

COMMUNITY PLANNING AND DEVELOPMENT
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
2007 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>
2005 Appropriation	\$284,000	\$102,904	-\$2,272	\$384,632	\$285,916	\$280,132
2006 Appropriation/Request	289,000	99,499 ^a	-2,890	385,609	309,000	284,000
2007 Request	<u>300,100</u>	<u>76,609</u>	<u>...</u>	<u>376,709</u>	<u>287,100</u>	<u>289,000</u>
Program Improvements/Offsets	+11,100	-22,890	+2,890	-8,900	-21,900	+5,000

a/ Carryover includes \$791 thousand in recoveries and excludes \$8 thousand that expired at the end of fiscal year 2005.

Summary Statement

The Department requests \$300.1 million in fiscal year 2007 funding for the HOPWA program, which is approximately \$14 million higher than the fiscal year 2006 appropriation of \$286 million as adjusted by the supplemental rescission in that year. This level of funding would provide for housing support to an estimated 75,025 households. The increase reflects the high degree of effectiveness of the program in fulfilling its priority mission and serving a population with very serious needs. The program operates in a highly targeted manner and reflects a very modest and efficient cost per each person assisted.

The funding request for this program is needs-driven and reflects the Department's priority for providing stable and permanent housing assistance to the most vulnerable populations--very low-income persons living with HIV or AIDS, who face homelessness and other challenges. The most recent AIDS surveillance data provided by the Center for Disease Control and Prevention (CDC) reports the estimated number of people living with HIV disease is between 1,039,000 and 1,185,000. The CDC also indicates that approximately 40,000 new cases of AIDS are reported each year, and AIDS causes approximately 18,000 deaths per year.

Ninety percent of the funding is distributed by formula to qualifying states and metropolitan areas, and the remaining funds are distributed through competitive grants. About one-half of 1 percent of funds (\$1.485 million) is designated for technical assistance, training and oversight. Additionally, the HOPWA program is requesting \$1.485 million in funds to be transferred to the Working Capital Fund.

The HOPWA program helps to focus Federal housing resources on saving lives by providing stable housing as a basis for increased participation in an effective comprehensive care program. Thus, the Department is placing great emphasis on meeting direct housing needs of persons living with AIDS or HIV and assisting grantees in targeting resources to priority housing needs by providing rental assistance, housing development, and facility operations. For competitive grants, HUD has selected model projects that demonstrate effective ways to provide supportive housing to this special needs population

Initiatives

Proposed language will be forthcoming to reform the HOPWA formula used to distribute resources to the recipient communities. This change would make use of relevant data on this special needs population by using a more current estimate of persons who are living with AIDS and a housing cost factor to reflect differences in area housing needs. The new formula would achieve a more equitable distribution of resources and would better reflect housing cost differences experienced by residents in the recipient communities. In addition, because the current formula is based on cumulative reporting of AIDS cases by the Centers for Disease Control and Prevention (CDC), it does not accurately reflect the actual numbers of persons now living with HIV/AIDS. The update use of available AIDS surveillance data would be even more effective and efficient in targeting these housing resources.

Program Evaluation

The 2007 budget request is consistent with the HOPWA program's proven capacity to make use of increased resources. 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 enhances clients' housing stability, which increases the "ability of clients to focus on maintaining good health and adhering to medical regimens" and 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;

The levels of program outlays for HOPWA grants have risen in recent operating years. The current HOPWA program recipients have recorded expenditures at \$280.1 million for the most recent Federal fiscal year (fiscal year 2005) in grant activities undertaken by 121 formula grantees (39 states, 81 cities, and one county) and activities undertaken by 85 competitive grantees. These efforts are undertaken in all parts of the nation and address increased housing needs due to the larger number of persons living with HIV/AIDS in these communities.

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 in stabilized housing. HOPWA clients also use a range of health and supportive services funded by HHS through the Ryan White Care Act. HUD anticipates that HOPWA resources will provide housing support as a basis for improving clients' participation in health care and other supportive services, thereby resulting in improved health outcomes for persons living with HIV/AIDS.

The HOPWA 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 concept is demonstrated 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.

Increasing efforts to collect data about grantee performance have resulted in a more accurate representation of the number of households being served. Comprehensive data for fiscal year 2004 shows that a total of 70,779 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. Grantee performance data for 2003 through 2004 demonstrated that 66 percent of the funds expended were for direct

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housing costs and an additional 4 percent for related housing placement information costs. In addition, costs for related support were reported at 25 percent, and grant administrative costs at 5 percent. The data represent information collected from all HOPWA grantees on actual program year accomplishments. A verification review of their performance reports has been completed on all but ten of these 111 formula and 85 competitive projects.

In addition to direct costs, HOPWA formula grantees also committed significant amounts of other resources to their projects and provided support to an additional 51,203 households with leveraged funds of more than \$334 million, about \$2.16 for each HOPWA dollar expended on housing costs. In the competition for fiscal year 2005, the selected projects reported that they had leveraged over \$51.3 million in other resources to support their awarded projects, about \$1.37 of other funds for each HOPWA dollar awarded.

In fiscal year 2005, 70,325 households received support. The estimated fiscal year 2006 goal is set at 71,526 based on the adjusted appropriated funding level, and the fiscal year 2007 goal is set at 75,025 households. The focus on permanent housing activities is expected to reduce reliance on short-term support for many households.

Program Performance Measurement

An evaluation conducted by HUD and OMB 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 identifiable program results. Demonstration of these results will be increasingly evident when grantees report on how projects have achieved housing stability for clients, enabling them to increase their participation in comprehensive care.

In 2005, the Department issued a client outcome measure in new reporting formats for HOPWA formula and competitive grantees, and solicited public comments on these revised requirements in coordination with aggregating this performance reporting with the CPD formula programs. In 2006, the information technology system will be updated to allow for collection of this revised data. The new report format will enable grantees to demonstrate that the housing provided to beneficiaries results in a more stable housing arrangement, reduces the household's risks of homelessness, and improves access to health care and other support for persons living with HIV/AIDS. HUD expects to have preliminary data from the use of the revised report forms in 2006, as grantees begin collecting information under the revised housing outcome measures during the next program year. More complete data is expected to be available in 2007, pending revisions to the HUD information technology system use for this formula program (IDIS). HUD has requested that HOPWA funds support the development of this enhanced system by designating a small amount of HOPWA funds to the Department's Working Capital Fund.

The program performance outcome measure allows grantees to report on how permanent 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, end chronic homelessness, and move homeless families and individuals to permanent housing. 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 began 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 achievements 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 serve to establish a program baseline and allow measurement of improvements from this baseline after each year of operation.

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(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.

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

<u>Budget Activity</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2005 Obligations</u>	<u>2006 Budget Authority/ Request</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2007 Request</u>
Formula Grants	\$251,323	\$99,176	\$350,499	\$282,735	\$256,162	\$67,764	\$323,926	\$267,417
Competitive Grants	27,925	1,678	29,603	679	28,463	29,707	58,170	29,713
Technical Assistance ..	2,480	2,050	4,530	2,502	1,485	2,028	3,513	1,485
Working Capital Fund ..	...	...	...	...	...	...	...	<u>1,485</u>
Total	281,728	102,904	384,632	285,916	286,110	99,499	385,609	300,100

NOTE: The fiscal year 2005 carryover into fiscal year 2006 for competitive grants includes \$791 thousand in recoveries and excludes \$8 thousand of technical assistance that expired at the end of fiscal year 2005.

<u>FTE</u>	<u>2005 Actual</u>	<u>2006 Estimate</u>	<u>2007 Estimate</u>
Headquarters	15	15	15
Field	<u>35</u>	<u>35</u>	<u>35</u>
Total	50	50	50

NOTE: Includes overhead FTE for CPD.

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Program Offsets
(Dollars in Thousands)**

Formula Grants	<u>Amount</u>
2005 Appropriation	\$251,323
2006 Appropriation/Request	256,162
2007 Request	<u>267,417</u>
Program Improvements/Offsets	+11,255

Proposed Actions

Formula Changes. The Department proposes to update the statutory HOPWA formula, which is used to distribute 90 percent of appropriated funds for this Federal program. As enacted in 1990, the current formula relies on: (a) cumulative cases of AIDS, including data over the 25 years of this epidemic, which involves many persons who have died due to AIDS; and (b) area incidence of cases of AIDS, allocating one-quarter of funds only to those cities with a higher-than-average incidence, using 1-year data which is proving to be increasing variable each year. The Department recommends that more current data on persons living with AIDS or HIV be used, and that a housing cost factor be added to reflect differences in area needs. This approach would be consistent with the PART recommendations, including use of update HIV or AIDS surveillance data and an adjustment for local housing needs. In addition, HUD would propose related technical edits to maintain eligibility and funding levels to help maintain stability for current housing programs. If this formula change is enacted in fiscal year 2007, the draft administrative provisions should be included or adjusted as may be necessary in the proposed budget to maintain current grantee eligibility.

Awarding of Formula Funds

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. The modifications are 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, population information, and the application of definitions of metropolitan statistical areas and divisions, and the administrative provisions of the appropriations act, there were 121 formula jurisdictions in 2005. One additional jurisdiction is eligible in 2006, the city of Cape Coral, Florida. HUD estimates that two additional jurisdictions could become eligible for allocations in 2007 (El Paso, TX, and Palm Bay, FL, as the metropolitan areas had over 1,400 reported cases in their prior year data from CDC). 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 2006, and the estimated number that will qualify in fiscal year 2007.

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YEAR	Number of Qualifying Jurisdictions
2003	111
2004	117
2005	121
2006	122
2007 est.	124

Unless updated under authority to a new program formula, HUD proposes to continue current administrative provisions on eligibility contained in the fiscal year 2006 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, NJ and Wake County, NC) and the provision to allow for a city to arrange for a state to undertake grant responsibilities for its metropolitan area. This authority was used in fiscal year 2005 in Lakeland, FL, to enable the State of Florida to agree to continue to manage the HOPWA program in the metropolitan area for Lakeland. Also, if the program formula is not updated, the provision in fiscal year 2006 should be continued, authorizing the use of incidence data collected for a 3-year period.

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DISTRIBUTION OF FUNDS BY GRANTEE

The distribution of HOPWA funds for the 2005, 2006, and 2007 appropriations are shown below. The 2006 and 2007 cumulative amounts are for local and State grantees located within these States based on fiscal year 2005 distribution.

<u>GRANTEE</u>	<u>2005 ACTUAL</u>	<u>2006 ESTIMATE</u> (Dollars in Thousands)	<u>2007 ESTIMATE</u>
ALABAMA.....	\$1,117	\$1,145	\$1,195
BIRMINGHAM.....	497	511	533
ARKANSAS.....	723	707	738
ARIZONA.....	164	173	181
PHOENIX.....	1,391	1,433	1,496
TUCSON.....	390	389	406
CALIFORNIA.....	2,869	2,929	3,058
LOS ANGELES.....	11,848	10,310	10,763
OAKLAND.....	1,879	1,905	1,989
RIVERSIDE.....	1,683	1,684	1,758
SACRAMENTO.....	795	786	821
SAN DIEGO.....	2,527	2,549	2,661
SAN FRANCISCO.....	8,466	8,070	8,425
SAN JOSE.....	736	738	770
SANTA ANA.....	1,342	1,359	1,419
COLORADO.....	354	364	380
DENVER.....	1,342	1,359	1,419
BRIDGEPORT.....	717	737	769
CONNECTICUT.....	242	253	264
HARTFORD.....	1,285	1,108	1,157
NEW HAVEN.....	1,624	1,178	1,230
DISTRICT OF COLUMBIA.....	10,535	11,370	11,870
DELAWARE.....	162	166	173
WILMINGTON.....	703	679	709
CAPE CORAL.....		336	351
FLORIDA.....	3,581	3,312	3,458
FT LAUDERDALE.....	6,106	6,637	6,929
JACKSONVILLE-DUVAL.....	1,624	1,587	1,657
LAKELAND.....	378	445	465
MIAMI.....	10,351	11,189	11,681
ORLANDO.....	2,871	2,906	3,034
SARASOTA.....	548	390	407
TAMPA.....	3,049	2,542	2,654
WEST PALM BEACH.....	3,426	3,595	3,753
ATLANTA.....	6,592	5,290	5,522
AUGUSTA.....	418	376	393
GEORGIA.....	1,527	1,576	1,645
HAWAII.....	169	162	169
HONOLULU.....	428	429	448
IOWA.....	329	330	344
CHICAGO.....	5,379	5,561	5,805

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<u>GRANTEE</u>	2005	2006	2007
	<u>ACTUAL</u>	<u>ESTIMATE</u>	<u>ESTIMATE</u>
		(Dollars in Thousands)	
INDIANAPOLIS.....	738	751	784
KANSAS.....	349	331	346
KENTUCKY.....	407	410	428
LOUISVILLE.....	443	447	467
BATON ROUGE.....	1,659	1,572	1,641
LOUISIANA.....	932	951	993
NEW ORLEANS.....	3,398	2,997	3,129
BOSTON.....	1,721	1,719	1,795
LOWELL.....	623	627	655
LYNN.....	316	317	331
MASSACHUSETTS.....	178	168	175
SPRINGFIELD.....	433	424	443
WORCESTER.....	348	354	370
BALTIMORE.....	7,754	7,649	7,985
GAITHERSBURG.....	518	524	547
MARYLAND.....	335	348	363
DETROIT.....	1,554	1,597	1,667
MICHIGAN.....	862	877	916
WARREN.....	392	397	414
MINNEAPOLIS.....	797	829	865
MINNESOTA.....	105	112	117
KANSAS CITY.....	924	918	958
MISSOURI.....	475	455	475
ST LOUIS.....	1,158	1,150	1,201
JACKSON.....	998	868	906
MISSISSIPPI.....	749	778	812
CHARLOTTE.....	565	597	623
NORTH CAROLINA.....	2,010	2,097	2,189
WAKE COUNTY.....	337	366	382
CAMDEN.....	628	620	647
JERSEY CITY.....	2,240	2,544	2,656
NEW JERSEY.....	1,050	1,064	1,111
NEWARK.....	5,014	5,246	5,476
PATERSON.....	1,265	1,283	1,339
WOODBRIIDGE.....	1,366	1,375	1,435
NEW MEXICO.....	503	514	537
LAS VEGAS.....	886	882	921
NEVADA.....	219	219	229
ALBANY.....	415	436	455
BUFFALO.....	456	480	501
ISLIP TOWN.....	1,565	1,617	1,688
NEW YORK.....	1,702	1,797	1,876
NEW YORK CITY (sub-alloc).....	47,056	56,610	59,097
POUGHKEEPSIE.....	577	679	709

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<u>GRANTEE</u>	<u>2005 ACTUAL</u>	<u>2006 ESTIMATE</u> (Dollars in Thousands)	<u>2007 ESTIMATE</u>
ROCHESTER.....	\$575	\$599	\$625
CINCINNATI.....	517	518	541
CLEVELAND.....	822	826	862
COLUMBUS.....	584	596	622
OHIO.....	1,024	1,037	1,083
OKLAHOMA.....	494	498	520
OKLAHOMA CITY.....	441	435	454
OREGON.....	321	319	333
PORTLAND.....	949	947	989
PENNSYLVANIA.....	1,511	1,548	1,616
PHILADELPHIA.....	7,336	7,083	7,394
PITTSBURGH.....	620	623	650
PUERTO RICO.....	1,636	1,633	1,705
SAN JUAN MUNICIPIO.....	5,324	5,874	6,132
PROVIDENCE.....	764	776	810
CHARLESTON.....	390	397	414
COLUMBIA.....	1,160	1,041	1,087
SOUTH CAROLINA.....	1,356	1,387	1,448
MEMPHIS.....	1,462	1,882	1,965
NASHVILLE-DAVIDSON.....	840	737	769
TENNESSEE.....	718	747	780
AUSTIN.....	931	940	981
DALLAS.....	3,867	3,141	3,279
FORT WORTH.....	805	813	849
HOUSTON.....	9,669	6,039	6,304
SAN ANTONIO.....	960	971	1,014
TEXAS.....	2,634	2,691	2,809
SALT LAKE CITY.....	354	353	369
UTAH.....	111	112	117
RICHMOND.....	658	665	694
VIRGINIA.....	612	618	645
VIRGINIA BEACH.....	958	941	982
SEATTLE.....	1,611	1,615	1,686
WASHINGTON.....	619	620	647
MILWAUKEE.....	487	497	519
WISCONSIN.....	383	389	406
Total Formula Grants.....	251,323	256,162	267,417
Total Competitive Grants.....	27,925	28,463	29,713
Technical Assistance.....	2,480	1,485	1,485
Working Capital Fund.....	...	...	1,485
Total HOPWA.....	281,728	286,110	300,100

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

Competitive Grants	<u>Amount</u>
2005 Appropriation	\$27,925
2006 Appropriation/Request	28,463
2007 Request	<u>29,713</u>
Program Improvements/Offsets	+1,250

Proposed Actions

The Department proposes \$29.7 million for HOPWA competitive grants in fiscal year 2007. 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 annual Appropriations Act requires HUD to renew the 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 2007 in order to provide continuity. 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 persons living with HIV/AIDS who 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 populations. In October 2004, HUD approved 22 renewal selections for permanent supportive housing projects. Under the 2005 competition, HUD awarded the balance of funds remaining from fiscal year 2004 and fiscal year 2005. The announcements of grants were made in August 2005 for 19 projects and in November, for an additional 16 projects. These 35 grants included 15 renewals and three new projects in non-formula areas that will provide for permanent supportive housing efforts. In addition, 17 new projects were selected for a demonstration of transitional housing efforts that will help clients move to more self sufficient and independent living arrangements at the end of the transitional efforts. Based on the 3-year grant cycle, in 2006 and 2007, 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 selection criteria and procedures, consistent with the National Affordable Housing Act (NAHA) and the HUD Reform Act. The Appropriations Act in fiscal year 2006 also included a new provision allowing a 3-year commitment period for competitive grants that should be continued in 2007. While this provision is not expected to be used, it serves as a protective contingency for a project that had been awarded funds, but experienced unforeseen complications in the project's development. To date, all HOPWA competitive funds have been obligated in less than 2 years; however, special actions were required for two grants in order to meet the deadline, including one in the hurricane recovery area.

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 Program Offsets
 (Dollars in Thousands)

Technical Assistance	<u>Amount</u>
2005 Appropriation	\$2,480
2006 Appropriation/Request	1,485
2007 Request	<u>1,485</u>
Program Improvements/Offsets .....	...

Proposed Actions

The fiscal year 2007 budget requests \$1.485 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. In 2005, the support was used to 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 identifies projects for additional monitoring or TA support.

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 Program Offsets
 (Dollars in Thousands)

Working Capital Fund	<u>Amount</u>
2005 Appropriation
2006 Appropriation/Request .....	...
2007 Request	<u>\$1,485</u>
Program Improvements/Offsets	+1,485

Proposed Actions

Working Capital Fund Transfer. This budget proposes a transfer of \$1.485 million to the Working Capital Fund. This funding will allow for the maintenance, development, or re-engineering of Community Planning and Development systems, including IDIS. The program depends on functional and accountable information technology systems in managing these Federal funds. The assignment of \$1.485 million to this account will enhance the ability to the Department to provide IT support in managing this program and its use by grantees in accessing funds and reporting on accomplishments. In the past, HOPWA has benefited from Working Capital Funds provided by other offices that supported IDIS.

**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	
		2005 Plan	2005 Actual	2006 Plan	2007 Plan
The number of rental households and rental housing units assisted.	Annual Program Reports	73,700	70,325	71,526	75,025
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.	Annual Program Reports	N/A	N/A	N/A	N/A
Streamline the Consolidated Plan	Consolidated Plan	Revise Regulations	Revised Regulations	Implement regulatory changes	Integrate Con Plan into IDIS

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 grantee reports for the 2004 performance show that 70,779 households were supported with HOPWA funded housing efforts.

HOPWA clients maintain housing stability, avoid homelessness and access care.

This is an important indicator for the Department because it is an outcome indicator that reflects the priority for providing stable and permanent housing assistance to the most vulnerable populations - very low-income persons living with HIV or AIDS - who face homelessness and other challenges.

Presidents Management Agenda-Consolidated Plan Improvement Initiative. CPD has completed the Consolidated Plan Improvement Initiative by streamlining the Consolidated Planning with regulatory changes, guidance, and by issuing the Consolidated Plan Management Process Tool (CPMP). The CPMP is a new approach to managing the consolidated planning and reporting process that enables grantees to streamline the submission process and creates a standardized format that enhances the jurisdiction's ability to track results and facilitate review by HUD, grantees, and the public. This tool will serve as the prototype for a newly re-engineered and Integrated Disbursement and Information System that supports local setting and tracking performance, aggregation of results relative to national goals, and the assessment of progress toward addressing the problems of low-income areas.

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

The 2007 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.), [~~\$289,000,000~~]\$300,100,000, to remain available until September 30, [2007]2008, except that amounts allocated pursuant to section 854(c)(3) of such Act shall remain available until September 30, [2008]2009: Provided, That the Secretary shall renew all expiring competitive awards 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 [~~\$1,500,000~~]\$1,485,000 of the funds under this heading for training, oversight, and technical assistance activities and up to \$1,485,000 shall be transferred to the Working Capital Fund.

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 [2006] 2007 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 [2006] 2007 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year [2006] 2007 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 [2006] 2007, 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 [2006] 2007 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] 2007 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 3-year period.

SEC. 212. (a) Notwithstanding any other provision of law, the amount allocated for fiscal year [2006] 2007 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 [2006] 2007 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 2007 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

Includes a provision setting aside funds to be transferred to the Working Capital Fund to allow for the maintenance, development, or re-engineering of Community Planning and Development systems, including the Integrated Disbursement and Information System.

Housing Opportunities for Persons with AIDS

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

<u>Budget Activity</u>	<u>2005 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2005 Resources</u>
Formula Grants	\$253,350	-\$2,027	...	...	\$99,176	\$350,499
Competitive Grants	28,150	-225	...	...	1,678	29,603
Technical Assistance	2,500	-20	...	...	2,050	4,530
Working Capital Fund .....	...	...	...	...	...	...
Total	284,000	-2,272	...	...	102,904	384,632

Housing Opportunities for Persons With AIDS

COMMUNITY PLANNING AND DEVELOPMENT
 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
 Crosswalk of 2006 Changes
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2006 President's Budget Request</u>	<u>Congressional Appropriations Action on 2006 Request</u>	<u>2006 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2006 Resources</u>
Formula Grants	\$239,040	\$258,750	-\$2,588	...	\$67,764	\$323,926
Competitive Grants	26,560	28,750	-287	...	29,707	58,170
Technical Assistance	2,400	1,500	-15	...	2,028	3,513
Working Capital Fund .....	...	...	...	...	...	...
Total	268,000	289,000	-2,890	...	99,499	385,609