

**Performance Grant Agreement for 2014 Renewal Grants**

Grant Number: AZH140014

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DUNS No.: 020126041

Project Location (City/Co. & State): Cochise County, Arizona

**HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS  
PERFORMANCE GRANT AGREEMENT FOR FISCAL YEAR 2014**

This Performance Renewal Grant Agreement ("Agreement") is made between the United States Department of Housing and Urban Development ("HUD") and **Cochise County, Arizona** ("Grantee").

Definitions

The terms "Grant" and "Grant Funds" mean the funds provided under this Agreement.

The term "Application" means the application submissions on the basis of which a Grant was originally approved by HUD, including certifications and assurances and any information or documentation required to meet grant award conditions.

The term "Renewal Application" means the application submission on the basis of which the 2014 Grant renewal was approved by HUD, including certifications and assurances, and any information or documentation required to meet renewal grant award conditions.

The term "Project Sponsor" means any private nonprofit organization or governmental housing agency that receives funds under a contract with the Grantee to carry out eligible activities identified in the Application.

## Background

This Agreement will be governed by the requirements of the AIDS Housing Opportunity Act, 42 U.S.C. 12901 *et seq.* (“Act”), the Housing Opportunities for Persons with AIDS (“HOPWA”) program regulations, 24 C.F.R. part 574 (“Regulations”), and HOPWA renewal memorandum, Standards for Fiscal Year 2014 HOPWA Permanent Supportive Housing Renewal Grant Applications, issued February 03, 2014. The Regulations are attached hereto as Exhibit C and are incorporated into this Agreement.

## Approved Grant Amount

The Application, **AZH110018**, is incorporated herein, as updated through the “Renewal Application” and, if applicable, through a HUD-approved grant amendment. However, in the event of conflict between a provision of the Application and a provision of this Agreement, the latter shall control.

The Renewal Application, **AZH140014**, is incorporated herein as part of this Agreement and attached hereto as Exhibit A. In the event of conflict between a provision of the Renewal Application and any provision of this Agreement, the latter shall control.

Upon execution of this Agreement, HUD agrees to provide **\$655,584** to the Grantee to carry out the project described in the Renewal Application (Exhibit A), and approved in the Competition Report Budget (Exhibit B), both of which are incorporated into this Agreement.

## Renewal Grant Purpose and Requirements for Providing Permanent Supportive Housing

As a requirement for the receipt of federal funds for permanent supportive housing, Grantee agrees to, and must ensure that each project sponsor agrees to maintain project eligibility and related documentation on the following:

- (1) **Permanent Supportive Housing.** At least 51 percent of the HOPWA program activity funds awarded to the project must be used to provide permanent supportive housing support to HOPWA eligible persons. Any new funds, including commitments of other funds, must be utilized to provide permanent supportive housing to eligible persons for the planned annual outputs;
- (2) **Commitments.** Exhibit B provides the list of commitments of other resources to be used in conjunction with HOPWA funds. If your project relies on other state, local, federal, or private resources to provide the permanent housing or supportive services portion of your project, as documented in the approved HUD 40110-B, HOPWA budget form submitted in the final approved renewal grant application, you must ensure that the other resources will continue to be available for that purpose throughout the commitment period noted in the grant. Failure to use committed resources as documented and approved by HUD may constitute a grant default, which may result in grant sanctions, including reductions in amounts awarded for supportive services;

- (3) **Leases and Occupancy Agreements.** Maintain evidence that the client has a continuous legal right to remain in the unit or property and has access to ongoing supportive services provided through qualified providers. Grant files must include a copy of the standard lease form or occupancy agreement used for residents of the project. The lease or occupancy agreement must be for a term of at least one year. The lease or occupancy agreement must also be automatically renewable upon expiration, except on reasonable prior notice by either the tenant or the landlord. Failure to maintain this project documentation of the client's lease or occupancy agreement will constitute a grant default;
- (4) **Permanent Housing Placement Costs (PHP).** If providing security deposits, such costs are to be reasonable and limited to not more than two months' rent and classified as part of the BLI shown as Permanent Housing Placement Costs;
- (5) **General Section.** The Grantee agrees to comply with the Fiscal Year 2014 General Section, including drug-free workplace standard requirement listed in Section VI.B.12. ;
- (6) **Environmental Review.** The Grantee agrees to comply with environmental review requirements, as set forth at 24 C.F.R. 574.510. When activities are subject to 24 C.F.R. part 58, this includes that the Grantee agrees, and will ensure that any Project Sponsor, contractor, or other participant in development of the project agrees, that it will not commit or expend Grant Funds or non-Grant funds on, or undertake, any activity under the project, except for activities that are exempt under 24 C.F.R. 58.34, activities that are excluded under 24 C.F.R. 58.35(b), or relocation assistance that qualifies under 24 C.F.R. 58.22(f), until the responsible entity has completed the environmental review procedures required by 24 C.F.R. part 58 and the environmental certification and Request for Release of Funds have been approved. If HUD carries out the environmental review under 24 C.F.R. part 50, Grantee agrees, and will ensure that any Project Sponsor, contractor, or other participant in development of the project agrees, not to acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct property for the project, or commit or expend Grant Funds or non-Grant funds for such activities, until HUD has performed the environmental review and Grantee has received HUD approval of the property. Grantee also agrees to provide the responsible entity (under part 58) or HUD (under part 50) with information necessary to perform any required environmental review, and to carry out mitigating measures required by the responsible entity or HUD or select alternate eligible property.

### Amendments

This constitutes the entire agreement between HUD and the Grantee. Amendments to this Agreement, including amendments to the Application or Renewal Application, may only be made in accordance with program regulations. Except for amendments for which Grantee is not required to obtain prior HUD approval, the Grantee shall submit a letter of request to the appropriate HUD field office and attach the proposed amendment(s) to the applicable page(s) of this Agreement. The effective date of any amendment to this Agreement that requires HUD approval shall be the date of execution of written approval by HUD.

### Pre-award costs

In cases where the original agreement has now expired and all funds expended, eligible costs under the new renewal award may include pre-award costs to support continuation of the approved renewal activities. Pre-award costs are authorized by OMB Circulars A-87 and A-122, which are applicable to the HOPWA program under 24 C.F.R. § 574.605. Pre-award costs are those costs incurred prior to the effective date of the award directly pursuant to the execution of this Agreement where such costs are necessary to comply with the proposed delivery schedule or period of performance for continued activities. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the award and only with the written approval of HUD. Renewal Grantees are required to obtain approval of pre-award costs via a written request to the field office prior to incurring costs.

### Performance

Grantee agrees, and will ensure that each Project Sponsor agrees to:

- (1) Comply with requirements established by the Office of Management and Budget (OMB) concerning the Dun and Bradstreet Data Universal Numbering System (DUNS), the System for Award Management (SAM) database, and the Federal Funding Accountability and Transparency Act, including Appendix A to 2 C.F.R. part 25 and Appendix A to 2 C.F.R. part 170. In Fiscal Year 2014, SAM replaced the Central Contractor Registration (CCR) database. Additional guidance on migration to SAM, active records, updates to entity information and registration can be accessed at <https://www.sam.gov>.
- (2) Comply with requirements established by the Office of Management and Budget (OMB) regarding Reporting and Use of Information Concerning Recipient Integrity and Performance, including Appendix A to Part 35 of the Time-of-Award Responsibilities, 75 Fed. Reg. 7316 (Feb. 18, 2010)(to be codified at 2 CFR part 35).
- (3) Provide housing support to HOPWA eligible persons over the operating period of this grant consistent with the services described in the renewal application and attached as Exhibit A, and applicable HUD regulations;
- (4) Comply with and meet the performance measure benchmark outputs and outcomes established in the Renewal Application HOPWA Budget form HUD 40110-B found in Exhibit B for the implementation and operation of this award;
- (5) Conduct an ongoing assessment of the permanent supportive housing assistance required by the participants in the program, including annual assessments of their housing situations, and report on the annual achievement of HOPWA client outcome goals in achieving stable housing, reducing risks of homelessness and improving access to care for beneficiaries;

- (6) Assure the adequate provision of supportive services to the participants in the program, including support to access health-care, HIV treatment and benefits or other support available under mainstream health and human welfare programs and other public and private resources, as needed. Further, the Grantee shall ensure that grant funds will not be used to make payments for health services for any item or service to the extent that payment has been made, or can reasonably be expected to be made with respect to that item or service: (i) under any State compensation program, under an insurance policy, or under any Federal or State health benefits program; or (ii) by an entity that provides health services on a prepaid basis;
- (7) OMB recently published Guidance for Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards which supersedes several OMB Circulars, including A-87 and A-122. HUD is preparing regulations to implement the guidance in Departmental programs, including HOPWA. Grantee agrees to comply with the HUD implementing regulations when they become effective;
- (8) The following applies to an application that involves the use of HOPWA funds for supportive service activities aimed at assisting HOPWA clients with substance abuse treatment. Note that, in operating this project, the Grantee and any project sponsor must comply with federal, state and other applicable laws pertaining to the illegal use of a controlled substance. The Grantee and sponsor must undertake reasonable steps to ensure that beneficiaries receive appropriate access to substance abuse treatment and counseling. Admission should be denied, or eviction initiated, for persons engaging in illegal drug activities, where such activities threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. Grantees and project sponsors must establish procedures for project ineligibility and evictions related to illegal drug activities;
- (9) Agree that any program income resulting under this grant be added to the funds committed to the project or other HOPWA program activities under this agreement, to be used to further eligible project or program objectives;
- (10) Agree to maintain records of beneficiary and program activity eligibility, including documentation that evidences compliance with agreements noted above. In the case of participant eligibility records, the Grantee shall update records no less than annually.
- (11) Within 90 days of the date of execution of the Grant Agreement, the grantee agrees, and will ensure that each project sponsor agrees, to either obtain a certificate of completion of HOPWA Financial Management Online Training ([http://www.hudhre.info/index.cfm?do=viewHopwaFinancialTraining.](http://www.hudhre.info/index.cfm?do=viewHopwaFinancialTraining)) by at least one of its employees.
- (12) The grantee agrees, and will ensure that each project sponsor agrees, to take the HOPWA online curriculum to be launched in October of 2014.

### Disbursement of Funds

Grantee agrees to record the expenditure of funds in a timely manner and implement financial procedures to ensure disbursements for reimbursement of the HOPWA renewal grant award expenses through the IDIS system on at least a quarterly basis, beginning three months after the program commencement date established in this Agreement. The Grantee agrees, and will ensure that any Project Sponsor agrees, to make timely payments to each subrecipient upon request, provided the requesting subrecipient is in compliance with program requirements. A request by the Grantee to draw down Grant Funds under the IDIS system or any other payment system constitutes a representation by the Grantee that it and all participating parties are in compliance with the terms of this Agreement.

### Performance Reporting

- (1) In accordance with 24 C.F.R. part 91, the Grantee shall submit an Annual Progress Report (APR) that demonstrates its progress in carrying out its strategic plan and its action plan within 90 days after the close of each program year. Until further notice The performance report must be submitted both in paper form and electronically through the Integrated and Disbursement Information System (IDIS); include the number of individuals assisted, the types of assistance provided, a description of the resources made available, the investment of available resources, the geographic distribution and location of investments, the families and persons assisted (including racial and ethnic status of persons assisted), actions taken to further fair housing
- (2) Comply with such other terms and conditions, including record keeping and reports (which must include racial and ethnic data on participants, annual housing outputs and client housing outcomes) for program monitoring and evaluation purposes, as HUD has established for purposes of carrying out the program in an effective and efficient manner;

### Project Sponsors

The Grantee shall ensure that Project Sponsors are aware of requirements imposed upon them by federal statutes and implementing regulations. Project Sponsor contracts should include any clauses required by this Agreement and any other applicable federal requirements, including those set forth in Executive Orders and Office of Management and Budget Circulars.

### Defaults and Remedies

A default shall occur when the Grantee materially fails to comply with program requirements. A default may consist of using Grant Funds other than as authorized by this Agreement, noncompliance with statutory, regulatory, NOFA, 2014 Renewal Memorandum, or other requirements applicable to this HOPWA award, any other material breach of this Agreement, or

any material misrepresentation, which, if known to HUD, would have resulted in the Grant Funds not being provided. If the Grantee fails to comply with any term of this award, HUD may:

- (1) Temporarily withhold further payments pending corrective action by the Grantee or Project Sponsor;
- (2) Disallow all or part of the cost of an activity or action not in compliance;
- (3) Wholly or partly suspend or terminate the current award for the Grantee's or Project Sponsor's program;
- (4) Withhold further awards for the HOPWA program;
- (5) Reduce or recapture Grant Funds;
- (6) Require the Grantee to reimburse program accounts with non-Federal funds for the amount of ineligible costs; or
- (7) Take other appropriate action, including, but not limited to, any remedial action legally available, such as affirmative litigation seeking declaratory judgment, specific performance, damages, temporary or permanent injunctions and any other legally available remedies.

Nothing in this paragraph shall limit any remedies otherwise available to HUD in the case of a default by the Grantee. No delay or omissions by HUD in exercising any right or remedy available to it under this Agreement shall impair any such right or remedy or constitute a waiver or acquiescence in any Grantee default. The Grant may be terminated for convenience when both parties agree that the continuation of the award would not produce beneficial results.

The Grantee agrees to the terms and conditions of this Agreement. The term of this Agreement shall begin on January 1, 2015 (mm/dd/yyyy) and end on January 1, 2018 (mm/dd/yyyy), or three years from the beginning date of this Agreement, whichever comes first. Notwithstanding the foregoing, the term of this Agreement may not begin until the original grant agreement **AZH110018** has expired.

The term of performance is acknowledged by HUD. \_\_\_\_\_ (Initial)

The point of obligation occurs on the dated signature of the Department of Housing and Urban Development representative. This Agreement is hereby executed by the Parties on the dates set forth below their respective signatures, as follows:

UNITED STATES OF AMERICA  
Department of Housing and Urban Development  
By: The Secretary or HUD designated signatory

By: Maria F. Cremer  
(Signature)

Maria F. Cremer  
Director, Community Planning  
and Development  
\_\_\_\_\_  
(Title)

JUN - 4 2014  
(Date)

GRANTEE

By: \_\_\_\_\_  
(Authorized signatory)

Patrick G. Call  
(Type in name of authorized signatory)

Chairman, Board of Supervisors  
(Title of authorized signatory)

\_\_\_\_\_  
(Date)