

COMMUNITY PLANNING AND DEVELOPMENT
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
2008 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>
2006 Appropriation	\$289,000	\$99,949 ^a	-\$2,890	\$386,059	\$296,437	\$308,883
2007 Full-Year CR Estimate.....	296,000	89,622	...	385,622	296,000	309,000
2008 Request	<u>300,100</u>	<u>89,622</u>	<u>...</u>	<u>389,722</u>	<u>300,000</u>	<u>309,000</u>
Program Improvements/Offsets	+4,100	...	...	+4,100	+4,000	...

a/ Carryover includes recoveries of prior-year unpaid obligations in the amount of \$450 thousand of competitive grants.

Summary Statement

The Department requests \$300.1 million in fiscal year 2008 for the HOPWA program. This funding level is the same as the fiscal year 2007 President's request and \$4.1 million more than the fiscal year 2007 Continuing Resolution. This level of funding would continue housing support to an estimated 67,000 households and the increase over 2006 funding allows assistance to 3,500 additional households. However, the effect of this increase will not be seen until fiscal year 2009. This support results in more stable housing arrangements that improve the beneficiaries' access to healthcare and other needed support and reduces their risks of homelessness. The housing stability outcome measure will be fully implemented in fiscal year 2008, demonstrating that 80 percent of HOPWA clients will maintain housing stability, avoid homelessness, and access care. This funding level 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 person assisted.

Results are shown in using Federal housing resources in saving and improving lives by providing stable housing as a basis for increased participation in an effective comprehensive care program. In 2006, HUD implemented new performance outcome reporting requirements for HOPWA projects that are based on achieving stable housing, improved access to care, and reduced risks of homelessness as client outcomes as a result of this assistance. The Department has placed great emphasis on meeting direct housing needs of persons living with AIDS or HIV and assisting grantees in targeting resources to a priority housing needs by providing rental assistance, developing new housing resources and operating housing facilities for this special needs population. For competitive grants, HUD has selected model projects that demonstrate effective ways to provide supportive housing and coordinate assistance for this population.

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. Recent AIDS surveillance data provided by the Center for Disease Control and Prevention (CDC) report the estimated number of people living with HIV disease is between 1,039,000 and 1,185,000, including 252,000 to 312,000 who are unaware of their HIV infection. The number of new HIV infections is estimated to be approximately 40,000 each year. In addition, the Health Resources and Services Administration, U.S. Department of Health and Human Services, has noted that introduction of Highly Active Anti-retroviral Therapy (HAART) has had an impact on morbidity due to AIDS and that the number of persons living with HIV in the United States has increased. From 1999 to 2003, the number of persons living with AIDS rose from 311,205 to 405,926--an increase of 30 percent (source: HRSA Testimony to the Senate Committee on Homeland Security and Governmental Affairs, April 26, 2006).

Ninety percent of HOPWA funding is distributed by formula to qualifying states and metropolitan areas, and the remaining funds are distributed as 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 to support information technology systems needed to operate the program.

Initiatives

The fiscal year 2008 budget includes a legislative proposal recommending that the HOPWA formula be updated in the data sources used to distribute resources to the eligible states and cities. This key legislative proposal (to be submitted shortly) will improve the effectiveness and efficiency of the program and thereby better serve the needs of the program's targeted population. This formula updating would allow HUD to use current data on the number of persons who are living with AIDS and allow for adding a housing cost factor to reflect differences in area housing needs. HUD would be authorized to implement this revised formula in regulations. This authorization would also allow for a further update in the data sources to allow for use of data on the number of persons living with HIV, when this is available in the future from CDC on a national basis. The new formula would achieve a more equitable distribution of resources and would better reflect housing cost differences experienced by beneficiaries in the recipient communities. In addition, because the current formula is based on the nature of AIDS data available in 1990 when the HOPWA authorization was enacted, it currently requires use of cumulative AIDS cases and AIDS incidence by the CDC, and these do not accurately reflect the number of persons currently living with AIDS in the eligible areas because it involves many persons who have died of AIDS. The updated use of available data on persons living with AIDS and later in using national HIV surveillance data would allow for a more effective and efficient targeting of these housing resources.

Program Evaluation

The 2008 budget request is consistent with the HOPWA program's proven capacity to make use of appropriated 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.

Program outlays for HOPWA grants have risen in recent operating years. The current HOPWA program recipients have recorded expenditures at \$308.9 million for the most recent Federal fiscal year (fiscal year 2006) in grant activities undertaken by 120 formula grantees (39 states, 80 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 through the activities coordinated by 743 project sponsors.

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 obtain and remain in stable housing with reduced risk of homelessness. HOPWA clients also use a range of mainstream health and supportive services funded by other sources, such as 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. In 2006, data on these outcomes were being collected through the use of new performance reports from all grantees.

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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 works 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 requirements for these planning tools were updated in 2006, to include a framework for performance reporting in connection with other HUD programs, including Community Development Block Grants, HOME Investment Partnerships, and Emergency Shelter Grants projects.

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 71,145 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 and 2004 demonstrated that 66 percent of the funds expended were for direct 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 10 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 2006, the selected projects and renewal grants reported that they had leveraged over \$63 million in other resources to support their awarded projects, about \$2.29 of other funds for each HOPWA dollar awarded.

In fiscal years 2005 and 2006, 67,012 and 67,000 households received support, respectively. The fiscal years 2007 and 2008 goals will be set at 67,000 households based on the adjusted appropriated funding level and updated performance reporting efforts. The focus on permanent housing activities is expected to reduce reliance on short-term support for many households.

Program Performance Measurement

The Program Assessment Rating Tool (PART) evaluation conducted by HUD and OMB in conjunction with the fiscal year 2005 budget formulation process, 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 2006, the Department issued client outcome measures in new reporting formats for HOPWA formula and competitive grantees. The revised requirements were made in coordination with reporting for the Community Planning and Development formula programs. In 2006, the Department issued a final rule implementing changes identified under the Consolidated Plan Improvement Initiative. The rule established a regulatory requirement that HOPWA grantees establish annual goals and annual reports for the use of housing funds, for the number of households benefiting from rental assistance, for short-term housing support and for residency in community housing facilities. These housing outputs are currently reported in housing support provided to 21,444 households in tenant-based rental assistance programs, with 39,537 households receiving short-term rent, mortgage and utility payments that help prevent homelessness, and for 5,830 households who reside in community residences, single room occupancy dwellings or other housing facilities. Grantees received training in 2006 on using new reporting forms that assess the housing status of these beneficiaries, maintaining stable housing arrangements, improving access to HIV care and treatment, or avoiding homelessness in temporary housing efforts. As a special needs population with many challenges, some beneficiaries are likely to disconnect from this support or have other unstable results.

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The assessments will help grantees in reviewing results of their sponsor projects and support consideration of enhancements, where needed. Further, this reporting tool will enable HUD to demonstrate program wide results on client outcomes along with the current level of information collected on housing outputs in how funds are used for eligible activities. The Integrated Disbursement and Information System (IDIS) was updated to allow for collection of this revised data (Version 10.0) and integrates HOPWA efforts with other CPD programs in reporting results as part of a performance matrix on sustainability, affordability, and availability of decent housing and other resources. In 2006, CPD conducted nationwide training on the use of these new reporting tools. The new report format enables 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 has collected preliminary data from 409 grantees under the use of the revised report forms in 2006, and over 88 percent (exceeding the target of 80 percent) of assisted households demonstrated stable or temporary results in 2007. All grantees will collect information under the revised housing outcome measures during this program year. More complete data is expected to be available in 2008, pending revisions to enhance the functionality of IDIS for this formula program. HUD has requested that HOPWA funds support the development, and maintenance of this enhanced system by designating a small amount of HOPWA funds to be transferred to the Department's Working Capital Fund.

The program performance outcome measure allows grantees to report on how permanent housing efforts lead to 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 2008-2011 Strategic Plan 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. Objectives for embracing high standards of ethics, management and accountability are also addressed through improvements in program oversight. HUD collaborated with HOPWA grantees and technical assistance providers to develop appropriate client outcome indicators that correspond to these strategic goals and objectives. In 2006, HUD further implemented new performance reporting requirements and conducted grantee training on the use of 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. By the fall of 2006, all HOPWA grantees were provided training on the use of the new HOPWA outcome reporting forms along with related technical support to develop reporting and tracking systems needed to complete reporting under this new requirement. As grantees complete a new performance year and report on accomplishments under the formats, 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. HOPWA 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 against which in future years can be demonstrated.

(1) Required Output. The number of households being assisted during each operating year under the three main types of HOPWA housing support are: (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. Grantees currently report on this use of funds for eligible activities. The projected breakdown based on past activities on a nationwide basis indicates that 67,000 households benefit from HOPWA housing assistance (2005-2006 program year). These households receive support in the three types of housing components, including 22,000 households with tenant-based rental assistance, 39,000 with short-term payments to prevent homelessness, and 6,000 households in community residences or other housing facilities.

(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. 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. A number of grantees have tested the new HOPWA reporting form and provided initial outcome data. To date (December 2006), HUD has received performance reports from 40 grantees who provided advanced use of client outcome assessments. The outcome data indicate that 93 percent of households in tenant-based rental assistance programs have stable housing arrangements, and that 88 percent of residents in HOPWA supported housing

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facilities maintain stable housing—both exceeding the national goal of 80 percent. Data on clients in short-term programs is incomplete but demonstrates, where known, that the short-term efforts address the program goals in helping beneficiaries avoid homelessness, with 92 percent reported having on-going or temporary housing arrangements that prevented the loss of housing. To help guide the use of the short-term efforts in connections with these performance goals, the Department also issued CPD Notice 06-07, *Standards for HOPWA Short-term Rent, Mortgage and Utility (STRMU) Payments and Connections to Permanent Housing*.

HUD has also established an efficiency measure for the HOPWA program, which demonstrates that the costs per household served in rental assistance is cost effective in maintaining stable housing arrangements compared to average per unit costs for other types of rental subsidies. Data noted above for the 2005 program year indicates an average HOPWA program cost of \$3,829 per household assisted in annual rental assistance programs (about \$319 per month), compared to the HUD housing choice voucher program which operates at about \$6,600 per household assisted (\$550 per month). The Department is also working in partnership with the Centers for Disease Control and Prevention on a CDC research effort at three project sites. Data is being collected to review the project's return on investment, or opportunity costs, as stable housing with improve access to care is expected to show that clients rely less on emergency health-care and have improved health results which are cost effective for area public social welfare systems of support. The program also expects to work with other HUD offices on advancing the review of return on investments as part of performance evaluations of these competitive projects.

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

<u>Budget Activity</u>	<u>2006 Budget Authority</u>	<u>2005 Carryover Into 2006</u>	<u>2006 Total Resources</u>	<u>2006 Obligations</u>	<u>2007 CR Estimate</u>	<u>2006 Carryover Into 2007</u>	<u>2007 Total Resources</u>	<u>2008 Request</u>
Formula Grants	\$256,162	\$67,764	\$323,926	\$266,561	\$263,736	\$57,365	\$321,101	\$267,417
Competitive Grants	28,463	30,157	58,620	27,848	29,304	30,772	60,076	29,713
Technical Assistance ..	1,485	2,028	3,513	2,028	1,480	1,485	2,965	1,485
Working Capital Fund ..	...	...	...	...	<u>1,480</u>	...	<u>1,480</u>	<u>1,485</u>
Total	286,110	99,949	386,059	296,437	296,000	89,622	385,622	300,100

<u>FTE</u>	<u>2006 Actual</u>	<u>2007 Estimate</u>	<u>2008 Estimate</u>
Headquarters	12	15	15
Field	<u>33</u>	<u>35</u>	<u>35</u>
Total	45	50	50

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DISTRIBUTION OF FUNDS BY GRANTEE

The distribution of HOPWA funds for the 2006, 2007, and 2008 appropriations are shown below.

The 2007 and 2008 amounts are estimates for local and State grantees located within these States based on fiscal year 2006 distribution.

<u>GRANTEE</u>	2006 <u>ACTUAL</u>	2007 <u>ESTIMATE</u>	2008 <u>ESTIMATE</u>
		(Dollars in Thousands)	
Alabama.....	\$1,145	\$1,195	\$1,195
Birmingham.....	511	533	533
Arkansas.....	707	738	738
Arizona.....	173	181	181
Phoenix.....	1,433	1,496	1,496
Tucson.....	389	406	406
California.....	2,929	3,058	3,058
Los Angeles.....	10,310	10,763	10,763
Oakland.....	1,905	1,989	1,989
Riverside.....	1,684	1,758	1,758
Sacramento.....	786	821	821
San Diego.....	2,549	2,661	2,661
San Francisco.....	8,070	8,425	8,425
San Jose.....	738	770	770
Santa Ana.....	1,359	1,419	1,419
Colorado.....	364	380	380
Denver.....	1,359	1,419	1,419
Bridgeport.....	737	769	769
Connecticut.....	253	264	264
Hartford.....	1,108	1,157	1,157
New Haven.....	1,178	1,230	1,230
District of Columbia.....	11,370	11,870	11,870
Delaware.....	166	173	173
Wilmington.....	679	709	709
Cape Coral.....	336	351	351
Florida.....	3,312	3,458	3,458
Ft. Lauderdale.....	6,637	6,929	6,929
Jacksonville-Duval.....	1,587	1,657	1,657
Lakeland.....	445	465	465
Miami.....	11,189	11,681	11,681
Orlando.....	2,906	3,034	3,034
Sarasota.....	390	407	407
Tampa.....	2,542	2,654	2,654
West Palm Beach.....	3,595	3,753	3,753
Atlanta.....	5,290	5,522	5,522
Augusta.....	376	393	393
Georgia.....	1,576	1,645	1,645
Hawaii.....	162	169	169

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<u>GRANTEE</u>	2006 <u>ACTUAL</u>	2007 <u>ESTIMATE</u> (Dollars in Thousands)	2008 <u>ESTIMATE</u>
Honolulu.....	\$429	\$448	\$448
Iowa.....	330	344	344
Chicago.....	5,561	5,805	5,805
Indianapolis.....	751	784	784
Kansas.....	331	346	346
Kentucky.....	410	428	428
Louisville.....	447	467	467
Baton Rouge.....	1,572	1,641	1,641
Louisiana.....	951	993	993
New Orleans.....	2,997	3,129	3,129
Boston.....	1,719	1,795	1,795
Lowell.....	627	655	655
Lynn.....	317	331	331
Massachusetts.....	168	175	175
Springfield.....	424	443	443
Worcester.....	354	370	370
Baltimore.....	7,649	7,985	7,985
Gaithersburg.....	524	547	547
Maryland.....	348	363	363
Detroit.....	1,597	1,667	1,667
Michigan.....	877	916	916
Warren.....	397	414	414
Minneapolis.....	829	865	865
Minnesota.....	112	117	117
Kansas City.....	918	958	958
Missouri.....	455	475	475
St. Louis.....	1,150	1,201	1,201
Jackson.....	868	906	906
Mississippi.....	778	812	812
Charlotte.....	597	623	623
North Carolina.....	2,097	2,189	2,189
Wake County.....	366	382	382
Camden.....	620	647	647
Jersey City.....	2,544	2,656	2,656
New Jersey.....	1,064	1,111	1,111
Newark.....	5,246	5,476	5,476
Paterson.....	1,283	1,339	1,339
Woodbridge.....	1,375	1,435	1,435
New Mexico.....	514	537	537
Las Vegas.....	882	921	921
Nevada.....	219	229	229
Albany.....	436	455	455
Buffalo.....	480	501	501

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<u>GRANTEE</u>	2006	2007	2008
	<u>ACTUAL</u>	<u>ESTIMATE</u>	<u>ESTIMATE</u>
		(Dollars in Thousands)	
Islip Town.....	\$1,617	\$1,688	\$1,688
New York.....	1,797	1,876	1,876
New York City (sub-allocation).....	56,610	59,097	59,097
Poughkeepsie.....	679	709	709
Rochester.....	\$599	\$625	\$625
Cincinnati.....	518	541	541
Cleveland.....	826	862	862
Columbus.....	596	622	622
Ohio.....	1,037	1,083	1,083
Oklahoma.....	498	520	520
Oklahoma City.....	435	454	454
Oregon.....	319	333	333
Portland.....	947	989	989
Pennsylvania.....	1,548	1,616	1,616
Philadelphia.....	7,083	7,394	7,394
Pittsburgh.....	623	650	650
Puerto Rico.....	1,633	1,705	1,705
San Juan Municipio.....	5,874	6,132	6,132
Providence.....	776	810	810
Charleston.....	397	414	414
Columbia.....	1,041	1,087	1,087
South Carolina.....	1,387	1,448	1,448
Memphis.....	1,882	1,965	1,965
Nashville-Davidson.....	737	769	769
Tennessee.....	747	780	780
Austin.....	940	981	981
Dallas.....	3,141	3,279	3,279
Ft. Worth.....	813	849	849
Houston.....	6,039	6,304	6,304
San Antonio.....	971	1,014	1,014
Texas.....	2,691	2,809	2,809
Salt Lake City.....	353	369	369
Utah.....	112	117	117
Richmond.....	665	694	694
Virginia.....	618	645	645
Virginia Beach.....	941	982	982
Seattle.....	1,615	1,686	1,686
Washington.....	620	647	647
Milwaukee.....	497	519	519
Wisconsin.....	389	406	406
Total Formula Grants.....	<u>256,162</u>	<u>267,417</u>	<u>267,417</u>
Total Competitive Grants.....	28,463	29,713	29,713
Technical Assistance.....	1,485	1,485	1,485
Working Capital Fund.....	...	1,485	1,485
Total HOPWA.....	286,110	300,100	300,100

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

Formula Grants	<u>Amount</u>
2006 Appropriation	\$256,162
2007 Full Year CR Estimate.....	263,736
2008 Request	<u>267,417</u>
Program Improvements/Offsets	+3,681
<u>Proposed Actions</u>	

Formula Changes. The fiscal year 2008 budget includes a legislative proposal recommending an update of 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 updated 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 2008, these 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 were issued in 2006 as a result of the President's Management Agenda project. The modifications are focused on streamlining and making the Consolidated Planning process more effective and establishing a framework for reporting on performance. 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. Currently 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 120 formula jurisdictions in 2006. Two additional jurisdictions were eligible in 2006, the cities of Lakeland and Cape Coral, Florida, but they reached agreement allowing the State of Florida to continue serving as the HOPWA grantee in these areas, as authorized in the administrative provisions of the Appropriations Act. HUD estimates that two additional jurisdictions could become eligible for allocations in 2008 (El Paso, TX, and Palm Bay, FL) as the metropolitan areas had over 1,450 reported cases in their prior year data from CDC). The adjustment in eligibility of jurisdictions is 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 2007, and the estimated number that will qualify in fiscal year 2008.

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YEAR	Number of Qualifying Jurisdictions
2004	117
2005	120
2006	122
2007	122
2008 est.	124

Unless updated under authority establishing a new program formula, HUD proposes to continue current administrative provisions on eligibility contained in the fiscal year 2006 Appropriations Act 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, and in 2006 in Lakeland and Cape Coral, FL, to enable the State of Florida to continue to manage the HOPWA program in these metropolitan areas. Also, if the program formula is not updated, HUD proposes to continue the provision in fiscal year 2006, authorizing the use of incidence data collected for a 3-year period as a more reasonable use of data compared to more variable data collected in 1 year.

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

Competitive Grants	<u>Amount</u>
2006 Appropriation.....	\$28,463
2007 Full-Year CR Estimate.....	29,304
2008 Request.....	<u>29,713</u>
Program Improvements/Offsets.....	+409

Proposed Actions

The Department proposes \$29.7 million for HOPWA competitive grants in fiscal year 2008. 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 part of the Department's Notice of Funding Availability (NOFA) process and for renewal grants. In 2006, 16 renewal grants were reviewed under revised procedures issued as CPD Notice 06-06 that provided for priority treatment in a streamlined application process. Recent Appropriations Acts require 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 2008 in order to provide continuity for the program. The renewal priority was first established in the fiscal year 2001 Appropriations Act, and HUD implemented the new requirement in the 2001 and subsequent SuperNOFA competitions. Under the 2005 competition, HUD awarded a first round of grants in August 2005 for 19 projects, and in November for an additional 16 projects. These 35 grants included 15 renewals and three new permanent supportive housing 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 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. In 2006, HUD awarded 16 renewal projects and selected ten new projects, with announcements issued in October 2006.

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 administrative provision allowing a 3-year commitment period for HOPWA competitive grants, similar to the requirements used for the continuum of care competitive projects. This authority is requested to be continued in the future. While this provision is not expected to be used, as HOPWA competitive projects have been obligated in a 2-year period, 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.

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

Technical Assistance	<u>Amount</u>
2006 Appropriation	\$1,485
2007 Full-Year CR Estimate.....	1,480
2008 Request	<u>1,485</u>
Program Improvements/Offsets	+5

Proposed Actions

The fiscal year 2008 budget requests \$1.485 million for technical assistance, training, and oversight. These funds, jointly referred to as technical assistance (TA) 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 2006, the support was used to help implement the new performance outcome measures framework. TA 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 TA 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 reaches the efforts of an estimated 700 local non-profit projects and housing agencies, 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.

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

Working Capital Fund	<u>Amount</u>
2006 Appropriation .....	...
2007 Full-Year CR Estimate.....	\$1,480
2008 Request	<u>1,485</u>
Program Improvements/Offsets	+5

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 Integrated Disbursement and Information System (IDIS). The HOPWA program depends on functional and accountable information technology systems in managing Federal funds. The assignment of \$1.485 million to this account will enhance the ability to the Department to provide information technology support to manage 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	
		2006 Plan	2006 Actual	2007 Plan	2008 Plan
The number of rental households and rental housing units assisted.	Annual Program Reports	71,526	67,000	72,025	67,000
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	80%
Efficiency Measure: Rental assistance cost per household assisted for tenant based rental assistance as percentage of the cost per household assisted in the Housing Choice Voucher program.	Program Assessment Rating Tool	N/A	58%	TBD	TBD

N/A = Not Applicable.

TBD = To Be Determined.

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. This program also helps 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).

Financial data and grantee reports for the 2005 performance show that 67,000 households were supported with HOPWA funded housing efforts. The current fiscal year 2007 target of 72,025 will be amended to 67,000 in the fiscal year 2008 Annual Performance Plan. The fiscal years 2007 and 2008 goals reflect actual performance data from grantees, which demonstrates the number of households assisted under their current operations (i.e., based on expenditures under existing grant agreements and subrecipient arrangements, as well as verified performance data). The budget goal estimates the likely use of the proposed increases in HOPWA appropriations, which would allow for a greater number of households to be assisted as such funds are used over their grant cycle.

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. Both formula and competitive grant recipients will measure client outcomes to access how housing assistance results in creating or maintaining stable housing, reduces risks of homelessness, and improves access to HIV/AIDS treatment and healthcare and other needed support.

Housing Opportunities for Persons with AIDS

Efficiency Measure.

This indicator represents HOPWA's average rental assistance costs per household assisted versus costs per household assisted in Housing Choice Voucher program (\$6,600). In fiscal year 2006, rental assistance cost under the HOPWA program per unit reflects 58 percent of the cost of a Housing Choice Voucher unit. As shown in annual cost comparisons, the HOPWA program is efficient in assisting eligible households maintain affordable housing. This indicator is currently being modified to ensure that the measure reflects HOPWA's commitment to helping this vulnerable population.

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

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.), \$300,100,000, to remain available until September 30, 2009, except that amounts allocated pursuant to section 854(c)(3) of such Act shall remain available until September 30, 2010: 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 \$1,485,000 of the funds under this heading for training, oversight, and technical assistance activities and \$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 2008 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 2008 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year 2008 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 2008, 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 2008 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 2008 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 2008 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 2008 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 2008 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.

Housing Opportunities for Persons with AIDS

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

<u>Budget Activity</u>	<u>2006 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2006 Resources</u>
Formula Grants	\$258,750	-\$2,588	...	...	\$67,764	\$323,926
Competitive Grants	28,750	-287	...	...	30,157	58,620
Technical Assistance	1,500	-15	...	...	2,028	3,513
Working Capital Fund .....	...	...	...	...	...	...
Total	289,000	-2,890	...	...	99,949	386,059

Housing Opportunities for Persons with AIDS

COMMUNITY PLANNING AND DEVELOPMENT
 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
 Crosswalk of 2007 Changes
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2007 President's Budget Request</u>	<u>FY 2007 CR Estimate</u>	<u>2007 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2007 Resources</u>
Formula Grants	\$267,417	\$263,736	...	...	\$57,365	\$321,101
Competitive Grants	29,713	29,304	...	...	30,772	60,076
Technical Assistance	1,485	1,480	...	...	1,485	2,965
Working Capital Fund	<u>1,485</u>	<u>1,480</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>1,480</u>
Total	300,100	296,000	...	...	89,622	385,622