

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
 COMMUNITY PLANNING AND DEVELOPMENT  
 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

PROGRAM HIGHLIGHTS

	ACTUAL 2000	ENACTED 2001	ESTIMATE 2002	INCREASE + DECREASE - 2002 vs 2001
	(Dollars in Thousands)			
<u>Program Level:</u>				
Obligations .....	\$220,408	\$326,657	\$277,432	-\$49,225
<u>Appropriations:</u>				
Enacted or Proposed .....	\$232,000	\$258,000	\$277,432	+\$19,432
Rescission .....	...	-\$568	...	+\$568
Subtotal .....	\$232,000	\$257,432	\$277,432	+\$20,000
<u>Budget Outlays</u>				
Outlays (net) .....	\$215,425	\$216,246	\$219,016	+\$2,770

SUMMARY OF BUDGET ESTIMATE

The fiscal year 2002 Budget proposes \$277 million for the HOPWA program to meet the housing and related needs of approximately 53,100 low-income households with HIV-AIDS. Assistance is provided through rental assistance, community residences and other facilities, and short-term payments for rent, mortgage and utility payments to prevent homelessness. This request would provide an increase of \$20 million, about 7.6 percent, over fiscal year 2001 funding.

EXPLANATION OF INCREASES AND DECREASES

Obligations decrease by \$51 million due to the expectation that all available balances in 2001 will be obligated by the end of that fiscal year. The higher level of funding will serve 3,700 additional households. Outlays are expected to increase by \$2.8 million in fiscal year 2002, reflecting the expanded capacity of AIDS housing providers to implement and manage programs.

PROGRAM DESCRIPTION AND ACTIVITY

1. Legislative Authority. The Housing Opportunities for Persons with AIDS program is authorized by the AIDS Housing Opportunity Act, 42 U.S.C. 12901 (Title VIII, Subtitle D, of the Cranston-Gonzalez National Affordable Housing Act (NAHA) as amended by the Housing and Community Development Act of 1992).

2. Program Area Organization.

a. Program Purpose. The HOPWA program is an essential component of the national efforts to address needs due to the HIV epidemic. HOPWA remains the only Federal program solely dedicated to providing housing assistance to persons living with HIV/AIDS and their families. Housing funded by HOPWA provides a basis for helping persons at the lowest income levels to access appropriate care and acts as a base to help maintain often difficult therapies and medical regimens. The program provides States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with HIV/AIDS and their families. In addition to the development of housing and rental assistance, funds can be used for short-term rent, utility payments, and supportive services for persons with HIV/AIDS and their families.

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Authorizing legislation (Section 854c of NAHA) requires that 90 percent of appropriated funds be distributed by formula to qualifying States and metropolitan areas on the basis of the cumulative number and the incidence of AIDS reported to the Center for Disease Control (CDC) by March 31 of the year preceding the appropriation year. The remaining 10 percent of funds are to be distributed through a national competition. The 2001 Appropriation Act requires HUD to renew expiring contracts prior to awarding funds to new projects. The Department was authorized to use up to 1 percent (\$2.5 million) for training, oversight and technical assistance in the fiscal year 2001 Appropriations Act. HUD requests \$2 million for technical assistance in fiscal year 2002.

HOPWA funds are made available under the Department's Consolidated Plan initiative which serves as the vehicle for a community to comprehensively identify each of its needs and to coordinate a holistic and responsive plan of action for addressing them with Federal and other resources. For a community to successfully address its often complex and interrelated problems, including homelessness and the risk of homelessness among persons living with HIV/AIDS and their families, the community must marshal its varied community and economic development resources, health care and service programs, and use them in a coordinated and effective manner.

b. Eligible Applicants. As indicated above, 90 percent of each year's appropriation is distributed by formula to those jurisdictions that meet the minimum requirements, as reported to the CDC. Metropolitan areas with a population of at least 500,000 which have at least 1,500 reported cumulative cases of AIDS and areas of a State outside of qualifying metro areas which have at least 1,500 reported cases of AIDS qualify for formula awards. HUD is proposing to continue two administrative provisions on eligibility: (1) the fiscal years 2000 and 2001 Appropriations Acts also maintained eligibility for States that had received prior grants and (2) provided authority for the State of New Jersey to administer funds for the New Jersey portion of the Philadelphia metropolitan area. Based on CDC data, an additional three to six States or localities are likely to become newly eligible for formula-based allocations in 2002. The following displays the number of jurisdictions that have qualified for a formula allocation since the program's inception, and an estimate of the number that will qualify in fiscal year 2002:

<u>Year</u>	<u>Number of Qualifying Jurisdictions</u>
1998	88
1999	97
2000	101
2001	105
2002 (Estimate)	108-111

Ten percent of funds are awarded by national competition as provided in the Department's SuperNOFA process. The 2001 Appropriations Act requires HUD to renew funding to expiring competitive grants prior to making new awards. HUD implemented this new requirement in the 2001 SuperNOFA and **does not object** to continuing this provision in 2002. Competitive grants are available to State and local governments and private nonprofit entities for projects of national significance, and to State and local governments for projects in areas which do not qualify for a formula allocation. The SuperNOFA establishes the renewal procedures and the selection criteria and procedures, consistent with NAHA and the HUD Reform Act. Recipients of either formula or competitive grants must use HOPWA assistance consistent with a HUD-approved Consolidated Plan, except for activities undertaken on a nationwide basis.

c. Eligible Activities. Grants are available for activities designed to carry out strategies to prevent homelessness and include: housing information and coordination of housing and services; short-term supportive housing and services; rental assistance; single room occupancy dwellings; community residences and services; program development; administrative costs; and technical assistance in operating a community residence. Under the 2000 and 2001 Appropriations Acts (and requested for 2002), HOPWA technical assistance will be provided to communities: (1) to assist in comprehensive and holistic approaches in strategic planning and needs assessments; and (2) to enhance the capacity of organizations to undertake eligible activities, including national and local training conferences, assistance in local development and financing of projects, operational issues, service delivery models, program evaluation and the use of publications,

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handbooks reports, guidance, and other communications. As established in the 2001 Appropriation Act, 2001 funds also will be used for training and oversight activities.

HOPWA funding is integrated into the overall Federal response to the HIV/AIDS epidemic, HUD is working in collaboration with the Department of Health and Human Services (HHS), and the Department of Veterans Affairs (VA) to implement technical assistance targeting the development of comprehensive approaches to health care, housing, and supportive services to persons living with HIV/AIDS. HUD and HHS provide program staff who present annually at the U.S. Conference on AIDS, and at Ryan White and HOPWA grantee meetings, as well as other HIV/AIDS conferences emphasizing the importance of local and State comprehensive planning to streamline and integrate services and to maximize local, State, and Federal resources. This is especially highlighted through the Department's Consolidated Planning Process which encourages States and local communities to develop comprehensive housing and supportive service strategies that help coordinate Federal programs as well as State, local, and private funding. In addition, HUD staff work closely with communities to assist them in bringing together community stakeholders to facilitate more holistic approaches to local issues. Through these collaborations and strategies, the Department strives to meet the goal of integrated housing, health care, and supportive services for persons living with HIV/AIDS.

The requested increase in funding is necessary because with the growing number of persons living with HIV/AIDS there are accordingly additional persons in need of housing assistance and other related services. The Center for Disease Control and Prevention (CDC) reported that, as of June 2000, a total of 753,907 Americans have been diagnosed with AIDS and that an estimated 311,701 persons were living with AIDS. CDC also has estimated that 800,000 - 900,000 persons are living with HIV infection, including persons living with AIDS. Although the advancements in AIDS drugs and therapies offer significant hope, they have not been appropriate for, accessible to, or successfully used by all persons, especially persons who are homeless, have very low-incomes, or are challenged by mental illness or substance abuse problems. Additionally, as the costs for care increase, cities and States have to share available funding among more clients who are in need of housing and other support and a number of recipients report having waiting lists for HOPWA assistance. At the same time, persons with HIV/AIDS are now living longer, due in large measure to recent successes in AIDS drug therapies. Thus, families dependent on HOPWA support will also continue to require assistance. Experience suggests that the requested funding will be used as follows:

	2000 Units	Persons Assisted a/	2001 Units	Persons Assisted a/	2002 Units	Persons Assisted a/
Rental Assistance (1-3 years)	10,700	13,400	11,800	14,700	12,700	15,900
Short-term rent, mortgage & utility payments to prevent homelessness, and short-term facilities	26,102	33,400	29,700	37,100	31,900	39,900
Community residences, Single Room Occupancy dwellings, and other facilities with construction rehabilitation, acquisition, operating costs and services	7,100	8,900	7,900	9,900	8,500	10,600
<b>Subtotals for housing assistance</b>	<b>44,500</b>	<b>55,700</b>	<b>49,400</b>	<b>61,700</b>	<b>53,100</b>	<b>66,400</b>
Other Services, including supportive services, housing information and technical assistance to non-profit organizations b/	N/A	24,000	N/A	27,000	N/A	29,000
<b>Total Assistance</b>	<b>43,902</b>	<b>79,700</b>	<b>49,400</b>	<b>88,700</b>	<b>53,100</b>	<b>95,400</b>

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NA = Not Applicable

a/ Includes family members residing with the person living with HIV/AIDS.

b/ Persons receiving supportive services only from HOPWA (housing needs covered by other sources); persons receiving both housing assistance and services are included in the three housing assistance categories.

Over the last 2 years, Policy Development and Research conducted a review of the HOPWA and issued its findings in December 2000. The study's findings can be found on their Website at [http://huduser.org/publications/hsgspec/hopwa\\_0101.html](http://huduser.org/publications/hsgspec/hopwa_0101.html). In summary, the study found:

- The HOPWA program predominantly serves extremely low-income and very low-income persons living with HIV/AIDS, including many people with additional burdens; the report documents that 54 percent are persons with extremely low-income (less than 30 percent area median) and another 27 percent are very low-income (30-50 percent area median);
- The HOPWA program's flexibility helps meet clients' housing needs and preferences;
- The HOPWA program appears to enhance clients' housing stability;
- Clients report a high level of satisfaction with the housing they are receiving; and a survey of clients showed that 60 percent were very satisfied and another 30 percent were satisfied with the housing assistance;
- Most grantees and housing assistance providers report some degree of coordination with Ryan White CARE Act and Continuum of Care systems; 92 percent of providers reported linkages for clients with Ryan White CARE programs;
- On average, each dollar used for HOPWA housing assistance is being combined with a dollar for housing assistance from other government and private sources; (other sources on average contributed 70 percent of housing development costs and 58 percent of operating costs);
- Collaboration is a key component to successful project implementation; and in preventing duplication and assisting clients focus on health goals; and
- Special Projects of National Significance are providing effective models for replication.

Grantee performance reports indicate that clients who receive housing assistance through this program are often at the lowest income levels, with approximately 63 percent of beneficiaries in households that receive less than \$500 per month in family income and 94 percent of beneficiaries in households that receive less than \$1,000 per month.

Grantees report that 70 percent of all HOPWA dollars are allocated to deliver housing assistance, such as rental assistance, short-term rent, mortgage assistance, and utility payments to prevent homelessness; assistance in short-term facilities; and community residences, SRO dwellings and other housing facilities. Facility-based assistance may include funds for construction, rehabilitation, acquisition, operating costs, and supportive services provided at the site. Funds may also be used for housing information, technical assistance in operating community residences, and resource identification activities to establish, coordinate, and develop housing resources.

While housing continues to be the primary focus of the program, grantees may use funds for supportive services (such as support with daily living activities, substance abuse treatment and counseling, child care, etc.) in response to the needs of persons living with HIV/AIDS, to ensure these clients remain in stable housing. Grantees report that 22 percent of HOPWA program funds are expended for supportive services in connection with housing activities. Supportive services are defined as including, but not limited

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to, health (if not reimbursable from other sources), mental health, assessment, permanent housing placement, drug and alcohol abuse treatment and counseling, day care, nutritional services, intensive care when required, and assistance in gaining access to local, state, and Federal Government benefits and services.

Grantee and project sponsor administrative costs, as reported by grantees, represent the remaining 8 percent of program funds. Administrative costs are defined by statute as 3 percent for grantee administration and 7 percent for project sponsor administration.

The Budget requests that \$2 million of the appropriation be allocated for training, oversight and technical assistance to support program performance by grantees and sponsors. This provision was included in the 2000 Appropriations Act and, at a higher level (1 percent or \$2.57 million) in the 2001 Appropriations Act. There is evidence that technical assistance is helping HOPWA programs grow in their capacity to fully utilize funds and to carry out activities within the public trust in addressing clients' needs in a comprehensive and cost effective manner. Since 1992, communities have developed greater and more effective capacities for providing AIDS housing assistance, as seen in the year to year increases in program outlays. Such a trend illustrates an overall increase in the effective use of program funds, due to the increased capacity of HOPWA program providers.

STATUS OF FUNDS

1. Authorization. Authorizing legislation is not required to continue the program.
2. Balances Available.

a. Unobligated Balances. The following table compares the program obligations with funds available by year.

	<u>ACTUAL</u> <u>2000</u>	<u>ESTIMATE</u> <u>2001</u>	<u>ESTIMATE</u> <u>2002</u>
	(Dollars in Thousands)		
Unobligated balance, start of year	\$56,989	\$69,225	...
Appropriation.....	232,000	258,000	\$277,432
...			
Rescission.....		<u>-568</u>	
...			
Subtotal.....		326,657	
Recoveries from prior years	<u>643</u>	<u>...</u>	<u>...</u>
.....			
Total	289,633	326,657	277,432
Available.....			
Obligations.....	<u>-220,408</u>	-326,657	<u>-277,432</u>
...			
Unobligated balance, end of year.....	69,225	...	...

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b. Obligated Balances. The status of obligated balances is as follows.

	ACTUAL <u>2000</u>	ESTIMATE <u>2001</u>	ESTIMATE <u>2002</u>
	(Dollars in Thousands)		
Obligated balance, start of year.....	\$436,381	\$440,722	\$551,133
Obligations incurred.....	<u>220,408</u>	<u>326,657</u>	<u>277,432</u>
Subtotal.....	656,789	767,379	828,565
Outlays.....	-215,424	-216,246	-219,016
...			
Adjustment in unexpired accounts.....	<u>-643</u>	<u>...</u>	<u>...</u>
Obligated balance, end of year.....	440,722	551,133	609,599

STRATEGIC GOALS AND OBJECTIVES: RESOURCES REQUESTED (\$ AND FTE) AND RESULTS

The HOPWA program contributes to meeting the Department's Strategic Goal #1 of increasing the availability of decent, safe, and affordable housing in American Communities, as described in the Annual Performance Plan by supporting performance indicator 1.2.d - "The number of households receiving housing assistance with CDBG, HOME, HOPWA, RHED, and NAHASDA increases." It also supports Strategic Goal #5 to effectively deliver results to enable HUD partners to effectively deliver results to customers by monitoring compliance with Consolidated Plans.

SELECTED PERFORMANCE MEASURES:

	ACTUAL 2000	ENACTED 2001	ESTIMATE 2002
<b>Strategic Goal 1: Increase the availability of decent, safe and affordable housing in American communities.</b>			
Discretionary BA (Dollars in Thousands)	232,000	257,432	277,432
FTE	32	31	31
<b>Strategic Objective 1.2: Affordable rental housing is available for low-income households.</b>			
Output Indicator 1.2.d: The number of households receiving housing assistance with CDBG, HOME, HOPWA and NAHASDA increases.	43,902	44,500	49,400
<b>Strategic Goal 5: Ensure public trust in HUD.</b>			
Discretionary BA (Dollars in Thousands)	...	...	...
FTE	2	2	2
<b>Strategic Objective 5.1: HUD and HUD's partners effectively deliver results to customers.</b>			
Output Indicator 5.1.d: HUD reviews 35 percent of Consolidated Plan Grantees and 10 percent of competitive grants on site for compliance with their plans.	Grantees 51% Grants- Not Applicable	Grantees 20% Grants- Not Applicable	Grantees 35% Grants 10%

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**DISTRIBUTION OF FUNDS BY STATE**

The distribution of HOPWA funds for the 2000, 2001 and 2002 appropriations are shown below.

The cumulative amounts are for local and State grantees located within these States.

STATE OR TERRITORY	ACTUAL	ACTUAL	ESTIMATE
	<u>2000</u>	<u>2001</u>	<u>2002</u>
	Dollars In Thousands		
Alabama . .	1,227	1,393	1,505
Alaska . .	...	...	...
Arizona . .	1,401	1,646	1,779
Arkansas . .	574	640	692
California . .	27,961	30,573	33,041
Colorado . .	1,179	1,281	1,384
Connecticut . .	2,379	2,730	2,950
Delaware . .	547	772	834
District of Columbia (Metro area).	6,335	8,721	9,425
Florida . . .	26,097	29,209	31,567
Georgia . .	4,943	5,933	6,412
Hawaii . .	513	561	606
Idaho . .	-	-	-
Illinois . .	4,881	5,479	5,921
Indiana . .	1,250	1,340	1,448
Kentucky . .	602	721	779
Louisiana . .	3,281	4,131	4,464
Maryland . .	5,632	5,525	5,971
Massachusetts . .	3,153	4,924	5,322
Michigan . .	2,282	2,518	2,721
Minnesota . .	779	858	927
Mississippi . .	831	955	1,032
Missouri . .	2,183	2,417	2,612
Nevada . .	922	1,014	1,096
New Jersey . .	22,990	13,186	14,250
New Mexico . .	415	459	496
New York . .	52,494	57,560	62,207
North Carolina . .	2,104	2,366	2,557
Ohio . .	2,416	2,646	2,860
Oklahoma . .	754	820	886
Oregon . .	809	880	951
Pennsylvania . .	5,428	8,098	8,752
Rhode Island . .	440	481	520
South Carolina . .	2,305	2,617	2,828
Tennessee . .	2,096	2,128	2,300
Texas . .	14,205	12,580	13,596
Utah . .	387	439	474
Virginia . .	1,806	2,047	2,212
Washington . .	1,906	2,078	2,246
Wisconsin . . .	737	801	866
Puerto Rico . .	<u>7,990</u>	<u>6,845</u>	<u>7,398</u>
Subtotal formula grants . .	218,234	229,372	247,889
Competitive Grants . .	12,026	25,486	27,543
Technical assistance . .	1,740	2,574	2,000
TOTAL HOPWA . .	232,000	257,432	277,432