

COMMUNITY PLANNING AND DEVELOPMENT
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
2006 Summary Statement and Initiatives
(Dollars in Thousands)

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2004 Appropriation	\$296,500	\$87,931	-\$1,749	\$382,682	\$279,771	\$254,370
2005 Appropriation	284,000	102,905 ^a	-2,272	384,633	284,633	261,000
2006 Request	<u>268,000</u>	<u>100,000</u>	<u>...</u>	<u>368,000</u>	<u>271,000</u>	<u>262,000</u>
Program Improvements/Offsets	-16,000	-2,905	+2,272	-16,633	-13,633	+1,000

a/ Includes \$6,528 in recoveries (excludes \$1,158,225 of expired funds and includes recaptures of \$1,151,697).

Summary Statement

The Department requests \$268 million in fiscal year 2006 funding for the HOPWA program, which is \$16 million less than the fiscal year 2005 appropriation. The funding reduction is a result of the need to provide necessary funding for the Section 8 program.

The funding request for this program is needs-driven and reflects the Department's priority for providing permanent housing assistance to the most vulnerable populations, very low-income persons living with symptomatic HIV or AIDS, who face homelessness and other challenges. The Department is placing greater emphasis on meeting direct housing needs of persons living with HIV/AIDS. For competitive grants, HUD has limited costs for supportive services to 35 percent of project costs - to ensure the main housing focus is established in these awards. The competition also requires that grantees leverage other resources when using HOPWA funds for supportive service activities--with the intended result of not only stretching the amount of HOPWA assistance but ensuring that the program remains firmly planted in addressing the direct housing needs of low income persons living with HIV/AIDS.

The funds assist in removing one of the barriers to effective health-care efforts for persons with HIV, by addressing the lack of stable housing that interferes with their ability to participate in HIV-drug treatments and related care. The HOPWA program distributes 90 percent of the funding by formula to qualifying states and metropolitan areas and the remaining funds through competitive grants. In addition, less than 1 percent of funds are designated to provide for technical assistance, training and oversight.

The funding request for this program reflects most recent AIDS surveillance data provided by the Center for Disease Control and Prevention (CDC) which indicates that 43,790 new cases of AIDS were reported in 2002. This is close to a 3 percent increase over the 42,575 cases reported in 2001. This level of funding will enable the HOPWA program to continue to serve low-income households with HIV/AIDS. The requested 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 2002, an estimated 384,906 persons were living with AIDS and 144,139 persons living with HIV infection (CDC point estimate adjusted on reporting delays). The CDC also estimated that, in including persons not aware of their HIV status, nearly one million persons are currently living with HIV infection, including persons living with AIDS.

Housing Opportunities for Persons With AIDS

Although the advancements in AIDS drugs and therapies offer significant hope, they have not been 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 increases, cities and States have to share available funding among other categories of clients who are also 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 program emphasizes the importance of local and State comprehensive planning to integrate housing and mainstream services and to maximize local, State, and Federal resources. This is especially highlighted through the Department's Consolidated Planning process that helps 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.

Current efforts to collect more complete data about grantee performance have resulted in a more accurate representation of the number of households being served. Comprehensive data for fiscal year 2003 show that a total of 78,467 households received housing assistance through both the formula and competitive HOPWA programs, mainly in the form of rent payments to help maintain current housing arrangements. In fiscal year 2002, 74,964 and in 2001, 72,117 households received housing assistance. The data represent information collected from all HOPWA grantees on actual program year accomplishments and verification review of their performance reports. Preliminary data for 2004 shows 78,000 households are being currently assisted. Additional data collection verification review will be conducted of 2004 performance data. The 2005 goal is set at 70,400 and the estimated 2006 goal is set at 67,000 based on the proposed funding level.

The beneficial impact of this program is demonstrated by a national evaluation by HUD's Office of Policy Development & Research (PD&R) (See, http://www.huduser.org/publications/hsgspec/hopwa_0101.html), issued in January 2001, which noted:

- The HOPWA program predominantly serves the "poorest of the poor," persons with extremely low-incomes and very low-incomes who are living with HIV/AIDS, including many people with additional burdens such as mental illness and substance abuse; the report documents that 54 percent are persons with extremely low-incomes (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 "primarily in the form of tenant-based rental assistance and short-term payments for rent;"
- The HOPWA program appears to enhance clients' housing stability which increases the "ability of clients to focus on maintaining good health and adhering to medical regimens;"
- Clients report a high level of satisfaction with the housing they are receiving in terms of housing stability, adequacy of housing, and quality of life;
- Grantees and housing assistance providers report a high degree of coordination with Ryan White CARE Act and HUD's Continuum of Care systems, including efforts to establish funding priorities. Coordination is also conducted at the service provision level through case management assessments and through partnerships to make a broad range of supportive services available to clients; 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 \$1,000 per month in family income;
- On average, each dollar used for HOPWA housing assistance is being combined with \$2.05 for housing assistance from other government and private sources for housing development and housing operating expenses;

Housing Opportunities for Persons with AIDS

- Collaboration is a key component to successful project implementation to promote a more efficient use of resources and in preventing duplication of services, and collaboration also provides all essential services to assist clients to focus on health goals; and
- Special Projects of National Significance are providing effective models for replication in program designs and implementation and the use of care studies will benefit efforts in other communities.

The 2001 PD&R study further reported that HOPWA funds are expended directly on housing assistance for clients, such as rental assistance, short-term rent, mortgage assistance, and utility payments to prevent homelessness; assistance in short-term facilities; and community residences, Single Room Occupancy (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. Performance data for 2003 demonstrated that 56 percent of the funds expended were for direct housing costs and an additional 5 percent for related housing placement information costs.

Providing permanent housing assistance to low-income persons living with HIV/AIDS is the primary focus of the program. An essential component in providing housing assistance for a special needs population is the coordination and delivery of supportive services, such as: support for residents with their daily living activities; case management; substance abuse treatment and counseling; and other services, to ensure these clients remain stabilized housed. The 2001 PD&R study reported that 22 percent of HOPWA program funds are expended for supportive services in connection with housing activities and 2003 performance data demonstrate that 36 percent were for these related service costs in connection with this housing support. HOPWA clients also use a range of health and supportive services funded by HHS through the Ryan White Care Act.

Grantee and project sponsor administrative costs represent 10 percent of the 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.

In addition to direct costs, HOPWA formula grantees also committed significant amounts of other resources to their projects and provided support to 52,638 households with leveraged funds of more than \$247.4 million in fiscal year 2002. In the competition for fiscal year 2004, renewal grantees reported that they had leveraged over \$27.5 million in other resources to support their awarded projects, about \$1.66 of other funds for each HOPWA dollar awarded.

Program Performance Measurement

An evaluation conducted in preparation of the fiscal year 2005 request, determined that the HOPWA program is largely well established with a clear program purpose and design, that its strategic planning efforts account for the annual use of funds under output indicators on the housing provided, and that the program shows evidence of strong program management. The review noted that HUD uses information to evaluate and improve HOPWA program efforts, and that the program is achieving identified program results. The program is expected to benefit when grantees report on how projects achieve housing stability outcomes for clients to increase their participation in care as the new long-term outcome goals for their program. The Department expects to issue revised report forms in 2005 to begin collecting data under the revised housing outcome measure.

Housing Opportunities for Persons With AIDS

The newly implemented program performance outcome measure will allow grantees to report on how these housing efforts achieve housing stability for clients, enabling them to reduce their risks for homelessness and better support their access to HIV treatment and other health-care. The activities of the HOPWA program support HUD's strategic goals to: promote decent affordable housing and strengthen communities. Within these strategic goals, the HOPWA program supports the objectives to: expand access to affordable rental housing and end chronic homelessness and move homeless families and individuals to permanent housing. In 2003 and 2004, HUD collaborated with HOPWA grantees and technical assistance providers to develop appropriate outcome indicators that correspond to these strategic goals and objectives. In 2005, HUD is implementing new long-term HOPWA performance measures for client outcomes that will assess program success in helping HOPWA clients achieve and maintain housing stability, avoid homelessness, and improve access to HIV treatment and other care. The tool will also measure how the outcome results increase through the use of annual program resources with the goal that this result is obtained by 80 percent of HOPWA clients by 2008.

Required HOPWA Performance Goals. Grant recipients must conduct activities consistent with their planned annual housing assistance output goals, objectively measure actual achievements against anticipated achievements and report on their results. As this is a new effort for most grantees, the first year's outcome data will also serve to establish a program baseline and allow measurement of improvements from this baseline after each year of operation.

(1) Required Output. The number of households being assisted during each operating year under the three main types of HOPWA housing support: (a) short-term rent, mortgage and utility payments to prevent homelessness; (b) rental assistance programs, and (c) units provided in facilities that are developed and operated with HOPWA funds, including community residences and Single Room Occupancy (SRO) dwellings.

(2) Required Outcome. The housing assistance results in client outcomes for eligible persons to enable them to establish or maintain housing stability, reduce their risks of homelessness, and improve access to care and other support for eligible persons.

Recipients may establish other outcome goals, such as increasing the access to permanent housing for eligible persons to enable these households to become more self-sufficient, as evidenced by increased income or reduced need for housing or other subsidies and support. In addition, outcomes should address the challenge of homelessness for persons living with HIV/AIDS and their families, including persons who are chronically homeless, by enabling them to move to permanent housing with appropriate support. Results may be measured in coordination with measures used by the area's homeless assistance efforts, such as decreases in the number of chronically homeless individuals in the community.

Housing Opportunities for Persons with AIDS

COMMUNITY PLANNING AND DEVELOPMENT
 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
 Summary of Resources by Program
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2004 Budget Authority</u>	<u>2003 Carryover Into 2004</u>	<u>2004 Total Resources</u>	<u>2004 Obligations</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2006 Request</u>
Formula Grants	\$263,039	\$83,492	\$346,531	\$249,420	\$251,323	\$100,855	\$352,178	\$239,040
Competitive Grants	29,227	2,936	32,163	28,413	27,925	2,050	29,975	26,560
Technical Assistance ..	<u>2,485</u>	<u>1,503</u>	<u>3,988</u>	<u>1,938</u>	<u>2,480</u>	...	<u>2,480</u>	<u>2,400</u>
Total Housing Opportunities for Persons With AIDS ..	294,751	87,931	382,682	279,771	281,728	102,905	384,633	268,000

<u>FTE</u>	<u>2004 Actual</u>	<u>2005 Estimate</u>	<u>2006 Estimate</u>
Headquarters	16	15	18
Field	<u>11</u>	<u>14</u>	<u>17</u>
Total	27	29	35

**COMMUNITY PLANNING AND DEVELOPMENT
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
Program Offsets
(Dollars in Thousands)**

Formula Grants	<u>Amount</u>
2004 Appropriation	\$263,039
2005 Appropriation	251,323
2006 Request	<u>239,040</u>
Program Improvements/Offsets	-12,283

Proposed Actions

The Department proposes \$239 million in HOPWA formula funds for fiscal year 2006. Authorizing legislation (Section 854c of NAHA) requires that 90 percent of the (non-set-aside) 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 in the prior year.

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 identified needs with Federal and other resources. Consolidated Plan modifications are being developed within the context of the President's Management Agenda focused on streamlining and making the Consolidated Planning process more effective. 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 to use them in a coordinated and effective manner. Metropolitan areas with a population of at least 500,000 that have at least 1,500 reported cumulative cases of AIDS and areas of a state outside of qualifying metro areas that have at least 1,500 reported cases of AIDS qualify for formula awards.

Based on HUD's review of CDC data, eleven new jurisdictions became eligible for formula-based allocations in 2004, and five prior grantees became ineligible. The use of new OMB-defined metropolitan areas increased the total number of eligible recipients to 117 in fiscal year 2004 and three additional grantees are eligible in 2005. The 2005 Appropriation Act also restored two prior grantees to eligibility for a total of 122 formula jurisdictions. In 2006, two additional jurisdictions are expected to be added. The implementation of new definitions of metropolitan statistical areas, which were issued by OMB on June 6, 2003, impact grants management in the HOPWA program in fiscal year 2004 and beyond. With these changes, two states and ten new metropolitan areas became eligible for formula awards, based on having at least 1,500 cumulative cases of AIDS in a metropolitan area or division that has at least a 500,000 population. Six grantees became ineligible, as their MSA areas were subject to significant change and no longer meet the eligibility requirements directly because these areas were included under the award to other eligible jurisdictions. The adjustment in eligibility of jurisdictions was also dependent on the application of CDC data and the new definitions of metropolitan statistic areas. The following table displays the number of jurisdictions that have qualified for a formula allocation in recent years, the number that will qualify in fiscal year 2005, and the estimated number that will qualify in fiscal year 2006.

YEAR	Number of Qualifying Jurisdictions
1999	97
2000	101
2001	105
2002	108
2003	111
2004	117
2005	122
2006 est.	124

HUD is proposing to continue current administrative provisions on eligibility contained in the fiscal year 2005 Budget to maintain HOPWA eligibility for six states (Arizona, Delaware, Hawaii, Minnesota, Nevada, and Utah) and grant administration arrangements in place for four communities (Paterson, Jersey City and Salem County, New Jersey and Wake County, North Carolina) and the provision to allow for a city to arrange for a state to undertake grant responsibilities for their metropolitan area.

Recommendations to Update the HOPWA Formula. The Department is considering how to update the formula component of the HOPWA program. The need to address this issue was highlighted in an evaluation conducted in preparation of the fiscal year 2005 request and in response to a 1999 congressional request for suggestions to provide for the distribution of HOPWA funds based on a more current needs estimate. However, except for annual technical amendments in the administrative provisions of the budget acts, no substantial changes have occurred. The 1999 recommendations included replacing the use of cumulative cases of AIDS, which allocates 75 percent of formula funds, and the use of 1-year AIDS incidence data, which allocates 25 percent of funds to only those areas with a higher-than-average incidence of AIDS. The changes proposed are to use CDC-confirmed data for an estimate of the number of persons living with AIDS along with an equal share of area housing costs, as measured by area fair market rents. Additional protections for existing grantees and grant amounts were also proposed to reduce detrimental effects on existing grantee programs.

The Department's earlier recommendations to update the formula component of the program are being revisited. HUD is conducting an evaluation of the policy, budget, and operational impacts of potential formula changes in order to recommend a set of updated elements. HUD is also considering the impact of the implementation of new definitions for metropolitan statistical areas, which are used in allocation formula funds, and provisions to reduce the detrimental effects of formula changes on existing housing programs.

Recommendation to Extend the Obligation Period for Competitive Grants. HUD requests to allow HOPWA the same commitment period as used for competitive grants awarded under the Continuum of Care Homeless Assistance programs (changing the 2-year limit to a 3-year limit). The request could be applied only to HOPWA competitive grants selected under section 12903(c)(3) for competitive grants, as this would cover 10 percent of the program, and not apply to formula grants under section 12903(c)(1) for 90 percent of funds, which could continue under the 2-year limit.

Housing Opportunities for Persons With AIDS

Both programs issue competitive funds under the same HUD SuperNOFA process. Both programs rely on State and local government planning efforts along with coordination of efforts with area nonprofit and social welfare organizations. The efforts are also similar in the types of assistance and service delivery tools used to support our special needs clients, persons who are homeless and persons living with HIV/AIDS. The use of similar HUD grants tools will support consistent field office management of these grants. The minimal extension will also allow for the grant process to be more effective, even despite potential delays in final appropriations, issuance of the SuperNOFA, application reviews, announcement or selections, resolution to conditions or technical corrections needed, and delays in the signing of final documents.

HOPWA funds have generally all been committed under signed grant agreements within the first year of the appropriation. The exceptions have included those formula grantees that operate on an October to September performance year and thus commit the program funds through Consolidated Plans submitted for HUD's approval near the end of that first year. In these cases, approvals also involve clearances for announcements that have generally occurred a few months into the next year.

In recent years, the other exception has been competitive grants for which HUD selection and announcements remained pending until later in that 2-year cycle. HUD follows a strict process for review and grant selections and applicants invest some effort to develop their plans and draft required documents. The 2-year limit for HOPWA has raised the possibility of funds being cancelled as HUD and grantees have had to work on resolving some grants conditions prior to signing commitment documents. A few of the competitive grants were identified with issues requiring further work and to date all awards have been obligated within the current 2-year period. The additional year would help to ensure that these more difficult situations can be resolved by HUD in collaboration with the grantee. In 2004 one grant had the strong potential for running up against the 2-year commitment limit. In this one case, a city recipient had indicated that under its local procedures all contracts needed to be explicitly approved by its city council, which had been on recess until September. The contract was ultimately approved but just prior to the 2-year obligation deadline.

Housing Opportunities for Persons with AIDS



HOPWAbystate.xls

**COMMUNITY PLANNING AND DEVELOPMENT
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
Program Offsets
(Dollars in Thousands)**

Competitive Grants	<u>Amount</u>
2004 Appropriation	\$29,227
2005 Appropriation	27,925
2006 Request	<u>26,560</u>
Program Improvements/Offsets	-1,365

Proposed Actions

The Department proposes \$26.6 million for HOPWA competitive grants in fiscal year 2006. Authorizing legislation (Section 854c of NAHA) requires that 90 percent of the (non-set-aside) appropriated funds be distributed by formula to qualifying states and metropolitan areas and that the remaining funds be used for the competitive selection of special projects of national significance and projects in non-formula areas.

HOPWA competitive grant funds are awarded by national competition as provided in the Department's Notice of Funding Availability (NOFA) process. The 2005 Appropriations Act required HUD to renew funding to expiring competitive grants that provide permanent supportive housing prior to making awards for new projects. This authority is requested to be continued in 2006. 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 \$21.5 million in awards and the availability of about \$4 million that was used to select three new project grants. In 2002, 14 renewal projects were selected along with three continuing transitional housing programs. In addition, in 2002 seven of the eight projects were funded to service the housing needs of person living with HIV/AIDS that had recently been out-placed from correctional institutions and in 2003, five projects were funded to address the needs of chronic homeless persons living with HIV/AIDS and one project provided housing to eligible persons living in the Colonias. The 2003 SuperNOFA competition awarded 14 renewal grants for \$14.1 million and the selection of 11 new grants and three continuing transitional housing projects for an award of \$14.7 million. The new projects include three housing assistance grants that involve collaboration with the Centers for Disease Control and Prevention to study the connections of stable housing and homelessness on the progression of HIV disease. Additional projects have been funded that provide housing to special needs population. In October 2004, HUD approved 22 renewal selections for permanent supportive housing projects and remaining funds are expected to allow for the funding of seven to nine new or continuing projects. Based on the 2-year grant cycle, in 2005 and 2006 the priority selection of renewal grants will likely use most of the competitive funds and allow sufficient remaining funds to select only a few new or innovative demonstration projects.

Competitive grants are available to State and local governments and private nonprofit entities for projects in areas that do not qualify for a formula allocation. The NOFA establishes the renewal procedures and the selection criteria and procedures, consistent with the National Affordable Housing Act (NAHA) and the HUD Reform Act.

COMMUNITY PLANNING AND DEVELOPMENT
 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
 Program Offsets
 (Dollars in Thousands)

Technical Assistance	<u>Amount</u>
2004 Appropriation	\$2,485
2005 Appropriation	2,480
2006 Request	<u>2,400</u>
Program Improvements/Offsets	-80

Proposed Actions

The fiscal year 2006 Budget requests \$2.4 million for technical assistance, training, and oversight. Technical assistance efforts ensure that recipients fully use funds in an effective and resourceful manner and implement effective grants management oversight to ensure that the resources are used effectively in addressing clients' housing 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. In 2005, the support will help implement the new performance outcome measures. Technical assistance will be provided to communities to fund national and local training conferences in an effort to provide training to grantees and project sponsors, assist nonprofit sponsors in sustaining on-going programs, assist in identifying other mainstream resources in developing and providing housing and supportive services assistance, and to support operational issues, service delivery models, program evaluation and the use of publications, handbooks, reports, guidance, and other communications.

HOPWA technical assistance is also an effective tool in providing the program with the resources to assist local communities in developing their comprehensive housing strategies and needs assessment as they identify their local needs and as they develop a strategy for targeting their resources to assist those of need living with HIV/AIDS. In addition, this assistance also reaches the efforts of 700 local nonprofit projects, including faith-based and community-based organizations. HUD field staff conducts annual risk assessment reviews of grants and identify projects for additional monitoring or TA support.

**COMMUNITY PLANNING AND DEVELOPMENT
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
Performance Measurement Table**

Program Name: HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS					
Program Mission: To provide States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with HIV/AIDS or related diseases and their families.					
Performance Indicators	Data Sources	Performance Report		Performance Plan	
		2004 Plan	2004 Actual	2005 Plan	2006 Plan
Households receiving assistance.	Annual Program Reports	74,250	78,000	73,700	67,000
The number of chronically homeless individuals declines by up to 50 percent by fiscal year 2008.	Continuum of Care application data	N/A	N/A	Establish Baseline	Begin Assessment
Streamline Consolidated Plan.		Finalize decisions	Developed regulations	Revise regulations	Implement decisions
HOPWA clients achieve and maintain housing stability, avoid homelessness, and improve access to HIV treatment and other care with the goal that this result is obtained by 80 percent of HOPWA clients by 2008.		N/A	N/A	N/A	N/A

N/A = Not Applicable.

Explanation of Indicators

Households receiving assistance

This indicator tracks the number of households that receive housing assistance through the HOPWA program. The outputs tracked by this indicator show the contribution of HOPWA toward increasing the national homeownership rate and the number of minority homeowners, two key Presidential and Secretarial priorities. These programs also help reduce the number of households with worst-case housing needs (low-income households who pay more than half of their incomes for housing or who live in substandard housing).

Actual financial data and grant experience support HUD's estimate that the 2004 performance will show that 78,000 households were supported with HOPWA funded housing efforts, 5 percent above the goal of 74,250.

The number of chronically homeless individuals declines by up to 50 percent by fiscal year 2008.

HUD worked with the U.S. Department of Health and Human Services, communities, and homeless experts to define "chronically homeless." This definition was issued in January 2003 via NOFA to communities. Chronically homeless people are single adults on the streets or in emergency shelters who have disabling conditions and have been either continually homeless for 1 year or more, or have had four or more episodes of homelessness in the past 3 years.

HUD is working with communities to develop Homeless Management Information Systems (HMIS). Once a critical number of HMIS become fully operational, in 2005 at the earliest, HUD will collect data from these systems systematically to track this indicator. Until HMIS becomes operational, this indicator will be measured using Continuum of Care (CoC) application data submitted by grantees. Fiscal year 2003 CoC applications will be used to collect baseline data for this measure. The fiscal year 2003 baseline will then be used to measure changes in the number of chronically homeless individual from fiscal year 2004 CoC application data.

Streamline Consolidated Plan.

The Consolidated Plan Improvement Initiative is required by the President's Management Agenda. Communities use the Consolidated Plan to identify community and neighborhood development needs, the actions that will address those needs, and the measures to gauge their performance. During fiscal year 2004, the Office of Management and Budget approved a rule for publication. This rule would amend the Consolidated Plan regulations to make clarifying and streamlining changes that are expected to make the Consolidated Plan a more effective management tool for tracking results, and thereby achieving the President's Management Agenda goal. During fiscal year 2005, HUD will develop a reformed, results-oriented planning and reporting process nationally. During fiscal year 2006, HUD will be implementing the regulatory changes to the Consolidated Plan, tracking the use of the Consolidated Plan Management Process tool by grantees and assessing their satisfaction with the tool, developing a performance measurement framework for all grantees, and implementing the first phase of the modernization of the Integrated Disbursement and Information System and the Consolidated Plan.

COMMUNITY PLANNING AND DEVELOPMENT
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
Justification of Proposed Changes in Appropriations Language

The 2006 President's Budget includes proposed changes in the appropriations language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901 et seq.), [~~\$284,000,000~~]\$268,000,000, to remain available until September 30, [2006]2007, except that amounts allocated pursuant to section 854(c)(3) of such Act shall remain available until September 30, 2008: Provided, That the Secretary shall renew all expiring contracts for permanent supportive housing that were funded under section 854(c)(3) of such Act that meet all program requirements before awarding funds for new contracts and activities authorized under this section: Provided further, That the Secretary may use up to [~~\$2,500,000~~]\$2,400,000 of the funds under this heading for training, oversight, and technical assistance activities.

Administrative Provisions

SEC. 203. (a) Notwithstanding section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)(1)(A)), from any amounts made available under this title for fiscal year [2005] 2006 that are allocated under such section, the Secretary of Housing and Urban Development shall allocate and make a grant, in the amount determined under subsection (b), for any State that--

(1) received an allocation in a prior fiscal year under clause (ii) of such section; and

(2) is not otherwise eligible for an allocation for fiscal year [2005] 2006 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year [2005] 2006 do not have the number of cases of acquired immunodeficiency syndrome (AIDS) required under such clause.

(b) The amount of the allocation and grant for any State described in subsection (a) shall be an amount based on the cumulative number of AIDS cases in the areas of that State that are outside of metropolitan statistical areas that qualify under clause (i) of such section 854(c)(1)(A) in fiscal year [2005] 2006, in proportion to AIDS cases among cities and States that qualify under clauses (i) and (ii) of such section and States deemed eligible under subsection (a).

(c) Notwithstanding any other provision of law, the amount allocated for fiscal year [2005] 2006 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), to the City of New York, New York, on behalf of the New York-Wayne-White Plains, New York-New Jersey Metropolitan Division (hereafter `metropolitan division') of the New York-Newark-Edison, NY-NJ-PA Metropolitan Statistical Area, shall be adjusted by the Secretary of Housing and Urban Development by: (1) allocating to the City of Jersey City, New Jersey, the proportion of the metropolitan area's or division's amount that is based on the number of cases of AIDS reported in the portion of the metropolitan area or division that is located in Hudson County, New Jersey, and adjusting for the proportion of the metropolitan division's high incidence bonus if this area in New Jersey also has a higher than average per capita incidence of AIDS; and (2) allocating to the City of Paterson, New Jersey, the proportion of the metropolitan area's or division's amount that is based on the number of cases of AIDS reported in the portion of the metropolitan area or division that is located in Bergen County and Passaic County, New Jersey, and adjusting for the proportion of the metropolitan division's high incidence bonus if this area in New Jersey also has a higher than average per capita incidence of AIDS. The recipient cities shall use amounts allocated under this subsection to carry out eligible activities under section 855 of the AIDS Housing Opportunity Act (42 U.S.C. 12904) in their respective portions of the metropolitan division that is located in New Jersey.

Housing Opportunities for Persons With AIDS

(d) Notwithstanding any other provision of law, the amount allocated for fiscal year 2006 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)) to areas with a higher than average per capita incidence of AIDS, shall be adjusted by the Secretary on the basis of area incidence reported over a three year period.

SEC. 212. (a) Notwithstanding any other provision of law, the amount allocated for fiscal year [2005] 2006 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)) to the City of Wilmington, Delaware, on behalf of the Wilmington, Delaware-Maryland-New Jersey Metropolitan Division (hereafter "metropolitan division"), shall be adjusted by the Secretary of Housing and Urban Development by allocating to the State of New Jersey the proportion of the metropolitan division's amount that is based on the number of cases of AIDS reported in the portion of the metropolitan division that is located in New Jersey and adjusting for the proportion of the metropolitan division's high incidence bonus if this area in New Jersey also has a higher than average per capita incidence of AIDS. The State of New Jersey shall use amounts allocated to the State under this subsection to carry out eligible activities under section 855 of the AIDS Housing Opportunity Act (42 U.S.C. 12904) in the portion of the metropolitan division that is located in New Jersey.

(b) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development shall allocate to Wake County, North Carolina, the amounts that otherwise would be allocated for fiscal year [2005] 2006 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)) to the City of Raleigh, North Carolina, on behalf of the Raleigh-Carey North Carolina Metropolitan Statistical Area. Any amounts allocated to Wake County shall be used to carry out eligible activities under section 855 of such Act (42 U.S.C. 12904) within such metropolitan statistical area.

(c) Notwithstanding section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C 12903(c)), the Secretary of Housing and Urban Development may adjust the allocation of the amounts that otherwise would be allocated for fiscal year 2005 under section 854(c) of such Act, upon the written request of an applicant, in conjunction with the State(s), for a formula allocation on behalf of a metropolitan statistical area, to designate the State or States in which the metropolitan statistical area is located as the eligible grantee(s) of the allocation. In the case that a metropolitan statistical area involves more than one State, such amounts allocated to each State shall be in proportion to the number of cases of AIDS reported in the portion of the metropolitan statistical area located in that State. Any amounts allocated to a State under this section shall be used to carry out eligible activities within the portion of the metropolitan statistical area located in that State.

Explanation of Changes

Subsection (d) of Section 203 would adjust the HOPWA formula to reduce the current volatility in allocation amounts that is due to the use of AIDS incidence data collected and reported by CDC for a 1-year period. Data reported over 3 years would better reflect area AIDS incidence and reduce the effect of data collection problems which have occurred in 1 year data but generally average out over a longer report period. In recent years, data volatility has resulted in swings up and down in grant amounts. This is especially the situation for those metropolitan areas that are just above or below the average for national incidence and thereby qualify or not for these additional formula funds. As this factor is used to determine the allocation of 25 percent of the formula funds, its volatility has a considerable impact on grant allocations. For example, in fiscal year 2005, the HOPWA program was funded at a slightly reduced level from fiscal year 2004, with a decrease of about 4.4 percent. However, due to the area incidence factor, 12 of the 122 formula recipients had increases of more than 10 percent in their grant amounts (with 8 of these with a gain of over 20 percent), while nine others had decreases of over 10 percent (with 5 of these losses of more than 20 percent). These changes do not reflect the on-going housing needs of this special needs population or the general increase in the number of persons living with HIV/AIDS in these communities. The general instability in year-to-year grant amounts due to this factor adds difficulty to recipient communities in planning for the use of program resources and in maintaining the operations of current housing projects. The use of 3 years of data would smooth out the data variability while continuing to implement the statutory goal of allocating additional funding to those metropolitan areas with the higher-than-average incidence of AIDS.

Housing Opportunities for Persons With AIDS

COMMUNITY PLANNING AND DEVELOPMENT
 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
 Crosswalk of 2004 Availability
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2004 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2004 Resources</u>
Formula Grants	\$264,600	-\$1,561	...	...	\$83,492	\$346,531
Competitive Grants	29,400	-173	...	...	2,936	32,163
Technical Assistance	<u>2,500</u>	<u>-15</u>	<u>...</u>	<u>...</u>	<u>1,503</u>	<u>3,988</u>
Total	296,500	-1,749	...	...	87,931	382,682

Housing Opportunities for Persons with AIDS

COMMUNITY PLANNING AND DEVELOPMENT
 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
 Crosswalk of 2005 Changes
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2005 President's Budget Request</u>	<u>Congressional Appropriations Action on 2005 Request</u>	<u>2005 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2005 Resources</u>
Formula Grants	\$263,070	\$253,350	-\$2,027	...	\$100,855	\$352,178
Competitive Grants	29,230	28,150	-225	...	2,050	29,975
Technical Assistance	<u>2,500</u>	<u>2,500</u>	<u>-20</u>	<u>...</u>	<u>...</u>	<u>2,480</u>
Total Changes	294,800	284,000	-2,272	...	102,905	384,633