



DEPARTMENT OF
HOUSING AND HUMAN CONCERNS
 COUNTY OF MAUI

ALAN M. ARAKAWA
 Mayor

CAROL K. REIMANN
 Director

JAN SHISHIDO
 Deputy Director

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 MAILING ADDRESS: 200 SOUTH HIGH STREET • WAILUKU, HAWAII 96793 • EMAIL: director.hhc@mauicounty.gov

June 21, 2017

Ms. Lynn A.S. Araki-Regan
 Budget Director, County of Maui
 200 South High Street
 Wailuku, HI 96793

Honorable Alan M. Arakawa
 Mayor, County of Maui
 200 South High Street
 Wailuku, Hawaii 96793

For Transmittal to:

Honorable Michael White, Chair
 and Members of Maui County Council
 200 South High Street
 Wailuku, Hawaii 96793

Dear Chair White:

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

In accordance with Ordinance No. 4456 Bill 65 (2017) Fiscal Year 2018 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) for the calendar year 2017 in the amount of \$20,530,852 for Section 8 Housing Assistance Payments, which includes our HUD held reserves and \$1,838,708 for Administrative Fees for calendar year 2017. In addition, we are also transmitting a copy of the award letter for the Family Self-Sufficiency Program in the amount of \$24,732 for calendar year 2017.

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

Sincerely,

CAROL K. REIMANN
 Director of Housing and Human Concerns

APPROVED FOR TRANSMITTAL

Mayor

6/22/17
 Date

RECEIVED
 2017 JUN 23 AM 10:00
 OFFICE OF THE
 COUNTY CLERK

Attachments

COUNTY COMMUNICATION NO. 17-246



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

MAR 15 2017

OFFICE OF PUBLIC AND INDIAN HOUSING

Dear Executive Director:

2017 Housing Choice Voucher Program (HCVP) Renewal Awards:

The purpose of this letter is to follow up on the communication provided to your public housing agency (PHA) in January 2017, concerning the calendar year (CY) 2017 Housing Choice Voucher (HCV) renewal funding, and steps you must take to support the funding process. The Department is currently operating under a Continuing Resolution (CR) until April 28, 2017. HUD would typically have 60 days to calculate the PHAs' renewal funding and send renewal award notifications once a full year CR or Appropriations Act is enacted. While HUD would expedite this process as much as possible, it is likely that PHAs would receive 2017 funding information near the end of June 2017. In order to assist you in operating your program until a definitive funding level is known for 2017 HUD offers the following guidance.

HUD has evaluated several 2017 funding possibilities that result in a range of Housing Assistance Payments (HAP) and Administrative Fee proration levels. First, HUD could receive a full year CR where 2017 would be funded at the same level as the FY 2016 Appropriation amount. In the full year CR scenario, HUD has calculated an estimated proration of 94% for 2017 HAP funding, and 77% Administrative Fee proration. Secondly, HUD could receive an Appropriation Act, whereby Congress implements HCV funding based on either the Senate or House Appropriations Committees' budget priorities. HUD has evaluated these funding scenarios based on both the TBRA Senate Bill - HR 2577 and the TBRA House Bill - 114, and has calculated an estimated HAP proration of 97.5%. The Administrative Fee proration factors for these proposed Bills are anticipated at 80% and 75%, respectively.

As always, the proration levels described above were calculated by estimating the full HCV program need for 2017 and comparing the program need to the available funding. To estimate program need, we estimate increases in units leased and changes in per unit cost, and then apply an inflation factor. For 2017, there is a substantial inflation factor that impacted the proration levels above. All PHAs will have an inflation factor of at least 2.58% and approximately 40% of PHAs will have an inflation factor higher than 2.58%. HUD will publish the annual inflation factors in the Federal Register when the full year funding is known, either through a full year CR or an Appropriations Act.

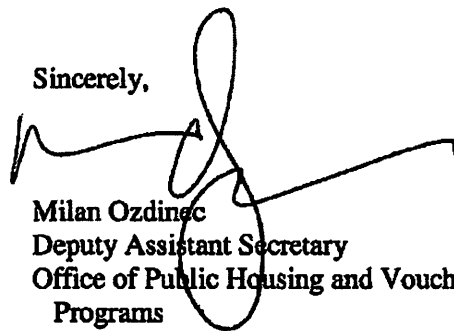
HUD anticipates that funding eligibility for non-Moving to Work (non-MTW) agencies will continue to be based on actual and eligible HCV HAP expenses incurred during CY 2016, as reported by your PHA in the Voucher Management System (VMS). The renewal funding eligibility for MTW agencies will be in accordance with the terms of their individual MTW agreements.

While HUD does not know what the final appropriations level will be, a full year CR seems to be the responsible starting point for program operations. Therefore, PHAs should assess their projected leasing and spending starting with the 94% proration, and should model alternative proration scenarios. One way PHAs can make such an assessment is using the HUD Two-Year Forecasting Tool. This tool can be generated directly by PHAs by downloading a spreadsheet from this [forecasting tool link](#), entering the PHA number and launching a forecasting populated with VMS data and funding information. The default proration is 94% but can be changed by the user, and the projection includes your specific PHA's inflation factor. PHAs should plan for 2017 by also looking at the impact in 2018 of where they project to end 2017. In doing so, PHAs can model differing 2018 funding proration level possibilities.

HUD staff will be assessing projected spending and leasing using the above assumptions. PHAs may hear from HUD staff in particular if, given those assumptions, a shortfall or significant leasing potential is projected.

HUD encourages discussions with your local Field Office staff and FMC Financial Analyst during this time of funding uncertainty. Please contact them if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Milan Ozdinec', with a large, stylized flourish extending to the right.

Milan Ozdinec
Deputy Assistant Secretary
Office of Public Housing and Voucher
Programs

HI004 HCV Leasing and Spending Projection

| A | B | C | D | E | F |
|----|--|------------------------|-------------------|------------------|---|
| 1 | | | | | |
| 2 | PHA Name | <u>County of Maui</u> | PHA Number | HI004 | |
| 3 | | | | | |
| 4 | ACC/Funding Information | | | | |
| 5 | ACC | Current Year (2016) | Year 2 (2017) | Year 3 (2018) | |
| 6 | Beginning ACC Vouchers | 1,464 | 1,464 | 1,464 | |
| 7 | Funding Components | Current Year (2016) | Year 2 (2017) | Year 3 (2018) | |
| 8 | <u>Initial BA Funding (net offset)</u> | \$15,019,076 | \$19,835,179 | \$18,421,351 | |
| 9 | Offset of HAP Reserves | | \$0 | \$0 | |
| 10 | <u>Set Aside Funding</u> | \$0 | \$0 | | |
| 11 | <u>New ACC Units Funding</u> | \$0 | \$0 | \$0 | |
| 12 | Total ABA Funding Provided | \$15,019,076 | \$19,835,179 | \$18,421,351 | |
| 13 | PHA Income | \$32,874 | \$39,390 | | |
| 14 | Total Cash- Supported Prior Year-End Reserves | \$2,645,085 | \$656,283 | \$1,996,423 | |
| 15 | | | | | |
| 16 | Total Funding | | | | |
| 17 | Total Funding Available | \$17,697,035 | \$20,530,852 | \$20,417,774 | |
| 18 | | | | | |

Assistance Award/Amendment

U.S. Department of Housing and
Urban Development
Office of Administration

| | | | |
|--|---------------------|--|--|
| 1. Assistance Instrument <input type="checkbox"/> Cooperative Agreement <input checked="" type="checkbox"/> Grant | | 2. Type of Action <input checked="" type="checkbox"/> Award <input type="checkbox"/> Amendment | |
| 3. Instrument Number HI004FSH167A016 | 4. Amendment Number | 5. Effective Date of this Action 7/18/16 | 6. Control Number |
| DUNS: 077-68-0155 EIN: 99-6000618 | | 8. HUD Administering Office Honolulu Public Housing Office 1132 Bishop Street Suite #1400 Honolulu, HI 96813 | |
| County of Maui 35 Lunalilo Street, Suite 400 Wailuku, HI 96793 2523 | | 9a. Name of Administrator Jesse Wu | 9b. Telephone Number (808) 459-4668 |
| 10. Recipient Project Manager | | 9. HUD Government Technical Representative Jan Chung | |
| 11. Assistance Arrangement <input type="checkbox"/> Cost Reimbursement <input type="checkbox"/> Cost Sharing <input type="checkbox"/> Fixed Price | | 12. Payment Method <input type="checkbox"/> Treasury Check Reimbursement <input type="checkbox"/> Advance Check <input checked="" type="checkbox"/> Automated Clearinghouse | |
| 13. HUD Payment Office LOCCS | | 14. Assistance Amount | |
| Previous HUD Amount \$0 | | 15. HUD Accounting and Appropriation Data | |
| HUD Amount this action \$24,732 | | 15a. Appropriation Number 86 677 0350 | 15b. Reservation number |
| Total HUD Amount \$24,732 | | Amount Previously Obligated \$0 | |
| Recipient Amount \$0 | | Obligation by this action \$24,732 | |
| Total Instrument Amount \$24,732 | | Total Obligation \$24,732 | |

16. Description

2016 Family Self-Sufficiency Program

| | | | |
|--|---------------------------------|---|----------------------------------|
| 17. <input checked="" type="checkbox"/> Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office | | 18. <input type="checkbox"/> Recipient is not required to sign this document. | |
| 19. Recipient (By Name) County of Maui | | 20. HUD (By Name) Dominique Blom | |
| Signature & Title Kelci Wardell HCV Program Manager | Date (mm/dd/yyyy) 08/10/2016 | Signature & Title Deputy Assistant Secretary for Public Housing Investments | Date (mm/dd/yyyy) JUL 18 2016 |

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FISCAL YEAR 2016

FAMILY SELF-SUFFICIENCY PROGRAM GRANT AGREEMENT
(Attachment to Form HUD-1044)

ARTICLE I: BASIC GRANT INFORMATION AND REQUIREMENTS

1. This Agreement is between the U. S. Department of Housing and Urban Development (HUD) and the recipient Maui County, identified in block 7 on the cover sheet of this agreement, form HUD-1044, hereinafter referred to as the Grantee. The Grantee's application and the HUD grant approval letter, including any special conditions, are incorporated into this agreement.
2. HUD will make \$24,732 available in total grant funds as shown on form HUD-1044 upon grant award and HUD approval.
3. This agreement and the HUD-1044 shall be effective immediately upon signature of both parties.
4. Period of performance: The period of performance will be 12 months. *For renewal grantees, the 12-month period of performance will generally begin the day after the most recent FSS grant expires. PLEASE NOTE: Funds (from this grant or previous FSS grants) not expended by the time that the FY17 grant awards go into effect MAY BE recaptured by HUD. HUD will work with grantees to determine the most efficient use of granted funds.*
5. Award type: This is a cost-reimbursable, performance-based grant.
6. This Grant Agreement will be governed by the following as they may from time to time be amended: the HUD Appropriations Acts, the United States Housing Act of 1937 as amended, the FY 2016 FSS NOFA dated 3/21/16, the Code of Federal Regulations (CFR) 24 CFR Part 24, 24 CFR Part 984, 2 CFR Part 200 any applicable OMB Regulations or Circulars, and Handbooks and Notices issued by HUD.
7. In executing this agreement, the Grantee agrees to abide by the provisions contained within all applicable Federal laws, Executive Orders, OMB Circulars, specifically OMB Circular A-110, any assurances and certifications in the final HUD-approved application (the original approved application may have required amendments by the field/applicant), and 24 CFR Part 984 as applicable.

ARTICLE II: HUD REQUIREMENTS

SUB-ARTICLE A – GRANT ADMINISTRATION, CONDITIONS REQUIRING TERMINATION OF FUNDING

1. The Grantee shall participate in meeting(s) (if requested by HUD) with HUD's local field office for the purpose of establishing a common understanding and strategy with respect to grant administration, timeline, deliverables, grant objectives, performance measures, and the scope of work necessary to achieve grant objectives.
2. The Grantee shall furnish all necessary personnel, materials, services, equipment, and facilities and shall otherwise do all things necessary for, or incidental to, the performance of the activities and tasks set forth in the approved application, and this Grant Agreement (except as otherwise specified).

- 1 3. The Grantee agrees that costs incurred prior to the execution of this Grant Agreement and
2 implementation of HUD-approved grant activities, shall not be reimbursable by using funds
3 from this grant except where the period of performance is back-dated with HUD approval
4 due to HUD funding cycles.
5
- 6 4. The work to be performed under this Grant Agreement is outlined in NOFA.
7
- 8 5. The grant funds shall be used only for eligible activities. *Per the FY 2016 FSS NOFA, FSS funds may*
9 *be used to perform routine HCV and/or PH program functions only if it enhances the effectiveness of*
10 *the FSS program. The performance of routine HCV/PH program functions may not be such that it*
11 *impedes the ability of the FSS Coordinator(s) to effectively perform FSS functions. Performance of*
12 *routine HCV and/or PH functions for non-FSS families does not enhance the effectiveness of the FSS*
13 *program and is therefore an ineligible use of FSS funds. Additionally, while FSS funds may be used*
14 *to perform homeownership functions for FSS families, this may not be the sole function for which*
15 *funds are used. Refer to the FY 2016 FSS NOFA for more information on eligible and ineligible uses*
16 *of funds.*
17
- 18 6. Should any of the following conditions arise, grantees are required to submit in writing any changes
19 to the previously-approved grant to the appropriate local HUD field office personnel:
20
- 21 a. Any change in the scope, objective, or conditions of the program.
 - 22 b. Changes in any subcontracting, or otherwise obtaining the services of a third party to
23 perform activities that are central to the purposes.
 - 24 c. Other changes that may adversely affect the program.
25
- 26 7. Grantees needing to extend the term of their grant in order to fully accomplish their goals should
27 request an extension in writing sixty calendar days prior to the grant termination date. The request
28 must be submitted to the field office for review and approval. Extensions will generally only be
29 granted if no funding is awarded to the grantee in the following year. The Grantee must also:
30
- 31 a. Submit a narrative justification explaining why the extension is needed, how much
32 additional time will be required, the circumstances that require the proposed extension,
33 the work that will be conducted during the extension period, and the effect a denial would
34 have on the program.
 - 35 b. Have satisfied all special conditions of the grant agreement except those that would be
36 fulfilled in the remaining period of the grant. This includes the performance and
37 resolution of audit findings in a timely manner.
38
- 39 Grantees should be aware that any extensions (other than those caused by HUD funding cycles) may
40 result in a negative impact on the Past Performance review in future grant applications.
41
- 42 8. Any changes requested by the Grantee must be in writing (emails are acceptable). HUD will
43 approve/reject requested changes as appropriate. Approved changes will be reflected by an
44 amendment to this Grant Agreement and issued by a revised HUD-1044 cover sheet with any
45 attached documents as needed to define changes approved. Amendments will become effective upon
46 execution of the HUD-1044 between HUD and the Grantee when both parties have signed the HUD-
47 1044.

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9. In general, if the Grantee's program is not implemented within **60 days of the grant start date (the start date is the date both parties sign the HUD-1044 and this Grant Agreement)**, 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 2016 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 Subarticle 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 2016 FSS grantees 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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SUBARTICLE B: FINANCIAL RESPONSIBILITIES

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

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SUBARTICLE C: METHOD OF PAYMENT [FUNDS DRAWDOWN]

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1. The Grantee may not draw down grant funds until all pre-conditions listed in form HUD-1044, this Grant Agreement, the NOFA or in the award letter, are completed by the grantee and verified by HUD.

1 2. Payments of grant funds shall be through electronic funds transfer using e-LOCCS. Initial drawdown
2 cannot be earlier than the start date of the grant term.

3
4 **3. E-LOCCS Program Edits.**

5
6 a. E-LOCCS will automatically perform a series of review edits (both generic and program
7 specific) of each payment request. Failure of one of the program edits will cause the payment
8 request to be referred to the HUD field office for review.

9
10 b. The HUD field office will complete the review. The request will remain in the system and
11 further drawdowns will not be allowed until that review is complete and the drawdowns
12 approved or rejected.

13
14 c. The Grantee shall immediately contact the HUD field office when there is a question
15 regarding the request or when the request has been referred to the HUD program office for
16 review. A request will be referred to the program office for review when:

17
18 i. There are requests for over 10% of total grant funds per calendar month;

19
20 ii. Failure to submit an annual HUD form SF-425 - *Financial Status Report*, as defined
21 by this agreement and 2 CFR part 200. E-LOCCS shall not accept a request for funds
22 if required reports from the Grantee are ten or more days overdue and will not accept
23 future requests until the HUD field office confirms receipt and approval of the reports
24 in LOCCS.

25
26 iii. If the Grantee repeatedly fails to submit required forms, LOCCS will be converted to
27 a system in which the HUD Field Office will manually review each drawdown
28 request prior to releasing funds to the Grantee.

29
30 **SUB-ARTICLE D: AUTHORIZED FUNDS BY BUDGET LINE ITEM NUMBER**

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32 1. Please see Article II, Subarticle A, Number 5 above.

33
34 2. The Grantee's budget consists of one Voucher Budget Line Item: 1168 – FSS Coordinator (salary &
35 fringe)

36
37 **SUBARTICLE E: REPORTING REQUIREMENTS**

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39 The Grantee must evaluate its activities and submit a SF-425 to HUD. The SF-425 shall be submitted
40 to the Grantee's area ONAP/Public Housing Director in the recipient's local HUD field office
41 no later than January 30, 2018, unless granted an extension by HUD. The reporting period
42 will cover the 2017 Calendar Year (1/1/2017-12/31/2017). Grantees must also ensure that
43 reporting on Section 17 of the HUD-50058 is correct and up to date within the PIC system.

44 1. HUD shall determine the Grantee's progress based upon a review of HUD-50058 Section 17 data
45 submitted to PIC as well as compliance with financial and reporting requirements.
46

- 1 2. The HUD field office shall maintain official records on the Grantee's performance measures and its
2 progress reports. However, the Grantee must also maintain such records, including the SF-425, HUD
3 review, and/or evaluations.
4

5 **SUBARTICLE F: ADMINISTRATIVE REQUIREMENTS**
6

- 7 1. Grantees must comply with all current HUD program rules and regulations.
8
9 2. The Grantee shall maintain, and have access to, copies of documents relating to the award and
10 administration of this grant for at least three years after final closeout date of the grant for inspection
11 by HUD, the General Accounting Office, or their duly authorized representatives.
12
13 3. The accounting systems of the Grantee must ensure that HUD funds are not co-mingled with funds
14 from other Federal, State, Tribal, or local government agencies or other HUD program funds. Funds
15 specifically budgeted and/or received for one program may not be used to support or reimburse
16 another. Where the Grantee's accounting system cannot comply with this requirement, the Grantee
17 must establish a system to provide adequate fund accountability for each program for which it has
18 been awarded funds. The Grantee's selection of depository facility (such as a bank for example)
19 shall be compliant with Federal regulations and have insurance from the Federal Deposit Insurance
20 Corporation or the National Credit Union Share Insurance Fund to insure the established account.
21
22 4. The Grantee agrees to comply with the following requirements for which HUD has enforcement
23 responsibility:
24
25 a. Administrative requirements of 2 CFR Part 200. These include the procurement
26 requirements as applicable.
27
28 b. Grantees are required to comply with the Cost Principles set forth in 2 CFR Part 200,
29 Subpart E.
30
31 5. Equal Opportunity Requirements. Grant funds must be used in accordance with the following:
32
33 a. The requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d)
34 (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued
35 at 24 CFR Part 1.
36
37 b. The prohibitions against discrimination on the basis of age under the Age Discrimination
38 Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146, and
39 the prohibitions against discrimination against handicapped individuals under section 504
40 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24
41 CFR Part 8.
42
43 c. The requirements of Executive Order 11246 (Equal Employment Opportunity) and the
44 implementing regulations issued at 41 CFR Chapter 60.
45
46 d. For grantees using their funds to support residents of conventional Public Housing (i.e.
47 not Housing Choice Vouchers), the requirements of Section 3 of the Housing and Urban
48 Development Act of 1968, (12 U.S.C. 1701u) State that (1) to the greatest extent feasible,

1 opportunities for training and employment arising in connection with the planning and
2 carrying out of any project assisted with grant funds be given to low-income persons
3 residing within the unit of general local government or the metropolitan area (or non-
4 metropolitan county) as determined by HUD, in which the project is located; and (2) to
5 the greatest extent feasible, contracts for work to be performed in connection with any
6 such project be awarded to business concerns, including but not limited to individuals or
7 firms doing business in the field of planning, consulting, design, architecture, building
8 construction, rehabilitation, maintenance, or repair, which are located in or owned in
9 substantial part by persons residing in the same metropolitan area (or non-metropolitan
10 county) as the project.

- 11
- 12 6. The regulations in 24 CFR 87, related to lobbying, including the requirement that the Grantee obtain
- 13 certifications and disclosures from all covered persons.
- 14
- 15 7. Drug-free Workplace Requirements (Grants) in 24 CFR 2424.
- 16
- 17 8. Restrictions on participation by ineligible, debarred or suspended persons or entities at 24 CFR Part
- 18 2424, Subparts A through J, which are applicable to contractors and subgrantees.
- 19
- 20 9. Other applicable regulations.
- 21
- 22 10. The Grantee's computer systems must operate in accordance with HUD's computer systems and
- 23 software to facilitate any and all electronic documents for conversion to HUD computer systems and
- 24 software. That is, when sending/transferring documents, e-mail, or CDs to HUD, the systems must be
- 25 compatible so that HUD receives an exact copy.
- 26
- 27 11. The Grantee's computer and information systems must be able to access HUD's website(s) so that
- 28 data can be inputted as may be required by the grant; information can be retrieved; and funding
- 29 through HUD's E-LOCCS system may be accessed.
- 30

31 **SUB-ARTICLE G: GRANT CLOSEOUT**

- 32
- 33 1. Code of Federal Regulations (CFR), 2 CFR Part 200 prescribes uniform closeout procedures for
- 34 Federal cooperative agreements/grant agreements.
- 35
- 36 2. It is the responsibility of the Grantee to comply in full with all closeout-reporting requirements and to
- 37 submit closeout reports in a timely manner.
- 38
- 39 3. The Grantee shall initiate project closeout within 30 days of the grant's termination date. At HUD's
- 40 option, the Grantee may delay initiation of project closeout until the resolution of any HUD
- 41 monitoring findings. If HUD exercises this option, the Grantee must promptly resolve the findings.
- 42
- 43 4. The Grantee recognizes that the closeout process may entail review by HUD to determine compliance
- 44 with the grant agreement. The Grantee shall cooperate with any and all reviews which may include
- 45 making available records requested for on-site HUD inspection.
- 46
- 47 5. Within 30 days after the end date of the grant or any approved extension (revised end-date), the
- 48 following documents must be submitted by the Grantee to the HUD field office:

- 1
- 2 a. A certification of project completion which is a statement signed by the grantee.
- 3
- 4 b. A certification of compliance with all requirements of the grant agreement which is a
- 5 statement signed by the grantee
- 6
- 7 c. Financial Report (SF-425) (see Subarticle E). For FSS, the Grantee submits an SF-425 for
- 8 the 12-month period of the grant. This submission also serves as the grant's final report
- 9 which is a cumulative summary of expenditures to date and must indicate the exact balance of
- 10 unexpended funds. (The report shall cover the grant start date to the end of grant). When the
- 11 final HUD form SF-425 is approved, the HUD field office will establish the amount due to
- 12 HUD or cancel (recapture) any unused grant funds as applicable.
- 13
- 14 6. When the HUD field office has determined to its satisfaction that the grant activities were completed
- 15 and all Federal requirements were satisfied, the HUD field office will execute a closeout amendment
- 16 to the Grant Agreement with the Grantee.
- 17
- 18 7. The Closeout Agreement or clause will include the Grantee's agreement to abide by any continuing
- 19 Federal requirements.
- 20
- 21 8. Failure to submit the required financial report or any required audit report; or to resolve program,
- 22 financial or audit issues, may result in a suspension or termination of any and/or all HUD grant
- 23 payments.
- 24

25 SUB-ARTICLE H: DEFAULT

- 26
- 27 1. Definition. A default under this Agreement shall consist of *using grant funds for a purpose other*
- 28 *than as authorized by this agreement*; any noncompliance with legislative, regulatory, or other
- 29 requirements applicable to this Agreement; any other material breach of this Agreement; or any
- 30 material misrepresentation in the application submissions.
- 31
- 32 2. HUD Preliminary Determination of Default. If HUD makes an initial determination that the
- 33 Grantee is in default, HUD will give the Grantee written notice of this determination and of the
- 34 corrective or remedial action the Grantee must take in order to avoid default. The Grantee shall have
- 35 an opportunity to demonstrate, per HUD Handbook 2210.17, and on the basis of substantial facts and
- 36 data, that it is not in default, or that the proposed corrective or remedial action is inappropriate or
- 37 unnecessary, before HUD implements the remedial action.
- 38
- 39 3. If HUD determines that there is an imminent probability that the Grantee will continue to expend
- 40 grant funds contrary to this agreement unless HUD takes immediate action, HUD may, at the time of
- 41 written default notification to the Grantee, order a remedial action appropriate to prevent such
- 42 expenditure.
- 43
- 44 4. Corrective or remedial actions that HUD may order under this Agreement include, but shall not be
- 45 limited to, the following:
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- 47 a. Requiring the Grantee to prepare and follow a HUD approved schedule of actions and/or
- 48 a plan for properly completing the activities approved under the grant;

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- b. Discontinuing drawdowns under LOCCS and prohibiting payment or reimbursement for any grant activities or, if more appropriate, for only those activities affected by the default; and
- c. Requiring reimbursement by the Grantee to HUD for grant amounts used improperly.

5. **Grantee Failure to Remedy Default.** Where HUD determines that remedial actions required by HUD to be taken by the Grantee have not been undertaken as instructed, or will not be effective in correcting the default and to prevent further default, HUD may take the following additional corrective and remedial actions under this Agreement:

- a. Put a hold on draws from eLOCCS pending HUD manual review and approval of every drawdown request and permit draws only on a reimbursement basis.
- b. Suspend the Grantee's authority to make drawdowns for affected activities for no more than ninety (90) days pending action to cure the default and to prevent further default by the Grantee, or pending final remedial action by HUD.
- c. Reduce the grant in the amount affected by the default;
- 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.

**SUBARTICLE I: GRANT MODIFICATION OR TERMINATION
BY AGREEMENT BETWEEN HUD AND GRANTEE**

- 1. HUD and the Grantee may mutually agree to modify this agreement as to time, cost, or activity using form HUD-1044 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.

SUB-ARTICLE J: DISPUTES

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

1 American Programs of the HUD office administering this Grant Agreement. The decision of the Field
2 Office Director shall be final.

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4 **ARTICLE III: GRANTEE PERFORMANCE**

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

9
10 **ARTICLE IV: GRANTEE MISREPRESENTATION**

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12 The Grantee or any subcontractor to the Grantee bound by this instrument who makes or causes to be
13 made a false statement, claim, or misrepresentation, which the Grantee or entity knows or has reason to
14 know is false, may be imprisoned and/or fined in accordance with civil or criminal penalties and/or fines
15 applicable under law, including Title 18 of the United States Code (U.S.C.), Title 31, et seq. (Program
16 Fraud Civil Remedies Act) and any other applicable provisions of Federal, State or local law.
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1 WITNESS WHEREOF, the parties have executed this Grant Agreement by their duly authorized
2 signatories as of the date signed by both parties.
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Kelci Wandell

Signature of Grantee

8/16/16

DATE

Kelci Wandell / HCV program Manager

Name and Title

The County of Maui

Agency or Organization



Signature of Director, Office of Public
Housing or Native American
Programs

AUG 15 2016

DATE