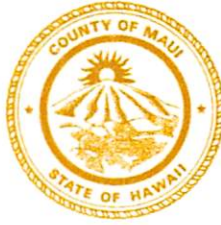


MICHAEL P. VICTORINO
Mayor

LORI TSUHAKO
Director

LINDA R. MUNSELL
Deputy Director



DEPARTMENT OF HOUSING
& HUMAN CONCERNS
COUNTY OF MAUI
2200 MAIN STREET, SUITE 546
WAILUKU, MAUI, HAWAII 96793
PHONE: (808) 270-7805

July 12, 2019



RECEIVED
2019 JUL 15 AM 10:01
OFFICE OF THE
COUNTY CLERK

Ms. Michele M. Yoshimura
Budget Director, County of Maui
200 South High Street
Wailuku, Maui, Hawaii 96793

Honorable Michael P. Victorino
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Kelly T. King, Chair
and Members of Maui County Council
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Michael P. Victorino 7/13/19
Mayor Date

Dear Chair King and Members:

SUBJECT: GRANT REVENUE – DEPARTMENT OF HOUSING AND HUMAN CONCERNS – HOUSING PROGRAM – SECTION 8 HOUSING PROGRAM GRANTS

In accordance with Ordinance No. 4988, Bill 36 (2019) Draft 1 Fiscal Year 2020 Budget, we are hereby transmitting to you a copy of the notice of grant award from the U.S. Department of Housing & Urban Development (HUD) totaling \$25,813,932 for Section 8 Housing Program Grants, which includes our HUD held reserves and Administrative Fees for calendar year 2019.

Thank you for your attention to this matter. Should you have any questions, please feel free to contact me at Ext. 7805.

Sincerely,

LORI TSUHAKO, LSW, ACSW
Director of Housing and Human Concerns

Attachments

TO SUPPORT AND EMPOWER OUR
POTENTIAL FOR PERSONAL

COUNTY COMMUNICATION NO. 19-313



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

Dear Executive Director:

Subject: Housing Choice Voucher Program Calendar Year (CY) 2019 Renewal Funding Allocation

The purpose of this letter is to advise public housing agencies (PHAs) of the CY 2019 Housing Assistance Payments (HAP) renewal funding allocations for the Housing Choice Voucher Program (HCVP). The funding allocations described herein are based on the requirements of the Consolidated Appropriations Act, 2019, (P.L. 116-6) referred to hereafter as "the 2019 Act," enacted on February 15, 2019. HUD will publish a PIH Notice that describes the implementation of the 2019 Act in detail. This Notice will be posted at the following link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/pih.

Your agency's CY 2019 HAP renewal funding is identified at the top of the Enclosure A provided with this letter. Enclosure A sets forth the funding calculations for your PHA and provides estimated RAD 1 funding for the first full year of conversion and CY budget authority associated with tenant protection actions; the calculations are fully explained in the descriptions provided for this enclosure, and you are encouraged to review them thoroughly. Also included are Appendix I and II. Appendix I provides calculations related to the CY 2019 offset for reallocation. Appendix II provides a list of funding increments for which the PHA is receiving an additional inflation factor in CY 2019 to support increased costs since the increments were initially funded. If your agency is administering HUD Veterans Affairs Supported Housing (VASH) vouchers, the renewal of these vouchers is included in the overall renewal calculations. These vouchers are not renewed separately, other than for Moving to Work (MTW) agencies. PHAs must comply, however, with the statutory requirement that VASH vouchers may only be used to assist VASH-eligible participants, both initially and upon turnover.

The 2019 Act requires the Department to establish a new baseline for HAP funding eligibility, based on Voucher Management System (VMS) data for CY 2018 (January 1, 2018 through December 31, 2018). This practice is commonly referred to as re-benchmarking. Consistent with prior years, the Department provided PHAs with the opportunity to review and update all VMS data related to the funding calculations as detailed in this letter and the enclosure. The VMS data used is the data reported by each PHA and accepted in VMS as of the end of the data review period on February 22, 2019, the same date as the December 2018 data submission deadline. There will be no further appeals or adjustments to these data items, except at the direction of the Department.

The 2019 Act authorizes the Department to offset PHAs' CY 2019 renewal allocations based on excess amounts of restricted net position (RNP) and HUD-held program reserves. The Act provides that HUD shall use the funds from any such offset throughout CY 2019 to prevent

the termination of rental assistance for families as the result of insufficient funding and to avoid or reduce the need for proration. The Department has decided to exercise this offset authority in CY 2019.

For the months of January through May of 2019, your agency received HAP obligations based on an estimated CY 2019 renewal level. The renewal calculation shows your agency has been over-obligated for CY 2019 due to offsets applied to this year's funding. The calculation considered the amount of offset and added HAP budget authority (BA) (offset amount + HAP BA) that was advanced through May 2019. This calculation shows that the funding obligated to your agency now exceeds the net renewal amount due to your agency for the remainder of CY 2019, June through December.

No HAP funds provided for a PHA under the 2019 Act may be used to incur in over leasing, to support prior year deficits or provide for administrative expenses, nor may they be loaned or transferred to cover other program obligations, such as Low-Rent and/or Capital Fund programs. Therefore, it is each PHA's responsibility to retain the appropriate records to support VMS submissions for the collected periods, as they are subject to on-site review by the Quality Assurance Division (QAD). Subsequent recalculation of CY 2019 funding eligibility will occur if a QAD or other HUD review demonstrates that costs were incorrectly reported, resulting in excess funding.

Finally, it is strongly recommended that PHAs utilize the Two-Year Forecasting tool on the HUD web site, in consultation with their local HUD field office, to ensure that correct variables for the PHA are entered into the tool to arrive at the most accurate forecast to enable the PHA to maximize leasing while avoiding the need to terminate assistance to any households. The tool and instructions can be found by clicking on the following link: [Two-Year Tool and Instructions](#). Additionally, HAP Set-Aside funds are available in CY 2019 to address shortfalls, but in order to qualify, a PHA must have the shortfall confirmed by the Shortfall Prevention Team (SPT) and must initiate cost reduction steps. This process is detailed in the implementation notice referenced at the start of this letter.

If you have any questions concerning your CY 2019 HAP renewal funding, please contact your Financial Analyst (FA) at the Financial Management Center (FMC).

Sincerely,

Miguel A. Fontáñez

Digitally signed by Miguel A. Fontáñez
DN: CN = Miguel A. Fontáñez, O = US,
OU = Housing Voucher Financial
Management Division, OU = Director
Reason: I am approving this document

Miguel A. Fontáñez
Director
Housing Voucher Financial
Management Division

Attachment

HI004 HCV Leasing and Spending Projection

PHA Name	County of Maui		PHA Number	HI004
ACC/Funding Information				
ACC	Current Year (2019)	Year 2 (2020)	Year 3 (2021)	
Beginning ACC Vouchers	1,489	1,489	1,489	
Funding Components	Current Year (2019)	Year 2 (2020)	Year 3 (2021)	
Initial BA Funding (net offset)	\$18,740,700	\$21,555,818	\$21,356,273	
Offset of HAP Reserves	\$0	\$0	\$0	
Set Aside Funding	\$0	\$0		
New ACC Units Funding	\$0	\$0	\$0	
Total ABA Funding Provided	\$18,740,700	\$21,555,818	\$21,356,273	
PHA Income	\$599,162	\$0		
Total Cash-Supported Prior Year-End Reserves	\$4,608,405	\$1,244,965	\$1,444,510	
Total Funding				
Total Funding Available	\$23,948,267	\$22,800,783	\$22,800,783	

1. DATE ISSUED MM/DD/YYYY 02/14/2019
 1a. SUPERSEDES AWARD NOTICE dated
 except that any additions or restrictions previously imposed
 remain in effect unless specifically rescinded

THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

2. CFDA NO.
 14.896 - Family Self-Sufficiency Program

451 7th Street S.W.,
 Washington, DC, DC 20410

3. ASSISTANCE TYPE Project Grant

4. GRANT NO. FSS18HI2273-01-00
 Formerly

5. TYPE OF AWARD
 Other

4a. FAIN FSS18HI2273

5a. ACTION TYPE New

6. PROJECT PERIOD MM/DD/YYYY
 From 02/19/2019

Through MM/DD/YYYY
 02/18/2020

7. BUDGET PERIOD MM/DD/YYYY
 From 02/19/2019

Through MM/DD/YYYY
 02/18/2020

NOTICE OF AWARD

8. TITLE OF PROJECT (OR PROGRAM)
 COUNTY OF MAUI HCV FSS PROGRAM

9a. GRANTEE NAME AND ADDRESS
 MAUI, COUNTY OF
 200 S HIGH ST
 WAILUKU, HI 96793-2155

9b. GRANTEE PROJECT DIRECTOR
 Ms. Kim Nemoto
 200 S. High Street
 Housing
 Wailuku, HI 96793-2523
 Phone: 808-270-7179

10a. GRANTEE AUTHORIZING OFFICIAL
 Ms. Kim Nemoto
 200 S. High Street
 Housing
 Wailuku, HI 96793-2523
 Phone: 808-270-7179

10b. FEDERAL PROJECT OFFICER
 Tremayne Youmans
 451 7th Street S.W.,
 Washington, DC 20410
 Phone: 8881112345

ALL AMOUNTS ARE SHOWN IN USD

11. AWARD COMPUTATION FOR GRANT

a. Amount of HUD Financial Assistance	26,957.00
b. Less Unobligated Balance From Prior Budget Periods	0.00
c. Less Cumulative Prior Award(s) This Budget Period	0.00
d. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION	26,957.00
12. Total Federal Funds Awarded to Date for Project Period	26,957.00

14. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY, HUD ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING:

- a. The grant program legislation cited in remarks or attachment below.
- b. The grant program regulations cited in remarks or attachment below.
- c. This award notice including terms and conditions, if any, noted below under REMARKS.

In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of this award by the grantee acknowledges acceptance of these terms and conditions.

13. RECOMMENDED FUTURE SUPPORT

(Subject to the availability of funds and satisfactory progress of the project):

YEAR	TOTAL DIRECT COSTS	YEAR	TOTAL DIRECT COSTS
a. 2		d. 5	
b. 3		e. 6	
c. 4		f. 7	

REMARKS (Other Terms and Conditions Attached - Yes

No)

GRANTS MANAGEMENT OFFICER:

Mr. Robert Mulderig
 451 7th Street S W
 Washington, DC 20410-0001
 Phone: 2024024708

ISSUE DATE:

02/14/2019

GRANTEE ACCEPTANCE:

Ms. Kim Nemoto

ACCEPTANCE DATE:

02/14/2019

16. OBJ CLASS 4120	16a. VENDOR CODE 99600618	16b. EIN 996000618	17. DUNS 077680155	18. CONG. DIST. 02
FY-ACCOUNT NO.	DOCUMENT NO.	ADMINISTRATIVE CODE	AMT ACTION FIN ASST	APPROPRIATION
19. a. 18SFSC01	b. FSS18HI2273	c. FSS	d. \$26,957.00	e. 88 1819 0350
20. a.	b.	c.	d.	e.
21. a.	b.	c.	d.	e.

AWARD ATTACHMENTS

Maui, County Of

FSS18HI2273-01-00

1. Fiscal Year 2018 FSS Grant Agreement

1
2
3 **FISCAL YEAR 2018**

4 **FAMILY SELF-SUFFICIENCY PROGRAM GRANT AGREEMENT (CFDA Number: 14.896)**
5 **(Attachment to NOTICE OF AWARD)**

6 **ARTICLE I: BASIC GRANT INFORMATION AND REQUIREMENTS**

- 7
- 8 1. Award type: This is a cost-reimbursable, performance-based grant.
 - 9
 - 10 2. The Grantee's application and the HUD grant approval letter, including any special conditions, are
11 incorporated into this agreement.
 - 12
 - 13 3. This agreement shall be effective immediately upon electronic signature of the grantee.
 - 14
 - 15 4. Period of performance: The period of performance will be 12 months. *For FY18, this will be 2/19/19*
16 *– 2/18/20. PLEASE NOTE: Funds (from this grant or previous FSS grants) not expended by the*
17 *time that the FY19 grant awards go into effect MAY BE recaptured by HUD. HUD will work with*
18 *grantees to determine the most efficient use of granted funds.*
 - 19
 - 20 5. This Grant Agreement will be governed by the following as they may from time to time be amended:
21 the HUD Appropriations Acts, the United States Housing Act of 1937 as amended, the FY 2018 FSS
22 NOFA dated 10/30/18, the Code of Federal Regulations (CFR) 24 CFR Part 24, 24 CFR Part 984, 2
23 CFR Part 200 any applicable OMB Regulations or Circulars, and Handbooks and Notices issued by
24 HUD.
 - 25
 - 26 6. In executing this agreement, the Grantee agrees to abide by the provisions contained within all
27 applicable Federal laws, Executive Orders, OMB Circulars, specifically OMB Circular A-110, any
28 assurances and certifications in the final HUD-approved application (the original approved
29 application may have required amendments by the field/applicant), and 24 CFR Part 984, as
30 applicable.

31
32 **ARTICLE II: HUD REQUIREMENTS**

33
34 **SUB-ARTICLE A – GRANT ADMINISTRATION, CONDITIONS REQUIRING TERMINATION**
35 **OF FUNDING**

- 36
- 37 1. The Grantee shall participate in meeting(s) (if requested by HUD) with HUD's local field office for
38 the purpose of establishing a common understanding and strategy with respect to grant
39 administration, timeline, deliverables, grant objectives, performance measures, and the scope of work
40 necessary to achieve grant objectives.
 - 41
 - 42 2. The Grantee shall furnish all necessary personnel, materials, services, equipment, and facilities and
43 shall otherwise do all things necessary for, or incidental to, the performance of the activities and tasks
44 set forth in the approved application, and this Grant Agreement (except as otherwise specified).
 - 45
 - 46 3. Per § 200.458 Pre-award costs. *Pre-award costs are those incurred prior to the effective date of the*
47 *Federal award directly pursuant to the negotiation and in anticipation of the Federal award where*
48 *such costs are necessary for efficient and timely performance of the scope of work. Such costs are*
49 *allowable only to the extent that they would have been allowable if incurred after the date of the*
50 *Federal award and only with the written approval of the Federal awarding agency.*
- 51

1 Grantees may request reimbursement for eligible costs incurred between 1/1/19 and the start of the
2 performance period of this FY18 FSS grant where such costs were necessary for the efficient and timely
3 performance of eligible activities under a FY17 FSS grant. Grantees must contact their field office
4 within 60 days of the start of the performance period to request approval for pre-award
5 reimbursement. Any reimbursements must comply with 2 CFR 200.458 and are at HUD's sole
6 discretion.

7
8 4. The work to be performed under this Grant Agreement is outlined in the NOFA.

9
10 5. The grant funds shall be used only for eligible activities. Where a narrative is required, the local
11 HUD Field Office may request additional information or documentation to clarify or verify items
12 included in the written narrative submitted by the grantee.

13
14 a. **HCV or PH Program Functions:** *Per the FY 2018 FSS NOFA*, FSS funds may be used to
15 perform routine HCV and/or PH program functions but only if the use of the FSS funds
16 enhances the effectiveness of the FSS program. The performance of routine HCV/PH
17 program functions may not be such that it impedes the ability of the FSS Coordinator(s) to
18 effectively perform FSS functions. Performance of routine HCV and/or PH functions for non-
19 FSS families does not enhance the effectiveness of the FSS program and is therefore an
20 ineligible use of FSS funds. Additionally, while FSS funds may be used to perform
21 homeownership functions for FSS families, this may not be the sole function for which funds
22 are used. Refer to the FY 2018 FSS NOFA for more information on eligible and ineligible
23 uses of funds.

24 i. *Grantees requesting to use FSS funds for HCV/PH program functions must*
25 *submit, to its local HUD Field Office, a narrative justification, explaining the*
26 *routine HCV and/or PH program function(s) performed by the FSS coordinator,*
27 *how it will enhance the effectiveness of the FSS program, and why it does not*
28 *impede the ability of the FSS Coordinator(s) to effectively perform FSS functions.*
29 *The grantee must also certify that the function(s) is not performed for non-FSS*
30 *families.*

31
32 b. **Family Self-Sufficiency Guidebook and Online Training:**

33 i. Grantees are strongly encouraged to review *Administering an Effective Family Self-*
34 *Sufficiency Program: A Guidebook Based on Evidence and Promising Practices.*
35 This guidebook provides FSS Coordinators, PHA and HUD staff with guidance on
36 how to develop and administer a successful and effective FSS program. A weblink to
37 this resource can be found on HUD's FSS homepage.

38 https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/fss

39
40 ii. Per the FY18 FSS NOFA, *Mandatory FSS Training*, HUD has developed an *Online*
41 *Training and Guidebook on the FSS program to provide guidance on how to develop*
42 *and administer a successful FSS program. You must have at least one person from*
43 *your PHA complete the FSS online training and submit the "get credit" form. You are*
44 *not required to submit any documentation with your application to show that you*
45 *have received credit for the training. We will pull a list of all individuals that have*
46 *received credit for completing the training from HUD Exchange at the time of grant*
47 *award. If you are not on the list generated from HUD Exchange at the time of*

1 **grant award, all grant funds will be held by the Field Office until proof of course**
2 **completion is submitted to the Field Office.**

3
4 The training can be found here

5 <https://www.hudexchange.info/trainings/courses/family-self-sufficiency-training/>
6

- 7
- 8 **c. Administrative and Training Costs:** *Per the FY 2018 FSS NOFA, administrative and*
9 *training costs may be allowable costs subject to the provisions as described in Section ii.A.1*
10 *of the NOFA. Funds awarded under this NOFA that are projected to remain unexpended by*
11 *the end of the grant period for adequate reasons (such as FSS coordinator turnover or*
12 *prolonged absence) may also be used for eligible administrative and training costs related to*
13 *the FSS program, subject to prior HUD approval and a cap of 10% of the total award*
14 *amount. (For example, if the grantee was awarded a \$45,000 grant, no more than \$4,500 of*
15 *this total may be approved for eligible administrative and training costs.) Such administrative*
16 *and training costs must be related to the FSS program and attributable to the PHA (not to the*
17 *family).*
- 18 i. Examples of eligible administrative expenses include, but are not limited to, mileage
19 costs for visits to FSS families in relation to the FSS coordinator's case
20 management/coaching functions and cost of FSS outreach materials.
- 21
- 22 ii. Examples of ineligible administrative costs include, but are not limited to, security
23 deposits, landlord incentives, and food and beverages.
- 24
- 25 iii. Examples of eligible training expenses include, but are not limited to, training
26 materials, and/or cost of registration for trainings related to case management, service
27 coordination, and economic self-sufficiency.
- 28
- 29 **d. Request to Use Funds for Administrative/Training Costs:** PHAs seeking to use funds for
30 these purposes must seek prior approval from their local HUD Field Office before the grant
31 period closes. *If a PHA submits a request to use funds for administrative and/or training*
32 *costs during the first, second, or third quarter of the grant period, the PHA will have until the*
33 *end of the grant period to expend funds or funds will be recaptured at the end of the one-year*
34 *grant period. If a PHA submits a request to use funds for administrative and/or training costs*
35 *during the last quarter of the grant period, the PHA will have up to 3 months after the grant*
36 *period to expend funds or funds will be recaptured.*
- 37
- 38 i. Grantees requesting to use unexpended funds for administrative/training costs must
39 also submit, to its local HUD Field Office, a narrative justification explaining the
40 cause for the unexpended funds, the amount of funds requested, what and how the
41 funds will be used, including how it is related to the FSS program and attributable to
42 the PHA (not the family).
- 43
- 44 **6. Should any of the following conditions arise, grantees are required to submit in writing any changes**
45 **to the previously-approved grant to the appropriate local HUD field office personnel:**
- 46
- 47 a. Any change in the scope, objective, or conditions of the program.

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- b. Changes in any subcontracting, or otherwise obtaining the services of a third party to perform activities that are central to the purposes.
- c. Other changes that may adversely affect the program.

7. Grantees needing to extend the term of their grant in order to fully accomplish their goals should request an extension in writing sixty calendar days prior to the grant termination date. This grant extension must also be pursuant to 2 CFR Part 200.309(d). The request must be submitted to the field office for review and approval. Extensions will generally only be granted if no funding is awarded to the grantee in the following year. The Grantee must also:

- a. Submit a narrative justification explaining why the extension is needed, how much additional time will be required, the circumstances that require the proposed extension, the work that will be conducted during the extension period, and the effect a denial would have on the program. The local HUD field office may request additional information or documentation to clarify or verify the items included in the written narrative submitted by the grantee to support the extension.
- b. Have satisfied all special conditions of the grant agreement except those that would be fulfilled in the remaining period of the grant. This includes the performance and resolution of audit findings in a timely manner.

Grantees should be aware that any extensions (other than those caused by HUD funding cycles) may result in a negative impact on the Past Performance review in future grant applications.

8. Any changes requested by the Grantee must be in writing (emails are acceptable). HUD will approve/reject requested changes as appropriate. Generally, HUD will approve such requests within 30 days of submission. Approved changes will be reflected by an amendment to this Grant Agreement and any other documentation as directed by HUD. Amendments will become effective when the Grantee has electronically signed the amending documents.
9. In general, if the Grantee's program is not implemented within 60 days of the start of the performance period, the Grantee must report in writing to the appropriate HUD field office of the steps taken to initiate the program, resulting changes to the timetable, the reason for the delay, and the expected starting date. Any timetable revisions as a result of the delay must be included for HUD approval. Renewal grantees are not subject to this implementation requirement. However, renewal grantees must start drawing down the 2018 funds within 30 days of the period of performance start date (see Article I, Number 4 above), unless the grantee justifies in writing to the appropriate HUD field office the delay in drawdown of funds. Also, see Sub-Article B, Number 3 below. **NOTE:** Failure to comply with this requirement may result in termination of this agreement and recapture of grant funds. **PLEASE NOTE:** All 2018 FSS grantees pursuant to this NOFA are considered renewal grantees.
10. HUD may terminate funding if the Grantee demonstrates an unwillingness or inability to implement and maintain the program; does not use procedures that will minimize the time elapsing between drawdowns and disbursements of grant funds; does not adhere to agreement requirements or special conditions; engages in the improper award or administration of grant subcontracts; does not submit required reports; or produces unacceptable deliverables.

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3 **SUB-ARTICLE B: FINANCIAL RESPONSIBILITIES**

- 4 1. Prior to initial drawdown of funds, all Grantees must have secured online access to the Internet as a
5 means to communicate with HUD on grant matters. Applicants shall draw down funds using the
6 electronic Line of Credit Control System (e-LOCCS)
- 7 2. As applicable, the Grantee agrees to comply with the organizational audit requirements of OMB at 2
8 CFR Part 200 including audit requirements. The final audit report must cover the entire period of the
9 grant. The audit must be submitted to HUD no later than 30 days after the grant is closed, covering
10 the entire award period originally approved or amended. All other requirements of 2 CFR Part 200
11 shall apply. For grantees where an audit is required, a single audit or a program-specific audit is
12 acceptable. If a grantee chooses a single audit, the final audit report that includes this grant is due no
13 later than 30 days after the single audit is completed. *According to 2 CFR 200.501, grantees that*
14 *expend less than \$750,000 in federal awards are exempt from the audit requirement, but records must*
15 *be available for review or audit.*
- 16 3. The Grantee shall minimize the time elapsing between the transfer of funds from HUD and the
17 disbursement of funds. The HUD funds are to be made available based on actual need. The Grantee
18 must make a drawdown *only* for incurred costs. Drawdowns in excess of need may result in special
19 procedures for payments, or termination of the grant when there are persistent violations. Funds
20 requisitioned through LOCCS must be disbursed within three calendar days after receipt of funds
21 drawdown.

22
23
24 **SUB-ARTICLE C: METHOD OF PAYMENT [FUNDS DRAWDOWN]**

- 25
26 1. The Grantee may not draw down grant funds until all pre-conditions listed in the Notice of Award,
27 this Grant Agreement, the NOFA or in the award letter, are completed by the grantee and verified by
28 HUD.
- 29 2. Payments of grant funds shall be through electronic funds transfer using e-LOCCS. Initial drawdown
30 cannot be earlier than the start date of the grant term.
- 31 3. **E-LOCCS Program Edits.**
- 32
- 33 a. E-LOCCS will automatically perform a series of review edits (both generic and program
34 specific) of each payment request. Failure of one of the program edits will cause the payment
35 request to be referred to the HUD field office for review.
- 36
- 37 b. The HUD field office will complete the review. The request will remain in the system and
38 further drawdowns will not be allowed until that review is complete and the drawdowns
39 approved or rejected.
- 40
- 41 c. The Grantee shall immediately contact the HUD field office when there is a question
42 regarding the request or when the request has been referred to the HUD program office for
43 review. A request will be referred to the program office for review when:
- 44
- 45 i. There are requests for over 10% of total grant funds per calendar month;
- 46
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- ii. Failure to submit an annual HUD form SF-425 - *Financial Status Report*, as defined by this agreement and 2 CFR part 200. E-LOCCS shall not accept a request for funds if required reports from the Grantee are ten or more days overdue and will not accept future requests until the HUD field office confirms receipt and approval of the reports in e-LOCCS.
 - iii. If the Grantee repeatedly fails to submit required forms, e-LOCCS will be converted to a system in which the HUD Field Office will manually review each drawdown request prior to releasing funds to the Grantee.

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SUB-ARTICLE D: AUTHORIZED FUNDS BY BUDGET LINE ITEM NUMBER

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1. Please see Article II, Sub-Article A, Numbers 4 and 5 above.
 2. The Grantee's budget consists of three Budget Line Items (*1868 and 1268 will begin as \$0 and will only be changed upon approval of a request See Article II, Sub-Article A, Number 5 above*):
 - 1168 – FSS Coordinator (salary & fringe)
 - 1868 – Administrative Costs
 - 1268– Training Costs

22
23

SUB-ARTICLE E: REPORTING REQUIREMENTS

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The Grantee must evaluate its activities and submit a SF-425 to HUD. The SF-425 shall be submitted to the Grantee's Public Housing Director in the recipient's local HUD field office no later than 30 days after the end of the performance period, unless granted an extension by HUD. The reporting period will cover the performance period (see Article I, Number 4 above). Grantees must also ensure that reporting on Section 17 of the HUD-50058 is correct and up to date within the PIC system.

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1. HUD shall determine the Grantee's progress based upon a review of HUD-50058 Section 17 data submitted to PIC as well as compliance with financial and reporting requirements.
 2. The HUD field office shall maintain official records on the Grantee's performance measures and its progress reports. However, the Grantee must also maintain such records, including the SF-425, HUD review, and/or evaluations.
 3. Documentation. Grantees shall maintain documentation in participant files (paper or electronic) that corroborates the achievement of each interim and final goal in the Contract of Participation such that an outside auditor could verify the fulfillment of the Contract of Participation. This could include certificates of completion, test scores, pay stubs, receipts or other third-party verification as available or personal certifications if third-party verification is not available.

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SUB-ARTICLE F: ADMINISTRATIVE REQUIREMENTS

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1. Grantees must comply with all current HUD program rules and regulations.

- 1 2. The Grantee shall maintain, and have access to, copies of documents relating to the award and
2 administration of this grant for at least three years after final closeout date of the grant for inspection
3 by HUD, the General Accounting Office, or their duly authorized representatives.
4
- 5 3. The accounting systems of the Grantee must ensure that HUD funds are not co-mingled with funds
6 from other Federal, State, Tribal, or local government agencies or other HUD program funds. Funds
7 specifically budgeted and/or received for one program may not be used to support or reimburse
8 another. Where the Grantee's accounting system cannot comply with this requirement, the Grantee
9 must establish a system to provide adequate fund accountability for each program for which it has
10 been awarded funds. The Grantee's selection of depository facility (such as a bank for example)
11 shall be compliant with Federal regulations and have insurance from the Federal Deposit Insurance
12 Corporation or the National Credit Union Share Insurance Fund to insure the established account.
13
- 14 4. The Grantee agrees to comply with the following requirements for which HUD has enforcement
15 responsibility:
16
 - 17 a. Administrative requirements of 2 CFR Part 200. These include procurement
18 requirements, as applicable.
 - 19 b. Grantees are required to comply with the Cost Principles set forth in 2 CFR Part 200,
20 Subpart E.
- 21 5. Equal Opportunity Requirements. Grant funds must be used in accordance with the following:
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 - 23 a. The requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d)
24 (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued
25 at 24 CFR Part 1.
 - 26 b. The prohibitions against discrimination on the basis of age under the Age Discrimination
27 Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146, and
28 the prohibitions against discrimination against handicapped individuals under section 504
29 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24
30 CFR Part 8.
 - 31 c. The requirements of Executive Order 11246 (Equal Employment Opportunity) and the
32 implementing regulations issued at 41 CFR Chapter 60.
- 33 6. The regulations in 24 CFR 87, related to lobbying, including the requirement that the Grantee obtain
34 certifications and disclosures from all covered persons.
35
- 36 7. Drug-free Workplace Requirements (Grants) in 2 CFR 2424.
37
- 38 8. Restrictions on participation by ineligible, debarred or suspended persons or entities at 2 CFR Part
39 2424, Subparts A through J, which are applicable to contractors and subgrantees.
40
- 41 Other applicable regulations.
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- 1 9. The Grantee's computer systems must operate in accordance with HUD's computer systems and
2 software to facilitate any and all electronic documents for conversion to HUD computer systems and
3 software. That is, when sending/transferring documents, e-mail, or CDs to HUD, the systems must be
4 compatible so that HUD receives an exact copy.
5
6 10. The Grantee's computer and information systems must be able to access HUD's website(s) so that
7 data can be inputted as may be required by the grant; information can be retrieved; and funding
8 through HUD's E-LOCCS system may be accessed.
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10 SUB-ARTICLE G: GRANT CLOSEOUT

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12 1. Code of Federal Regulations (CFR), 2 CFR Part 200 prescribes uniform closeout procedures for
13 Federal cooperative agreements/grant agreements.
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15 2. It is the responsibility of the Grantee to comply in full with all closeout-reporting requirements and to
16 submit closeout reports in a timely manner.
17
18 3. The Grantee shall initiate project closeout within 30 days of the grant's termination date. At HUD's
19 option, the Grantee may delay initiation of project closeout until the resolution of any HUD
20 monitoring findings. If HUD exercises this option, the Grantee must promptly resolve the findings.
21
22 4. The Grantee recognizes that the closeout process may entail review by HUD to determine compliance
23 with the grant agreement. The Grantee shall cooperate with any and all reviews which may include
24 making available records requested for on-site HUD inspection.
25
26 5. Within 30 days after the end date of the grant or any approved extension (revised end-date), the
27 following documents must be submitted by the Grantee to the HUD field office:
28
29 a. A certification of project completion which is a statement signed by the grantee.
30
31 b. A certification of compliance with all requirements of the grant agreement which is a
32 statement signed by the grantee
33
34 c. **Financial Report (SF-425) (see Sub-Article E).** For FSS, the Grantee submits an SF-425
35 for the 12-month period of the grant. This submission also serves as the grant's final report
36 which is a cumulative summary of expenditures to date and must indicate the exact balance of
37 unexpended funds. (The report shall cover the grant start date to the end of grant). When the
38 final HUD form SF-425 is approved, the HUD field office will establish the amount due to
39 HUD or cancel (recapture) any unused grant funds as applicable.
40
41 6. When the HUD field office has determined to its satisfaction that the grant activities were completed
42 and all Federal requirements were satisfied, the HUD field office will execute a closeout amendment
43 to the Grant Agreement with the Grantee.
44
45 7. The Closeout Agreement or clause will include the Grantee's agreement to abide by any continuing
46 Federal requirements.
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- 1 8. Failure to submit the required financial report or any required audit report; or to resolve program,
2 financial or audit issues, may result in a suspension or termination of any and/or all HUD grant
3 payments.
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5 **SUB-ARTICLE H: DEFAULT**
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- 7 1. **Definition.** A default under this Agreement shall consist of *using grant funds for a purpose other*
8 *than as authorized by this agreement*; any noncompliance with legislative, regulatory, or other
9 requirements applicable to this Agreement; any other material breach of this Agreement; or any
10 material misrepresentation in the application submissions.
11
- 12 2. **HUD Preliminary Determination of Default.** If HUD makes an initial determination that the
13 Grantee is in default, HUD will give the Grantee written notice of this determination and of the
14 corrective or remedial action the Grantee must take in order to avoid default. The Grantee shall have
15 an opportunity to demonstrate, per HUD Handbook 2210.17, and on the basis of substantial facts and
16 data, that it is not in default, or that the proposed corrective or remedial action is inappropriate or
17 unnecessary, before HUD implements the remedial action.
18
- 19 3. If HUD determines that there is an imminent probability that the Grantee will continue to expend
20 grant funds contrary to this agreement unless HUD takes immediate action, HUD may, at the time of
21 written default notification to the Grantee, order a remedial action appropriate to prevent such
22 expenditure.
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- 24 4. Corrective or remedial actions that HUD may order under this Agreement include, but shall not be
25 limited to, the following:
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- 27 a. Requiring the Grantee to prepare and follow a HUD approved schedule of actions and/or
28 a plan for properly completing the activities approved under the grant;
 - 29 b. Discontinuing drawdowns under e-LOCCS and prohibiting payment or reimbursement
30 for any grant activities or, if more appropriate, for only those activities affected by the
31 default; and
 - 32 c. Requiring reimbursement by the Grantee to HUD for grant amounts used improperly.
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- 34 5. **Grantee Failure to Remedy Default.** Where HUD determines that remedial actions required by
35 HUD to be taken by the Grantee have not been undertaken as instructed, or will not be effective in
36 correcting the default and to prevent further default, HUD may take the following additional
37 corrective and remedial actions under this Agreement:
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- 39 a. Put a hold on draws from e-LOCCS pending HUD manual review and approval of every
40 drawdown request and permit draws only on a reimbursement basis.
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 - 42 b. Suspend the Grantee's authority to make drawdowns for affected activities for no more
43 than ninety (90) days pending action to cure the default and to prevent further default by
44 the Grantee, or pending final remedial action by HUD.
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 - 46 c. Reduce the grant in the amount affected by the default;
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- d. Terminate the grant and initiate closeout procedures;
 - e. Take action against the Grantee under 24 CFR Part 24 with respect to future HUD or Federal grant awards;
 - f. Require reimbursement by the Grantee to HUD for grant amounts used improperly; and
 - g. Take any other remedial action legally available.

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**SUB-ARTICLE I: GRANT MODIFICATION OR TERMINATION
BY AGREEMENT BETWEEN HUD AND GRANTEE**

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1. HUD and the Grantee may mutually agree to modify this agreement as to time, cost, or activity by using the Notice of Award and/or grant agreement in whole or in part, at any time.
 2. HUD or the Grantee, in accordance with 2 CFR Part 200 may terminate the agreement for convenience, after 30 days advance written notice, if it is in the best interest of any of the parties. The termination notice must specify the reason for the termination action and the proposed effective date.

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SUB-ARTICLE J: DISPUTES

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During the performance of this grant, disagreements may arise between the Grantee and HUD on various issues. In accordance with 2 CFR 200.341, if a dispute concerning a question of fact arises, after hearing from the Grantee, the HUD Field Office Director shall prepare a final decision, taking into account all facts and documentation presented. The decision shall be mailed to the Grantee. The Grantee may appeal any decision by letter to the local HUD Field Office Director, Public Housing Division/Office of Native American Programs of the HUD office administering this Grant Agreement. The decision of the Field Office Director shall be final.

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ARTICLE III: GRANTEE PERFORMANCE

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HUD will judge performance based upon whether the Grantee achieves the agreed upon activities within grant time limits and within budget and whether the Grantee has produced tangible results through the implementation of grant activities.

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ARTICLE IV: GRANTEE MISREPRESENTATION

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The Grantee or any subcontractor to the Grantee bound by this instrument who makes or causes to be made a false statement, claim, or misrepresentation, which the Grantee or entity knows or has reason to know is false, may be imprisoned and/or fined in accordance with civil or criminal penalties and/or fines applicable under law, including Title 18 of the United States Code (U.S.C.), Title 31, et seq. (Program Fraud Civil Remedies Act) and any other applicable provisions of Federal, State or local law.