

implementation, a significant number of units are vacant, annual progress reports were not filed with HUD by the application due date under this Program Section for renewals, or significant citizen complaints are unresolved or not responded to with justified reasons. Weak performance is also evident if more than 50% of grant funds remain unexpended on the first day of the month in which the application due date for renewals under this Program Section falls (as measured by reimbursements filed with HUD's financial system, PAS).

(E) *Eligible Applicant for Renewals.* You are eligible to apply for renewal of a prior HOPWA grant only if you have executed a grant agreement for the project directly with HUD. Project sponsors are not eligible to apply for renewal grants. The application for renewal must be submitted by the grantee. HUD will reject applications submitted by ineligible applicants. If you have questions about your eligibility to apply, contact the local HUD field office.

(F) *Eligible Project Sponsors.* The project should also continue with the same project sponsors, as documented in the prior HOPWA application or amendments to that application as approved by HUD. HUD will consider the merits for changing a project sponsor if the new sponsor evidences the capacity to enhance project operations or improve responsiveness to eligible persons. Such examples for changing a project sponsor may be that a new project sponsor has greater capacity to conduct program activities or a prior project sponsor is no longer in operation or has merged with another entity.

(G) *Ineligible Grants and Projects.* You are ineligible if any of the following apply:

(1) *Expired Grants.* Your grant expired in federal Fiscal Year 2002 or earlier, *i.e.* all funds were expended (as measured by PAS) by September 30, 2002, or only a residual amount that is less than one percent of the amount of the prior grant remains, are not eligible to apply for renewal funding under this notice.

(2) *Prior Grants.* Your grant was awarded under the 1992–1996 HOPWA competitions. These grants were required to complete activities within three years of executing the grant agreement.

(3) *Non-Permanent Supportive Housing Projects.* Projects primarily offering short-term, transitional, or emergency housing options are not eligible. Applicants with existing HOPWA projects that do not qualify for priority renewal under this part, may

apply for continuing funding under Part D: New and Continuing Projects section of this Program Section.

III. Renewable Activities and Amount of Renewals

Eligible grants will receive renewal funding on approved eligible activities, as follows:

(A) *Eligible Renewal Activities.* The activities to be renewed must be on-going forms of support, such as rental assistance, short-term rent, mortgage and utility payments, operating costs for housing facilities, leasing of housing facilities, supportive service costs, housing information services, resource identification/technical assistance for community residences activities and administrative costs. Additionally, applicants must request up to \$50,000 in project outcome funding as a part of their renewal budget request.

(B) *Ineligible Renewal Activities.* Funds for acquisition, new construction or for rehabilitation costs will not be renewed. These capital development activities are not on-going or available for additional sites. If you wish to undertake additional capital development activities or to add funding for new activities, such as operating costs and services, you must apply under Part D.

(C) *Amount of Renewals.* Renewal projects may only request renewal funds for continuing a previously approved project at the same level of housing and/or services provided in the previous grant. Proposals to expand or significantly alter a funded-project must apply under Part D for the new activities or the expanded part of the project.

(D) *Project and Activity Funding.* Renewal funding must not exceed 120% of the amount originally awarded for an activity, but may be less than the amount originally awarded, including any amendments affecting this amount that were approved by HUD prior to the publication of this Program Section. However, the total activity costs may not exceed \$1,200,000. The limits on administrative costs, three (3) percent for grantees and seven (7) percent for project sponsors, continue to apply. In addition, renewal grantees must add up to \$50,000 to the renewal award for the purpose of the collection of data on program outcomes.

(E) *Annual Amounts.* As an applicant for renewal funding, you must specify the annual amount needed to continue each activity and specify the number of years, up to three, for your request by completing the HOPWA Renewal Budget Form (Appendix A). You should describe your plan for continued operations in the Executive Summary

section of your application, including any significant reduction to your prior award level.

IV. Selection Criteria and Process

(A) *Selection Process.* To the degree that funds are available, the Department will select for funding all renewal requests from applicants that meet program requirements and pass a threshold review for a need for renewal. In the case that the amount requested for renewal is less than the amount available under this notice, HUD will apply the remaining funds, first, to applicants under Part C and then, second, Part D. If the amount of the request for renewal activities is greater than the amount made available by this notice, HUD will select all of the approvable applications and allocate awards to each based on a pro rata reduction to the amount available under this notice to ensure that all eligible and performing renewal projects receive funding that allows their continued operation.

(B) *Selection Criteria.* HUD will conduct a threshold review of all renewal applications based on the following criteria:

(1) *Eligibility.* HUD will review your eligibility to apply for renewal funding under this program as described above under Part B, Section II of this Program Section, *Eligibility of Applicants and Grants.*

(2) *Organizational Capacity.* If a new project sponsor is added, HUD will review the project sponsor's capacity to conduct program activities.

(3) *Provision of Permanent Supportive Housing.* HUD will review whether your project provides permanent supportive housing.

(4) *Need for Renewal.* HUD will review your need for renewal, and how this project has operated with measurable progress, as described below in the *Need for Renewal Narrative.*

(5) *Standard Eligibility Threshold Requirements.* HUD will also review your application to ensure that your project meets the standard eligibility threshold requirements as described in Part A, Section III (A), above.

(C) *Application Contents.* Applicants are requested to submit the following information:

(1) *Application for Federal Assistance (Form HUD-424).* You should complete Items 1 through 23 with the following additions:

(a) Item 12—The applicable letters are “A” for state; “B, C, or D” for a unit of local government; or “N” for Nonprofit;

(b) Item 14—Enter U.S. Department of Housing and Urban Development or HUD if not preprinted;