

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

PROGRAM HIGHLIGHTS

	ACTUAL 2001	ENACTED 2002	ESTIMATE 2003	INCREASE + DECREASE - 2003 vs 2002
	(Dollars in Thousands)			
<u>Program Level:</u>				
Obligations	\$238,527	\$277,432	\$292,000	+\$14,568
<u>Appropriations:</u>				
Enacted or Proposed	\$258,000	\$277,432	\$292,000	+\$14,568
Rescission	<u>-\$568</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>
Subtotal	\$257,432	\$277,432	\$292,000	+\$14,568
<u>Budget Outlays</u>				
Outlays	\$240,566	\$250,000	\$260,000	+\$10,000

NA = Not Applicable

SUMMARY OF BUDGET ESTIMATES

The fiscal year 2003 Budget proposes \$292 million for the HOPWA program to meet the housing and related needs of approximately 55,900 low-income households with the HIV-AIDS. The funding request for this program is significantly demand driven and reflects most recent AIDS data provided by the Center for Disease Control and Prevention (CDC). The funding continues the enacted legislative provisions of recent years to give priority to renew all existing grantees that provide permanent supportive housing and also includes funding for the projected inclusion of three to four new formula grantees. 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 \$14568 million over fiscal year 2002 funding.

EXPLANATION OF INCREASES AND DECREASES

Obligations increased by \$146 million due to the higher level of funding that will serve 2,800 additional households. Outlays are expected to increase by \$10 million in fiscal year 2003, reflecting the expanded capacity of AIDS housing providers to implement and manage programs and increased program funding levels in recent years. Due to administrative difficulties following the terrorist attack, the New York City HOPWA program was delayed in filing reimbursements in fiscal year 2001. In November 2001, the city was reimbursed for activities accomplished in fiscal year 2001.

PROGRAM DESCRIPTION AND ACTIVITY

1. Legislative Authority The Housing Opportunities for Persons with AIDS program is authorized by the AIDS Housing Opportunity Act, 42 USC 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 the housing needs of people impacted by 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 access appropriate care and acts as a

Housing Opportunities for Persons With AIDS

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 to help maintain their homes and avoid homelessness.

The fiscal year 2002 Appropriations Act authorizes the use of \$2 million for technical assistance, training and oversight. The same amount is proposed for these purposes in fiscal year 2003. Authorizing legislation (Section 854c of NAHA) requires that 90 percent of the remaining appropriated funds be distributed by formula to qualifying States and metropolitan areas on the basis of two factors: (1) 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; and (2) to metropolitan areas that have higher than average incidence of AIDS, based on AIDS surveillance data reported for the prior years. The remaining 10 percent of funds are distributed through a national competition that HUD includes in the SuperNofa announcement. The 2002 Appropriations Act required HUD to renew expiring contracts for permanent supportive housing prior to awarding funds to new projects. This authority is requested to be continued.

HOPWA formula funds are made available under the Department's Consolidated Plan process which serves as the vehicle for a community to comprehensively identify each of its needs, consult with citizens and organizations in the community, and coordinate a 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 housing, 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. In response to a Congressional directive in the fiscal year 1999 Appropriations Act, the Department made recommendations for updating the statutory formula to use an estimate of persons living with AIDS and housing costs to distribute formula funds.

HUD is proposing to continue three administrative provisions on eligibility contained in the fiscal year 2002 Appropriations Act: (1) which maintained eligibility for States that had received prior grants; (2) provided authority for the State of New Jersey to administer funds for the New Jersey portion of the Philadelphia metropolitan area; and (3) authorized Wake County to administer the allocation to the Raleigh-Durham, NC metropolitan area.

Based on HUD's review of CDC data, an additional three to four States or localities are likely to become newly eligible for formula-based allocations in 2003. The following displays the number of jurisdictions that have qualified for a formula allocation in recent years and an estimate of the number that will qualify in fiscal year 2003:

<u>Year</u>	<u>Number of Qualifying Jurisdictions</u>
1999	97
2000	101
2001	105
2002	108
2003	111-112

Ten percent of funds are awarded by national competition as provided in the Department's Notice of Funds Availability (NOFA) process. The 2002 Appropriations Act requires HUD to renew funding to expiring competitive grants that provide permanent

Housing Opportunities for Persons with AIDS

supportive housing prior to making new awards. The renewal priority was first established in the fiscal year 2001 Appropriations Act and pertained to all expiring grants, not just those with permanent supportive housing efforts. HUD implemented the new requirement in the 2001 SuperNOFA competition. The competition resulted in 22 renewal grants for \$215 million in awards and the availability of about \$4 million that was used to select three new project grants.

Competitive grants are available to State and local governments and private nonprofit entities for projects in areas which do not qualify for a formula allocation. The NOFA 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.

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; the development and operation of single room occupancy dwellings and community residences and services; program development; administrative costs; and technical assistance in operating a community residence.

The 2002 Appropriations provided that \$2 million be allocated for training, oversight and technical assistance to support program performance by grantees and sponsors and it is likewise proposed for 2003. This provision was included in the 2000 Appropriations Act and, at a higher level (1 percent or \$257 million) in the 2001 Appropriations Act. Technical assistance is a vital tool in helping HOPWA programs, which operate through about 700 nonprofit projects, to grow in their capacity to undertake activities and manage programs. Technical assistance efforts ensure that recipients fully utilize funds 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. Technical assistance will be provided to communities to fund national and local training conferences, assist nonprofit sponsor in sustaining on-going programs, assist in local development and financing of projects, support operational issues, service delivery models, program evaluation and the use of publications, handbooks, reports, guidance, and other communications.

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 better integrate health care, housing, and supportive services to persons living with HIV/AIDS. HUD and HHS provide program staff who present annually at the US Conference on AIDS, and at Ryan White (HHS) and HOPWA grantee meetings, as well as other HIV/AIDS conferences. This interagency cooperation will emphasize 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 increasing the availability of affordable housing for the target population and integrating assistance from other sources for needed 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 CDC reported that, as of December 2000, a total of 774,407 Americans have been diagnosed with AIDS and that an estimated 322,865 persons are living with AIDS. CDC reported that 42,156 cases of AIDS were diagnosed in the prior 12-month period. CDC also has estimated that 800,000 - 900,000 persons are living with HIV infection, including persons living with AIDS. Although the

Housing Opportunities for Persons With AIDS

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. A number of recipients report having waiting lists for HOPWA assistance and the need to reach underserved populations. The long-range effectiveness of treatment advances is currently unknown and evidence of toxicity in treatments is a concern. Thus, low-income families dependent on HOPWA support will also continue to require assistance. Experience from grantee performance reporting suggests that the requested funding will be used as follows:

	2001 Units	Persons Assisted <u>a/</u>	2002 Units	Persons Assisted <u>a/</u>	2003 Units	Persons Assisted <u>a/</u>
Rental Assistance (1-3 years)	11,800	14,700	12,700	15,900	13,400	15,750
Short-term rent, mortgage & utility payments to prevent homelessness, and short-term facilities	29,700	37,100	31,900	39,900	33,600	42,000
Community residences, Single Room Occupancy dwellings, and other facilities with construction rehabilitation, acquisition, operating costs and services	7,900	9,900	8,500	10,600	8,900	11,125
Subtotals for housing assistance	49,400	61,700	53,100	66,400	55,900	68,875
Other Services, including supportive services, housing information and technical assistance to non-profit organizations <u>b/</u>	N/A	27,000	N/A	29,000	N/A	30,000
Total Assistance	49,400	88,700	53,100	95,400	55,900	98,875

NOTE: Table reflects the number of units funded with appropriations provided during the fiscal year, not necessarily the actual numbers of units assisted during the fiscal year.

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

HUD's Office of Policy Development and Research undertook a National Evaluation of the Housing Opportunities for Persons with AIDS Program (HOPWA), and the findings issued in January 2001 noted:

- 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);

Housing Opportunities for Persons with AIDS

- 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;
- Most grantees and housing assistance providers report some degree of coordination with Ryan White CARE Act and HUD's Continuum of Care systems;
- On average, each dollar used for HOPWA housing assistance is being combined with a dollar for housing assistance from other government and private sources;
- 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 94 percent of beneficiaries in households that receive less than \$1000 per month in family income

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 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 up to 3 percent for grantee administration and up to 7 percent for project sponsor administration

Housing Opportunities for Persons With AIDS

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

	ACTUAL	ESTIMATE	ESTIMATE
	<u>2001</u>	<u>2002</u>	<u>2003</u>
	(Dollars in Thousands)		
Unobligated balance, start of year	\$69,225	\$88,263	\$88,263
Appropriation	258,000	277,432	292,000
Rescission	<u>-568</u>		
Subtotal	326,657	365,695	380,263
Recoveries from prior years	<u>133</u>		
Total Available	326,790	365,695	380,263
Obligations	<u>-238,527</u>	<u>-277,432</u>	<u>-292,000</u>
Unobligated balance, end of year	88,263	88,263	88,263

b Obligated Balances The status of obligated balances is as follows

	ACTUAL	ESTIMATE	ESTIMATE
	<u>2001</u>	<u>2002</u>	<u>2003</u>
	(Dollars in Thousands)		
Obligated balance, start of year	\$440,722	\$438,683	\$466,115
Obligations incurred	<u>238,527</u>	<u>277,432</u>	<u>292,000</u>
Subtotal	679,249	716,115	758,115
Outlays	-240,566	-250,000	-260,000
Adjustment in unexpired accounts			
Obligated balance, end of year	438,683	466,115	498,115

Housing Opportunities for Persons with AIDS

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

The HOPWA program contributes to meeting Strategic Goal 2 (below) reflecting the efforts to provide increased housing options for people with AIDS and Strategic Goal 6, reflecting increased efforts to ensure accountability in program involved with the Consolidated Plan process

SELECTED PERFORMANCE MEASURES:

NOTE: Targets are preliminary and may be revised with the submission of the full APP document

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2001	ENACTED 2002	ESTIMATE 2003
Strategic Goal 2: Help families move from rental housing to homeownership			
Discretionary BA (Dollars in Thousands)	\$241,729	\$260,509	\$274,188
FTE			
Headquarters	10	10	10
Field	9	9	9
Subtotal	19	19	19
Strategic Objective 23: Increase the availability of affordable rental housing			
The number of households receiving housing assistance with CDBG, HOME, HOPWA, NHHBG and IHBG increases	49,515	49,400	53,100
Strategic Goal 6: Embrace high standards of ethics, management and accountability			
Discretionary BA (Dollars in Thousands)	\$15,703	\$16,923	\$17,812
FTE			
Headquarters	1	1	1
Field	1	1	1
Subtotal	2	2	2
Strategic Objective 62: Improve accountability, service delivery and customer service of HUD and our partners			
Indicator: HUD will monitor 5 percent more Consolidated Plan grantees on site for compliance with their plans	42%	35%	37%
Streamline Consolidated Plan	NA	NA	NA
FTE Total	21	21	21

NA = Not Applicable

Housing Opportunities for Persons With AIDS

DISTRIBUTION OF FUNDS BY STATE

The distribution of HOPWA funds for the 2001, 2002 and 2003 appropriations are shown below

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

	ACTUAL <u>2001</u>	ACTUAL <u>2002</u>	ESTIMATE <u>2003</u>
<u>STATE OR TERRITORY</u>			
Alabama	1,393	1,545	1,758
Alaska			
Arizona	1,646	1,796	2,044
Arkansas	640	706	803
California	30,573	31,852	36,244
Colorado	1,281	1,374	1,563
Connecticut	2,730	2,839	3,230
Delaware	772	1,165	1,326
District of Columbia (Metro area)	8,721	10,451	11,892
Florida	29,209	34,878	39,687
Georgia	5,933	5,585	6,355
Hawaii	561	598	680
Idaho	-	-	-
Illinois	5,479	5,992	6,818
Indiana	1,340	1,459	1,660
Kentucky	721	795	905
Louisiana	4,131	4,534	5,159
Maryland	5,525	7,033	8,003
Massachusetts	4,924	4,023	4,578
Michigan	2,518	2,769	3,151
Minnesota	858	924	1,051
Mississippi	955	1,097	1,248
Missouri	2,417	2,598	2,956
Nevada	1,014	1,116	1,270
New Jersey	13,186	14,503	16,503
New Mexico	459	501	570
New York	57,560	54,725	62,271
North Carolina	2,366	2,599	2,957
Ohio	2,646	2,851	3,244
Oklahoma	820	982	1,117
Oregon	880	950	1,081
Pennsylvania	8,098	9,147	10,408
Rhode Island	481	521	593
South Carolina	2,617	2,958	3,366
Tennessee	2,128	3,949	4,494
Texas	12,580	13,165	14,980
Utah	439	486	553
Virginia	2,047	2,209	2,514
Washington	2,078	2,249	2,559
Wisconsin	801	868	988
Puerto Rico	6,845	10,097	11,489
Subtotal formula grants	229,372	247,889	261,000
Competitive Grants	25,486	27,543	29,000
Technical assistance	2,574	2,000	2,000
TOTAL HOPWA	257,432	277,432	292,000