than ongoing permanent supportive housing. If you are proposing to use HOPWA funds for the acquisition, rehabilitation, or new construction of a housing facility, your plan must also document that you have secured other funding sources, including plans for coordinating the use of other resources that are committed to undertaking the development activities. Please identify the planned site or structure and describe any progress on securing the identified project site(s) or structure(s), to demonstrate that the

development activities will be undertaken consistent with the related benchmarks for those activities. The project must be cost-effective, including costs not deviating substantially from the norm in that locale for the type of structure or kind of activity. The highest rated projects involving development costs will demonstrate that HOPWA funds will not be used as the initial or sole funding source for capital development housing projects and significant progress has been made to identify and secure the proposed project site or structure. If HOPWA funds are requested for new construction or rehabilitation costs, the applicant must comply with Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701(u)), and comply with regulations pursuant thereto (24 CFR part 135). Applicants that propose New Construction and/or Rehabilitation activities must on one additional page describe their plan for addressing the Section 3 requirements, at a minimum, by (a) quantifying the opportunity, such as number and type of jobs to be made available, scope and nature of contacts for development services or other similar elements, (b) establishing a schedule or elements of a plan to implement the opportunity, and (c) a plan to track and report on accomplishments in performance under this requirement. If selected, the applicant/grantee would report on accomplishments in annual reports to HUD.

(v) Operational Procedures. Describe your outreach, intake, engagement and assessment procedures, as well as how eligible persons will receive housing support with access to medical care and other supportive services provided by other organizations. Describe the use of housing being funded from other sources, and how your project provides for ongoing assessments of the housing service benefits received by eligible persons. Include a description of how a client moves through the housing program from

outreach, intake, client assessment, the delivery of housing services, the use of emergency, transitional, or permanent housing, and when appropriate, the outplacement to more self-sufficient independent housing. If persons who are homeless are to be assisted, including persons who are chronically homeless, describe the housing activities and necessary support to identify, prioritize and respond to their supportive housing needs in coordination with other area assistance for persons who are homeless. Also address the number of permanent housing beds for the chronically homeless that would become available for occupancy during each of your project operating years.

(b) Supportive Service Activities. You must describe how you will address the supportive service needs of eligible persons with HOPWA assistance (subject to applicable limitations) and the use of any additional leveraged resources by describing the type of supportive services that will be offered directly by the program and/or how agreements and project plans will assure that services will be accessed and coordinated from other mainstream health and human welfare sources. Explain the connection of these services in helping eligible persons obtain and/or maintain stable housing. Supportive service costs may represent no more than 35 percent of your proposed budget for program activities. In describing your supportive services delivery plan explain:

(i) How agreements provide that eligible persons will have access to mainstream programs that offer health care and other supportive services;

(ii) How project plans ensure that eligible persons will participate in decision-making in the project operations and management; and

(iii) Your plan for delivering supportive services through a comprehensive plan that shows how agreements provide that eligible persons access medical care and other mainstream supportive services to address their needs.

(c) Additional HOPWA Activities. You must describe your plan for utilizing other requested HOPWA funds (described at 24 CFR 574.300(b)). Explain how these activities will be integrated into your overall plan in the provision of housing and related supportive services to eligible persons.

(d) Other Approvable Activities. As authorized by statute, HUD may approve other activities that are in addition to the activities at 24 CFR 574.300(b). You may propose other activities in your application, which can be undertaken only if approved by HUD due to their relevance in addressing the housing needs of eligible persons. You must describe the reason for the need to request authorization for “other activities” and the benefits likely to occur if the activities are authorized. Also, address how the project would operate, or not, if such request were not approved.

(2) Coordination (5 points). You should demonstrate the extent to which you have coordinated your planned application activities and the activities of your project sponsors with other organizations that are not directly participating in your proposed work activities. This involves organizations for which you share common goals and objectives. You may provide information on your primary decision-making group in providing leadership to your efforts as well as other organizations participating in planning activities, such as committees, workgroups, public meetings, forums etc. and the frequency of meetings. You will be rated on the extent to which you demonstrate you have:

(a) Coordinated your proposed application activities with those of other groups or organizations within the community or region prior to submission, to best complement, support, and coordinate all housing and supportive service activities including specific reference to how the proposal is coordinated with existing HOPWA programs in that area (formula and competitive) and how the planned efforts complement the existing programs;

(b) Developed your project through consultation with other stakeholders, such as organizations, groups, or consumers involved with area HIV/AIDS housing and service planning, including planning under the Ryan White CARE Act and other federal planning. The highest rated applications will demonstrate that the project is closely and fully integrated with HUD's planning processes, such as the jurisdiction's Consolidated Planning process or the community's Continuum of Care Homeless Assistance planning process (if homeless persons are to be served by proposed activities and related use of HMIS to coordinate benefits for clients);

(c) Coordinated with other HUD-funded programs outside of the Consolidated Planning process; for example, accessing additional housing resources through a local public housing authority; and

(d) Coordinated with mainstream resources including private, other public, and mainstream services and housing programs. To achieve the maximum points, applicants must evidence explicit agency strategies to coordinate client assistance with mainstream health, social service, and employment programs for which eligible persons may benefit.

(3) Public Policy Priorities (7 points). Applications for HOPWA funding will receive rating point(s) for each applicable Department policy priority initiative addressed

through the proposed program activities and performance goals and objectives.

Applicants must make a specific statement on their commitment to address each priority or to otherwise demonstrate how these priorities will be addressed:

(a) In accordance with the **General Section**, applicants seeking HOPWA funds or the use of related leveraged funds for capital development activities, (including rehabilitation or new construction), for one rating point under project soundness of approach, your application describes:

(i) the use of universal design and visitability standards in development activities undertaken with HOPWA or leveraged funds; and

(ii) how you will incorporate universal design in the construction or rehabilitation of housing undertaken with HOPWA funds.

Visitability standards allow a person with mobility impairments access into the home, but do not require that all features be made accessible. Universal design provides housing that is usable by all without the need for adaptation or specialized design.

(b) For 1 rating point under project soundness of approach, your application involves participation as the grantee, or as a project sponsor(s), by a nonprofit grassroots community-based organization, including faith-based organizations, as defined in the **General Section**.

(c) For 1 rating point under project soundness of approach, the grantee, or project sponsor(s), commits to promote energy efficiency by adopting or following the Energy Star standard in any new construction or rehabilitation activity or in maintaining housing or community facilities to be undertaken in the proposed project with HOPWA or other funds. This would also apply to undertaking program activities that include developing

Energy Star promotional and information materials, providing outreach to low- and moderate-income renters and buyers on the benefits and savings when using Energy Star products. The Energy Star standard is as defined in the **General Section**.

(d) For 2 rating points under project soundness of approach, your application involves a state or local government agency as the grantee, or as a project sponsor(s), and that agency completes the regulatory barriers policy questionnaire, including providing the required documentation, as defined in the **General Section**.

(4) For up to 2 rating points under project soundness of approach, your application exclusively targets the population of the chronically homeless. If your project does not exclusively target those individuals classified as chronically homeless but will serve some chronically homeless individuals or families then one point will be earned. If your project does not address the chronically homeless no points will be earned. Chronically homeless is defined in section I.A. 3., Definitions for all HOPWA grants of this program NOFA.

b. **Model Qualities (18 points).** HUD will award up to 18 **points** based on your service delivery plan and how well it will serve as a model for a housing project during the operating period. HUD expects the proposed project to show exemplary and/or innovative qualities that address the ongoing housing needs of eligible persons by establishing or maintaining stable housing arrangements by project activities that will be undertaken within a replicable operational framework. To receive the maximum points, you must offer a housing plan that describes the following:

(1) Policy Priorities. If applicable to your application, describe how you will meet the Departmental policy priorities for assisting the special population of HOPWA-

eligible persons who are chronically homeless persons with HIV/AIDS. HUD is encouraging applications that strive to create additional models for permanent housing for persons living with HIV/AIDS that are experiencing chronic homelessness. Applicants addressing this population must work collaboratively with the local Continuum of Care plans to create this permanent housing for persons living with HIV/AIDS and their families.

(2) Project Management and Oversight. Describe your method for managing and overseeing activities, including those of your organization, your project sponsor, and any other organization. Identify staff members who are responsible for management and oversight of the project and activity implementation and sustainability plans.

(3) Evaluation Plan. In addition to required HOPWA outputs and outcomes your evaluation plan should identify what you are going to measure, how you are going to measure it, the steps you have in place to make adjustments to your work plan if performance targets are not met within established timeframes, and how you plan to share successes and lessons learned in undertaking your activities with other communities.

(4) Model Features. Describe how the planned efforts for the type of proposed project, Long-term or SPNS, will represent model or exemplary qualities in service delivery, management, or other features in connection with other HOPWA-funded projects in your community including any local assessment of these features. For a Long-term project, the features must involve housing activities to be undertaken in a non-formula area. A SPNS project must involve a plan and commitments to establish or maintain stable housing arrangements by showing exemplary and/or innovative qualities. If you propose a new program, or an alternative method of meeting the needs of your

eligible population, describe how the innovative qualities of your activities will result in knowledge gained or lessons learned for achieving greater housing opportunities and supportive services for persons living with HIV/AIDS. HUD will rate your application higher if you provide strong evidence that your methods will yield qualities that will benefit or expand knowledge in serving eligible persons, when compared to other applications and HOPWA projects. To learn about qualities of previously funded and ongoing HOPWA projects, you may review the HOPWA Executive Summaries for HOPWA grantees at <http://www.hud.gov/offices/cpd/aidshousing>.

(5) Model Descriptive Budget. HUD will review your budget under the HOPWA budget form (HUD-40110-B) in describing:

(a) How each amount of requested funding for you and your project sponsors will be used and the related use of leveraged resources;

(b) How each line item will relate to your description of planned eligible HOPWA activities; and

(c) The clarity and completeness of your summary statement of the planned activities for your project by budget line item and the use of any leveraged funds or other resources by the grantee and sponsor(s).

You must complete the HOPWA Project Budget Form as described above.

Rating Factor 4: Leverage (5 points) (Minimum for Funding Eligibility 1 point).

This factor addresses your ability to secure community resources that can be combined with HUD's funds to achieve program purposes and to ensure sustainability of the housing efforts. HUD will award up to **5 points** based on the extent to which resources from other state, local, federal, or private resources are listed with the required

elements to demonstrate that these funds are committed at the time of application to support and sustain your project. To receive the highest leveraging points based on the amount of commitments you must provide information on the commitment of other resources that at least equal the amount of the HOPWA request for program activities (not including administrative costs) as part of your plan to operate this project over the next 3 year period. Applications must receive a minimum of 1 point in this Rating Factor to demonstrate the commitment of other resources to be eligible for funding under this NOFA with the standards described in Section IV (B)4 on Leveraging. Applicants will be awarded points based on the content of a list or chart for the commitments with the following information: the name and address of the organization(s) providing the commitment(s) (note if the organization will serve as a project sponsor); the type of commitment (applicant or third party cash resources, non-cash resources, volunteer time, contribution of a building, contribution of lease hold interest); the dollar value of the commitment; the date of the commitment letter or other document; the source of the funding, such as federal, state, local, private or in-kind contributions; and the organization's authorized representative's name, title, and contact information who has made this commitment.

Factor 5: Achieving Results and Program Evaluation (Maximum 15 points)

Address this factor in your Logic Model for 10 points and in a Return on Investment (ROI) plan for 5 points. The ROI narrative should be presented in not more than 5 double spaced pages (and is an option, not a requirement for submission). In addition, as may be needed, you may submit a supplemental related narrative if other project performance elements are added to those available on this Logic Model form on

not more than three additional, double-spaced, typed pages or similar chart or table.

Under this factor, HUD will award 10 points based on how well your application's logic model demonstrates a commitment to ensuring that the goals that you set forth and your performance will be assessed in a clear and effective manner. HUD will analyze how well you have clearly implemented the required HOPWA program output and outcome goals and identified other stated benefits or outcomes of your program including your activities, benchmarks, and interim activities or performance indicators with timelines. HUD will award the highest points to applications that demonstrate an evaluation plan that will objectively measure actual achievements against anticipated achievements.

In addition, under rating factor 5, Achieving Results, you may earn an extra 5 points for developing a plan to demonstrate a ROI on your program activities. When developing ROI models there are several principles to be considered:

- These models should address the connection between investment and results.
- In order to compute an ROI effectively, one must clearly delineate the nature of investment and the nature of results or outcomes.
- All public services, including housing assistance and related support provided through HOPWA projects, should produce a measurable outcome. All outcomes have a value; however the value is not always monetary. It is incumbent upon agencies to determine the value of these outcomes for the individual client/family and for the community in monetary or non-monetary terms.

- In technical terms, ROI is a rate of “dollars saved per dollars invested.” If the investment and return are measurable in dollars, one has a quantifiable ROI methodology.
- When calculating an ROI, the calculation may result in an effective ROI, a neutral ROI, or a less than effective ROI. An effective ROI is where the value of the benefit or dollars saved exceeds the cost of the investment. A neutral ROI is where the value of the benefit or dollars saved equals the cost of the investment. A less than effective ROI is where the value of the benefit or dollars saved is less than the investment. Your organization will not be penalized for a less than effective ROI.

An example of a “dollars saved per dollars invested” ROI could be that HOPWA funds provided to the grantee for supportive housing (the investment) would result in a cost savings by maintaining clients in the community (the return) rather than a longer term institutional placement. The grantee would need to compare the funds provided from the supportive housing grant to the savings resulting from community placement compared to an institutional or long term placement. An effective ROI would be achieved if the savings achieved were greater than the initial grant investment.

HUD is also interested in calculating ROI as “benefits per dollars invested.” An example of a “benefits per dollars invested” ROI is the number of people housed in permanent housing compared to the development cost of constructing the housing, along with related operating costs for a facility based program, or costs in providing rental assistance over a measured period of support.

Additional support is also available in this notice to assist HOPWA grantees in conducting program evaluation using the ROI methodology. This NOFA provides additional one-time funding for related ROI data collection and analysis efforts up to a maximum of \$30,000 per grantee. Projects must demonstrate a viable ROI plan and methodology with data sources that support relevant and accurate reports on the project's ROI to the community's public systems of support for HOPWA-eligible households. The highest scored ROI plan (5 points) would need to establish:

- For 1 point under ROI: A description of your methodology, including the rationale for using one or both of the ROI types as described above (“dollars saved per dollars invested” and “benefits per dollars invested”) and the reason this type of methodology was selected.
- For 1 point under ROI: Identify the program or service to be addressed by the ROI and why it was selected. When establishing the cost for delivering the program housing assistance or service addressed by the ROI, add the direct HOPWA portion of these project costs to the related leveraged resources that are used to support beneficiaries with the program or service addressed by the ROI.
- For 1 point under ROI: A description of the expected benefit(s)/outcome(s) whether resulting in cost savings or achieving a specific program benefit(s).
- For 1 point under ROI: A submission of your data collection and analysis plan describing the source(s) of output and outcome data, establishment of baseline data for comparative analysis over a three-year time period and how the outcome is to be valued. For example, if the case is being made that

community based supportive housing is less expensive than institutional care, how was the cost of institutional care derived? This is necessary to support a legitimate comparison of costs.

- For 1 point under ROI: A description of your organization's capacity to conduct the project. Your organization must provide a brief description of the staff you propose to assign to the ROI effort and their relevant experience in working with data collection and evaluation activities.

In general HOPWA is looking for ROI methodologies that address:

- Cost savings to the HOPWA-funded project or to related public systems of housing, care and related support.
- Greater efficiencies in service delivery for the types and levels of support provided to HOPWA beneficiaries.

Here are several examples of areas of interest to HOPWA. These are only examples and not necessarily recommended courses of action:

- An ROI model that could compare average HOPWA costs to costs associated with the reliance on other public services, such as hospitalization, and services that offer higher levels of personal care (dollars saved per dollars invested).
- An ROI model that proposes how to assess if the program resulted in improved quality of life measured by households' achieving better relative health, greater family stability, and improved life outcomes compared to possible institutional placement (benefits per dollars invested and dollars saved per dollars invested).

- An ROI model that could compare the average costs for delivering HOPWA supportive permanent housing assistance in contrast to greater reliance on hospitalization or inpatient health care services. The model could also provide insight on how housing stability achieved with HOPWA resources reduces reliance, where appropriate, on this other type of support (benefits per dollars invested).
- An ROI model related to care and treatment efforts to maintain independent living in the community (benefits per dollars invested and/or dollars saved per dollars invested).

HUD is interested in developing pragmatic models and norms based on the actual costs it takes to operate your program including programs assisting persons with various levels of supportive housing needs. This evaluation can help ensure that resources are targeted to reduce the most pressing needs for vulnerable populations, including housing and related assistance for persons who are homeless or have severe risks of homelessness, along with challenges of serious mental illness and/or chronic substance abuse.

When applying for these supplemental ROI funds, please enter the requested amount up to \$30,000 under the “other” budget line item. HUD reserves the right to deny your request for funding under the Other budget line item for ROI activities if your ROI plan is deemed limited, incomplete, or unresponsive to this assessment objective (i.e., receives less than half of these points in the rating review), or duplicative in the process and methodology of other higher rated applications.

The following is an example of calculating “benefits per dollars invested” ROI, using the Carter-Richmond methodology and a published example:

(i) How many clients are you serving? 100.

(ii) Who are they? Single unemployed women ages 21-34 who are seeking employment and have at least one child under the age of 12.

(iii) What services do you give them? A package of job readiness training, job placement and a 90 day follow-up services after job placement.

(iv) What does it cost? \$100,000.

(v) What does it cost per service delivered? $\$100,000/100 = \$1,000/\text{job readiness/training/placement package, or } \$1,000/\text{client}.$

(vi) What happens to clients as a result of the service? 10 clients or 10% of the program participants will obtain a full time job above minimum wage with employer provided benefits.

(vii) What does it cost per outcome? $\$100,000/10 \text{ clients} = \$10,000/\text{outcome}.$
The outcome is a full time job above minimum wage with employer provided benefits.

(viii) What is the value of a successful outcome? The value of the outcome is income from employment (\$20,000), benefits from employer (\$5,000), EITC (\$2,000), payment of taxes (\$500), elimination of welfare and other subsidized benefits (\$22,500) for a total of \$50,000 per year. (EITC increases the client's benefit value which should reduce or offset the value associated with elimination or decrease in subsidized benefits. The total value of the return may be disputable depending on how we identify the investor.)

(ix) What is the return on investment?

- ROI Individual = Value of outcome \$50,000/ Cost of outcome \$10,000 or a 500% return.

- ROI Program = Value of outcomes (\$50,000) x (10) participants=\$500,000/

Cost of outcomes (\$10,000) x (10) participants= \$100,000.

- The cost of the program at \$100,000 returned \$500,000 in benefits.

- The Every \$1.00 invested in the program returned \$5.00 in benefits.

Example cited from: Return-On-Investment Training for Community Action, © 2007, F. Richmond, B. Nazar, The Center for Applied Management Practices, Camp Hill, PA 717-730-3705, www.appliedmgt.com, all rights reserved. Sponsored by OACCA/OCATO, Columbus, Ohio, April 21, 2007.

The highest-rated applications will have a clear plan to address the HOPWA client outcome goals, to increase the amount of housing assistance provided to eligible persons, to establish or maintain housing stability, to reduce the risks of homelessness for eligible persons, to improve access to health care and other support, to collect information on your projects ROI. The application may also optionally address other related indicators of relevant outcomes.

The highest rated applications will also have a clear plan to use the HOPWA housing output measures -- the projected number of households to be assisted in HOPWA-supported housing units by type (tenant-based rental assistance, STRMU payments and assistance in housing facilities) to be provided to eligible households through your project during each project-operating year. The application may also optionally address other related outputs.

Your application must include the Logic Model form (HUD-96010) to receive any points under this factor.

B. Reviews and Selection Process

1. HOPWA Project Applications.

a. **Threshold Reviews.** HUD will review your HOPWA application to ensure that it meets the threshold requirements found in the **General Section** and Section III.C of this NOFA pertaining to a request for a Long-term project or a SPNS project.

b. **HUD Reviews.** HUD staff will conduct this review, including HUD staff from Community Planning and Development (CPD) at Headquarters and HUD's state and area field offices.

c. **Procedures for the Rating and Selection of Applications.** HUD will rate all HOPWA applications based on the factors listed above. The points awarded for the factors total 100. In addition, HUD will award two bonus points to each application that includes a valid form HUD-2990 certifying that the proposed activities/projects in the application are consistent with the strategic plan for an empowerment zone (EZ) designated by HUD or the United States Department of Agriculture (USDA), the tax incentive utilization plan for an urban or rural renewal community designated by HUD (RC), or the strategic plan for an enterprise community designated in Round II by USDA (EC-II) and that the proposed activities/projects will be located within the RC/EZ/EC-II identified above and are intended to serve the residents. A listing of the RC/EZ/EC-IIs is available on the Internet at

<http://www.hud.gov/offices/cpd/economicdevelopment/programs/rc/tour/roundnumber.cfm>.

This notice contains the certification form HUD-2990 that must be completed for the applicant to be considered for RC/EZ/EC-II bonus points. Whether your HOPWA application is conditionally selected will depend on your overall ranking compared to other applications within each of the two categories of assistance, long-term projects or

SPNS projects, and the amount of funds that are available to be awarded by this competition. Funds made available from federal FY2008 must first be used to fund the priority selection of expiring competitive projects that undertake permanent supportive housing activities (as a change from prior years, renewal applicants are not part of this NOFA process and will be conducted by HUD by a separate action). If any such funds remain after renewal actions are funded, then the funds will be used under this NOFA competition in combination with recaptured funds made available from related grant management actions to fund projects under this NOFA. HUD will select applications in rank order in each category of assistance (Long-term and SPNS) to the extent that funds are available. In allocating amounts to the categories of assistance, HUD reserves the right to ensure that sufficient funds are available for the selection of at least one application with the highest ranking under each category of assistance. HUD will not select an application that is rated below 75 points, nor will an application be funded if it receives a Rating Factor 1 – Capacity score lower than 14 points or Rating Factor 4 – Leveraging score lower than 1 point.

In the event of a tie between applications in a category of assistance, HUD reserves the right to break the tie by selecting the proposal that was scored higher on a rating criterion in the following order: Rating Factor 3; Rating Factor 1; Rating Factor 2; Rating Factor 5; and Rating Factor 4.

C. Anticipated Announcement and Award Dates

The anticipated announcement of the projects selected under this notice is no later than September 31, 2008.

VI. Award Administration Information

A. Award Notices

1. **Applicant Notification.** HUD will notify the eligible applicants of their conditional selection or rejection for awards by email or by a letter to be mailed to the applicant's authorized official at the address or email address provided in your application. For conditionally selected applicants, the CPD Division of HUD's state or area office will provide a second letter with a copy of a proposed grant agreement along with instructions on any adjustments to the grant amount requested and other conditions identified during the review for conducting planned activities and on the close out of the current grant.

2. **Award Modifications.** After reviewing each application, HUD reserves the right to take each of the following actions:

a. HUD reserves the right to make award adjustments as outlined in Section VI.A.2, Adjustments to Funding, of the **General Section**.

b. In the event that a conditionally selected applicant is unable to meet any conditions for funding within the specified time, HUD reserves the right not to make an award to that applicant. In the event that a conditionally selected applicant is continuing to operate under the prior grant, and has sufficient funds to continue current operations for at least six months following the date of notification of selection, HUD may take any of the following actions: (i) follow procedures to terminate the prior grant and recapture remaining funds after this date, consistent with the terms of the applicable grant agreement and 24 CFR 574.500(c); or (ii) adjust the amount of the new award by the amount of funds remaining after this date in the prior grant.

c. In making an award to the final selected project (by order of ranking), HUD may offer less than the full amount requested by an applicant that had received sufficient points to be selected, but for which there are insufficient funds remaining to provide the full

funding request. HUD may also use funds from an award reduced under item b, above, to restore amounts to a funding request that had been reduced in this competition due to the application's lower rating status;

d. If an applicant turns down an award, an award is not made, or if there are sufficient award adjustments to make additional awards feasible, HUD reserves the right to: (a) offer an award to the next highest rated application(s) in this competition in their ranked order; (b) add remaining or recaptured amounts to the funds that become available for a future competition; or (c) restore amounts to a funding request that had been reduced in this competition.

3. Applicant Debriefing. Applicants requesting to be debriefed must send a written request to: Department of Housing and Urban Development; Attention: Office of HIV/AIDS Housing; 451 Seventh Street, SW, Room 7212; Washington, DC 20401-7000. Telephone number is (202) 708-1934. Persons with hearing or speech challenges may access the above number via TTY (text telephone) by calling the Federal Information Relay Service at 800-877-8339 (this is a toll-free number). Additional information regarding debriefing can be found in the **General Section**.

B. Administrative and National Policy Requirements

1. Executive Order 13202, Preservation of Open Competition and Government Neutrality Toward Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects. See the **General Section** for the information on how to meet this requirement.

2. Davis-Bacon wage rates. The Davis-Bacon wage rates are not applicable to the HOPWA program. However, if the applicant uses grant funds in conjunction with other

federal programs, the Davis-Bacon requirements will apply to the extent required under the other federal programs.

3. Procurement of Recovered Materials. See the **General Section** for the information on how to meet this requirement.

C. Reporting

1. Six-Month Report. For any new project (i.e., a conditionally-selected applicant that has not previously received a HOPWA competitive grant), you must provide an initial report to the field office and HUD Headquarters on the startup of the planned activities within six months of your selection. Your report must outline your accomplishments and identify any barriers or issues for which the Department may provide assistance on the start-up on your new award.

2. Measuring Performance. You must report after each year of operation on the annual accomplishments of your project under the HOPWA annual progress report (form HUD-40110-C), comparing your results to proposed plans, including reporting on the required HOPWA Performance Goals on annual housing outputs and client outcomes in achieving housing stability, reduced risks of homelessness, and improved access to health care and other needed support. For each reporting period, you must provide a completed Logic Model showing progress to date against projected outputs and outcomes contained in your approved grant agreement. In addition, on an annual basis, you must respond to the management questions in the Program Logic Model found as an appendix to this program Section. HUD will use these reports and information obtained from HUD financial systems, along with any remote or on-site monitoring, to measure your progress and achievements in evaluating your performance on your HOPWA grant.

3. **Beneficiary Information.** HUD requires that funded recipients collect racial and ethnic beneficiary data. It has adopted the Office of Management and Budget's (OMB) Standards for the collection of Racial and Ethnic Data. In view of these requirements, you should use one of the following:

- a. HUD-27061, Racial and Ethnic Data Reporting Form (instructions for its use) found on www.HUDclips.org;
- b. A comparable program form (HOPWA – Annual Progress Report (APR) form HUD-40110-C); or
- c. A comparable electronic data system for this purpose.

VII. Agency Contacts

A. For Further Information and Technical Assistance (TA). For technical assistance in downloading an application package from Grants.gov/Apply, contact the Grant.gov help desk at 800-518-Grants or send an email to support@grants.gov. For programmatic information, you may contact the HUD field office serving your area. You can find the telephone number for the State or Area Office of Community Planning and Development on HUD's website at: www.hud.gov/offices/adm/grants/fundsavail.cfm. HUD staff can assist with program questions, but may not assist in preparing your application. Persons with hearing or speech impairments may access the above number via TTY (text telephone) by calling the toll-free Federal Information Relay Service at 800-877-8339.

B. Seeking Technical Assistance (TA) in Developing a HOPWA Application.

HOPWA TA providers may not provide technical assistance in the drafting of responses to HUD's NOFA due to the unfair advantage such assistance gives to one organization over another. If HUD determines that HOPWA technical assistance has been used to

draft a HOPWA application, HUD reserves that right to reject the application for funding. If, after your application has been selected for an award, HUD determines that HOPWA technical assistance was used to draft your application, the award will be withdrawn and you may be liable to return to HUD any funds already spent.

C. Satellite Broadcast. HUD will hold information broadcasts via satellite for potential applicants to learn more about the program and preparation of the application. For more information about the date and time of the broadcast, you should consult the HUD website at www.hud.gov/grants.

VIII. Other Information

Paperwork Reduction Act. The information collection requirements contained in this document have been approved by OMB under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2506-0133. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. Public reporting burden for the collection of information is estimated to average 413 hours per annum per respondent for the application and grant administration. This includes the time collecting, reviewing, and reporting the data for the application, semi-annual reports, and final report. The information will be used for grantee selection and monitoring the administration of funds. Response to this request for information is required in order to receive the benefits to be derived.