

**COMMUNITY PLANNING AND DEVELOPMENT
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
2011 SUMMARY STATEMENT AND INITIATIVES
(Dollars in Thousands)**

| HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS | Enacted/ Request | Carryover | Supplemental/ Rescission | Total Resources | Obligations | Outlays |
|----------------------------------------------------|-----------------------------|------------------------|-------------------------------------|----------------------------|----------------------------|----------------|
| 2009 Appropriation | \$310,000 | \$103,460 ^a | ... | \$413,460 ^b | \$320,190 ^b | \$317,125 |
| 2010 Appropriation/Request | 335,000 | 93,270 | ... | 428,270 ^c | 335,000 ^c | 333,000 |
| 2011 Request | <u>340,000</u> | <u>93,270</u> | <u>...</u> | <u>433,270^c</u> | <u>340,000^c</u> | <u>304,000</u> |
| Program Improvements/Offsets | +5,000 | ... | ... | +5,000 | +5,000 | -29,000 |

a/ Includes \$213 thousand of fiscal year 2009 recaptured funds.

b/ Includes \$1.750 million of funds that were transferred and obligated to the Working Capital Fund.

c/ Includes \$3 million of funds that were transferred and obligated to the Transformation Initiative Fund.

Summary of Statement

OVERVIEW

The Department requests \$340 million for the Housing Opportunities for Persons With AIDS (HOPWA) program in fiscal year 2011, an increase of \$5 million over the fiscal year 2010 appropriation. The Department continues to allocate 90 percent by formula and the balance to competitive funds, which reflects continued emphasis on the renewal of expiring competitive permanent supportive housing projects. HOPWA resources are used to promote community planning for improved client outcomes in providing housing assistance as a base from which to access HIV related health care and other support. The program targets an extremely vulnerable and low-income population, primarily persons with monthly incomes of under \$1,000 with 83 percent of beneficiaries having an extremely low income (household income less than 30 percent of area median incomes) and 12 percent at very low-incomes (below 50 percent of area median-income).

The fiscal year 2011 Budget requests continuation of the Departmental Transformation Initiative which allows the Secretary the necessary flexibility to undertake an integrated and balanced effort to improve program performance and test innovative ideas. Up to 1 percent of the funds appropriated for the HOPWA account will be transferred to the Transformation Initiative account to undertake research, demonstrations, technical assistance, and technology improvements.

GREATER INTEGRATION WITH HOUSING AND CARE--NEW STRATEGIES

The HOPWA program is the only Federal program targeted to address the urgent housing needs of low-income Americans living with HIV/AIDS, who are facing multiple health challenges, including substance abuse and mental health issues, as well as issues of discrimination and barriers due to stigma and misinformation about HIV/AIDS. The Department continues its support to sustain and expand affordable housing opportunities for the nation's low-income households who are challenged with health crises and illnesses associated with HIV/AIDS. Stable housing arrangements provide a vital base for maintenance of the related treatment and care on the chronic HIV health issues.

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HUD recognizes communities must be able to integrate and use HUD's mainstream housing resources to address housing needs of special needs populations. HUD is considering ways to reduce the complexity of managing Federal housing and related care resources to initiate dialogue on seeking more effective coordination of resources that support special needs households, in collaboration with other HUD and public resources. Further, special needs programs and others that assist households with health care needs should also be undertaken in close collaboration with the Federal programs that establish standards for the delivery of the treatment and related care. Recipients have long noted administrative burdens in managing their portfolio of affordable and supportive housing, including burdens in planning, operating, reporting and evaluating project results, especially where mixed use of Federal and other resources involve complexities in compliance with requirements. HUD will be seeking to partner with recipients to build a more sustainable approach to addressing the affordable housing needs of special needs populations.

Additionally, multiple third-party entities have engaged in recent research studies, which support the claim that the lack of decent and affordable housing precipitate poor health outcomes, including exacerbate the HIV epidemic and associated health disparities. Studies also have consistently found that homelessness and unstable housing worsen the health outcomes for persons living with HIV, and that stable housing can lead to improved health outcomes for this population. The continuation of HOPWA housing support for vulnerable households will help to stabilize their housing arrangements and improve their access to appropriate health care. This will result in a reduction of unnecessary emergency and reactive care by allowing these households to better maintain their health and participate in HIV treatments.

Preliminary results from two research studies show similar linkages, indicating that supportive housing for homeless persons with HIV/AIDS and other chronic illnesses not only improves health outcomes, but reduces costly emergency and inpatient health care costs. As published in *AIDS & Behavior*, December 2009, the Housing and Health Study supported through a joint CDC/HUD initiative, noted that homelessness was linked with poor public health outcomes such as higher viral loads and a greater reliance on emergency room care. Efforts to address homelessness offer the promise of significant improvements in health and reductions in Federal healthcare expenditures realized from stable housing situations for these households. The Chicago Housing for Health Partnership study reports that supportive housing efforts average \$34 per day, compared to hospitalization costs of \$2,168 per day, and nursing care at \$108 per day. In this effort, supportive housing was used as an alternative to continued hospitalization for persons with chronic illnesses. The study noted reductions in costs for medical support provided in hospitals, nursing care and other care where opportunities for housing placements and appropriate on-going support were provided. HUD will seek to build on this type of knowledge by helping to expand availability of housing resources for vulnerable households in coordination with improved access to care and other support.

HUD is a participant in the Federal collaboration to better coordinate domestic HIV/AIDS efforts under a National HIV/AIDS Strategy led by the White House Office of National AIDS Policy. The President indicated the Administration would be implementing a comprehensive strategy that will focus on reducing HIV incidence, increasing access to care and reducing HIV-related health disparities. HUD will seek to partner with other the federal agencies that guide related policy and program resources for health care and other supportive services as part of the larger effort to develop a comprehensive and holistic approach to addressing the housing needs of vulnerable households.

ADDRESSING UNMET NEEDS

There are over 1.2 million Americans living with HIV/AIDS. The epidemic continues to increase with an estimated number of 56,300 new HIV cases annually (CDC data). A disproportionate number of cases impacts low-income minority communities. The HOPWA program provides direct housing assistance that supports unmet housing needs through the provision of rental assistance, the use of short-term rent, mortgage and utility payments to reduce risks of homelessness, and through the operation of supportive housing facilities. The provision of stable housing serves as base from which program beneficiaries may

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participate in an effective and comprehensive care program. These clients face not only life challenging health consequences from living with a terminal disease, which requires daily participation in health treatment/medications, but many of the program's beneficiaries are also challenged with severe risks of homelessness due to multiple diagnoses, including presenting substance abuse and mental health challenges. The need for stable and affordable housing is critical in preventing homelessness, and in obtaining consistent access to life-sustaining medical care and supportive services essential for their well-being. In addition to serving as a cost effective alternative to hospitalization and other higher levels of care, research indicates that housing is a primary factor in promoting HIV prevention and in helping to avoid life costs of HIV infection (reported at over \$600,000 per infection) which would largely fall on public systems for low-income/HOPWA eligible households.

Fiscal year 2009 HOPWA grantee performance reporting data identified 58,367 households as having received HOPWA housing support. HOPWA grantees report that the program is only able to address about 29 percent of the identified housing need, as documented through Consolidated Plans, project data, housing waiting lists, and related planning sources, with 126,616 households identified as having unmet housing needs. There are over 530,000 persons with HIV/AIDS who currently qualify for related HIV care through the Department of Health and Human Services' Ryan White CARE programs, many of whom are likely to be HOPWA eligible, with at least 107,000 recipients of CARE Act support known to lack a permanent housing arrangement (HRSA, 2006 RWCA data). In addition, almost all of the metropolitan areas and states that operate funds under the Minority AIDS Initiative, report that issues of housing instability and homelessness were among the top barriers identified for minorities obtaining appropriate HIV/AIDS services, with housing issues at a prevalence similar to the lack of health insurance and issues of co-morbidities that complicate delivery of care (Implementation of the New Minority AIDS Initiative Provisions, GAO-09-315).

HOPWA RESULTS

The HOPWA program has demonstrated through performance data and program evaluations that it is an effective, cost-efficient, and comprehensive housing program that is targeted to serve low-income Americans living with HIV/AIDS. The program targets an extremely vulnerable and low-income population, primarily persons with monthly incomes of under \$1,000 with 83 percent of beneficiaries having an extremely-low income (household income less than 30 percent of area median incomes) and 12 percent at very-low incomes (below 50 percent of area median income). HOPWA beneficiaries are remaining stably housed with reduced risks of homelessness, and greater access to health care and other supportive services. In addition, the HOPWA program has achieved these outcomes at significantly lower costs.

The fiscal year 2011 request reflects the recent level of outlays by HOPWA grantees, (e.g. in fiscal year 2009 reported at \$318.2 million), which demonstrates a strong service delivery capacity to obligate and use funds in a timely manner for special needs purposes. In fiscal year 2010, the number of formula eligible areas increased from 131 in fiscal year 2009, to 133 formula areas, with an estimated one to three additional eligible areas in fiscal year 2011. The program has 104 competitive grantees who partner with local housing agencies and nonprofit organizations. In addition, program grantees report an aggregate total of 958 project sponsors, including 819 nonprofit organizations, of which 103 were identified as faith-based organizations, and 139 as government agencies.

PERFORMANCE MEASURES AND EVALUATION

The HOPWA program's outcome goals are to increase housing stability and reduce risks of homelessness for persons receiving housing assistance. Grantee data reflects the program's success in achieving these outcomes, consistently exceeding targeted goals in the provision of permanent housing and short-term/transitional housing programs. The program has been highly active in refining its data collection tools and working with grantees to ensure that they provide

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accurate and complete information on the performance of their programs. Using this data, the HOPWA office has conducted thorough evaluations of program operations. In fiscal year 2008, a comprehensive OMB management review assessment concluded that the HOPWA program demonstrates significant strengths in achieving client outcomes and “effective” as HUD’s highest rated program.

The Office of HIV/AIDS Housing is collaborating with grantees in implementing two goals for program outcomes: (1) housing stability in permanent housing; and (2) reduced risks of homelessness in short-term and transitional housing. For purposes of reporting on the status of the client’s household arrangements, client assessments are conducted at the end of each program year. This would be evidenced in grantee plans to continue their rental assistance efforts by providing the on-going monthly subsidy, or in the case that clients leave program support, that other arrangements are in place with other public support or through the household’s private resources to maintain a suitable housing arrangement. By contrast, an assessment of unstable housing reflects poor outcomes evidenced by a loss of housing, detachment from needed program support, failure to follow requirements, incarceration, or homelessness. Short-term and transitional housing efforts are designed to help households with severe risks of homelessness avoid displacement from current housing or address needs through transitional support, such as addiction counseling and treatments.

Program expenditures: Fiscal years 2008-2009 data demonstrates that 67 percent of funds were expended on direct housing activities, of which 60 percent were expended for direct housing subsidy and facility based operational costs, with an additional 4 percent for related housing placement information costs, and an additional 3 percent used for housing development. Costs for case management and other supportive services were reported at 26 percent. Grant administration costs represented seven percent of the funds expended.

Type of Housing Assistance: Fiscal years 2008-2009 data reports that 52 percent of funds were expended on direct housing subsidies and operational costs, (comprised primarily of permanent supportive housing in the form of tenant-based rental assistance), and an additional 23 percent was spent on operating costs for facility-based housing. Grantees used 14 percent of direct housing funds on short-term rent, and mortgage and utility assistance, and 11 percent for transitional and short-term housing facility costs, in order to address homelessness to help prevent clients from becoming homeless.

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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>2009 Budget Authority</u> | <u>2008 Carryover Into 2009</u> | <u>2009 Total Resources</u> | <u>2009 Obligations</u> | <u>2010 Budget Authority/ Request</u> | <u>2009 Carryover Into 2010</u> | <u>2010 Total Resources</u> | <u>2011 Request</u> |
|---------------------------------|------------------------------|---------------------------------|-----------------------------|-------------------------|---------------------------------------|---------------------------------|-----------------------------|---------------------|
| Formula Grants | \$276,089 | \$73,410 | \$349,499 | \$277,421 | \$298,485 | \$72,078 | \$370,563 | \$302,940 |
| Competitive Grants | 30,676 | 28,565 | 59,241 | 39,534 | 33,165 | 19,707 | 52,872 | 33,660 |
| Technical Assistance .. | 1,485 | 1,485 | 2,970 | 1,485 | ... | 1,485 | 1,485 | ... |
| Working Capital Fund .. | 1,750 | ... | 1,750 | 1,750 | ... | ... | ... | ... |
| Transformation Initiative | ... | ... | ... | ... | <u>3,350</u> | ... | <u>3,350</u> | <u>3,400</u> |
| Total | 310,000 | 103,460 | 413,460 | 320,190 | 335,000 | 93,270 | 428,270 | 340,000 |
| <u>FTE</u> | <u>2009 Actual</u> | <u>2010 Estimate</u> | <u>2011 Estimate</u> | | | | | |
| Headquarters | 10 | 10 | 11 | | | | | |
| Field | <u>44</u> | <u>46</u> | <u>47</u> | | | | | |
| Total | 54 | 56 | 58 | | | | | |

NOTE: The 2008 Carryover Into 2009 column includes \$213 thousand of recaptured competitive grant funds.

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Distribution of Funds by Grantees. The distribution of HOPWA funds according to 2009 and 2010 actuals (as rounded to nearest thousand) and as projected for the 2011 appropriation request are shown below. The 2011 amounts are estimates for local and State grantees based on the fiscal year 2010 appropriation (as relevant data for future allocations are not yet available).

| HOPWA FORMULA GRANTEE | 2009 <u>ACTUAL</u> | 2010 <u>ESTIMATE</u> | 2011 <u>ESTIMATE</u> |
|-----------------------|-----------------------|-------------------------|-------------------------|
| | | (Dollars in Thousands) | |
| Alabama..... | \$1,300 | \$1,404 | \$1,424 |
| Birmingham..... | 555 | 593 | 602 |
| Arizona..... | 199 | 219 | 225 |
| Phoenix..... | 1,608 | 1,770 | 1,798 |
| Tucson..... | 420 | 453 | 459 |
| Arkansas..... | 798 | 532 | 541 |
| Little Rock..... | 0 | 317 | 322 |
| Bakersfield..... | 472 | 635 | 644 |
| California..... | 2,558 | 2,743 | 2,784 |
| Fresno..... | 316 | 346 | 351 |
| Los Angeles..... | 10,764 | 12,411 | 12,556 |
| Oakland..... | 2,039 | 2,206 | 2,239 |
| Riverside..... | 1,850 | 1,989 | 2,018 |
| Sacramento..... | 844 | 906 | 919 |
| San Diego..... | 2,732 | 2,932 | 2,976 |
| San Francisco..... | 9,233 | 9,967 | 10,159 |
| San Jose..... | 797 | 871 | 884 |
| Santa Ana..... | 1,459 | 1,566 | 1,590 |
| Colorado..... | 392 | 425 | 431 |
| Denver..... | 1,452 | 1,573 | 1,594 |
| Bridgeport..... | 855 | 845 | 858 |
| Connecticut..... | 269 | 286 | 294 |
| Hartford..... | 1,084 | 1,156 | 1,169 |
| New Haven..... | 963 | 1,021 | 1,036 |
| Delaware..... | 186 | 203 | 206 |
| Wilmington..... | 652 | 771 | 783 |

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| HOPWA FORMULA GRANTEE | 2009 <u>ACTUAL</u> | 2010 <u>ESTIMATE</u> | 2011 <u>ESTIMATE</u> |
|--------------------------|------------------------|-------------------------|-------------------------|
| | (Dollars in Thousands) | | |
| Washington, DC..... | \$12,214 | \$14,119 | \$14,329 |
| Cape Coral..... | 369 | 402 | 408 |
| Deltona..... | 312 | 0 | 0 |
| Florida..... | 3,013 | 3,652 | 3,706 |
| Ft.Lauderdale..... | 7,546 | 8,637 | 8,766 |
| Jacksonville-Duval | 2,266 | 2,508 | 2,545 |
| Lakeland..... | 491 | 544 | 553 |
| Miami... .. | 12,600 | 12,966 | 13,124 |
| Orlando. | 3,533 | 3,344 | 3,394 |
| Palm Bay..... | 318 | 341 | 383 |
| Bradenton..... | 421 | 460 | 466 |
| Tampa | 3,450 | 3,718 | 3,773 |
| West Palm Beach..... | 3,200 | 3,463 | 3,515 |
| Atlanta | 8,788 | 9,214 | 9,351 |
| Augusta | 399 | 429 | 436 |
| Georgia. | 1,860 | 2,037 | 2,067 |
| Hawaii | 168 | 181 | 185 |
| Honolulu..... | 445 | 474 | 480 |
| Chicago..... | 5,993 | 6,427 | 6,515 |
| Illinois..... | 945 | 1,014 | 1,037 |
| Indiana | 893 | 1,104 | 986 |
| Indianapolis..... | 807 | 878 | 891 |
| Iowa..... | 367 | 400 | 406 |
| Kansas | 357 | 384 | 390 |
| Kentucky | 453 | 495 | 502 |
| Louisville | 503 | 554 | 563 |
| Baton Rouge. | 1,797 | 2,223 | 2,265 |
| Louisiana..... | 1,090 | 1,202 | 1,220 |
| New Orleans | 3,090 | 3,390 | 3,332 |
| Baltimore..... | 8,657 | 10,020 | 10,181 |
| Frederick | 604 | 977 | 1,004 |

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| HOPWA FORMULA GRANTEE | 2009 <u>ACTUAL</u> | 2010 <u>ESTIMATE</u> | 2011 <u>ESTIMATE</u> |
|------------------------|------------------------|-------------------------|-------------------------|
| | (Dollars in Thousands) | | |
| Maryland | \$362 | \$401 | \$407 |
| Worcester..... | 377 | 408 | 414 |
| Boston..... | 1,779 | 1,877 | 1,920 |
| Lowell..... | 658 | 707 | 713 |
| Lynn..... | 332 | 355 | 360 |
| Massachusetts | 180 | 194 | 197 |
| Springfield..... | 445 | 481 | 488 |
| Detroit..... | 2,067 | 1,936 | 1,971 |
| Michigan..... | 980 | 1,055 | 1,075 |
| Warren..... | 456 | 498 | 505 |
| Minneapolis..... | 904 | 976 | 991 |
| Minnesota..... | 125 | 139 | 140 |
| Jackson..... | 882 | 970 | 984 |
| Mississippi..... | 858 | 949 | 964 |
| Kansas City..... | 1,016 | 1,107 | 1,124 |
| Missouri..... | 492 | 526 | 536 |
| St. Louis..... | 1,265 | 1,361 | 1,381 |
| Nebraska..... | 318 | 347 | 349 |
| Las Vegas..... | 1,002 | 1,097 | 1,115 |
| Nevada..... | 237 | 257 | 259 |
| Camden..... | 656 | 713 | 724 |
| Woodbridge/Edison..... | 1,409 | 0 | 1,537 |
| New Jersey..... | 1,110 | 1,179 | 1,152 |
| Newark..... | 4,913 | 6,602 | 6,711 |
| New Mexico..... | 552 | 273 | 277 |
| Albuquerque..... | 0 | 320 | 325 |
| Albany..... | 471 | 508 | 516 |
| Buffalo..... | 522 | 565 | 573 |
| New York..... | 1,938 | 2,137 | 2,169 |
| Jersey City..... | 2,359 | 2,940 | 3,027 |
| Paterson..... | 1,302 | 1,403 | 1,424 |
| New York City..... | 52,654 | 54,638 | 55,473 |
| Poughkeepsie..... | 655 | 770 | 784 |

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| HOPWA FORMULA GRANTEE | 2009 <u>ACTUAL</u> | 2010 <u>ESTIMATE</u> | 2011 <u>ESTIMATE</u> |
|-------------------------|------------------------|-------------------------|-------------------------|
| | (Dollars in Thousands) | | |
| Rochester..... | \$659 | \$708 | \$719 |
| Islip Town..... | 1,711 | 1,837 | 1,874 |
| Charlotte..... | 714 | 792 | 804 |
| North Carolina..... | 2,387 | 2,677 | 2,729 |
| Wake County..... | 460 | 721 | 731 |
| Cincinnati..... | 584 | 643 | 653 |
| Cleveland..... | 895 | 959 | 978 |
| Columbus..... | 667 | 739 | 746 |
| Ohio..... | 1,157 | 1,248 | 1,267 |
| Oklahoma..... | 230 | 243 | 247 |
| Oklahoma City..... | 483 | 514 | 522 |
| Tulsa..... | 325 | 342 | 347 |
| Oregon..... | 350 | 376 | 382 |
| Portland..... | 1,017 | 1,077 | 1,103 |
| Pennsylvania..... | 1,755 | 1,613 | 1,637 |
| Allentown..... | 0 | 317 | 321 |
| Philadelphia..... | 8,716 | 8,789 | 8,920 |
| Pittsburgh..... | 677 | 730 | 741 |
| Providence..... | 821 | 873 | 886 |
| Charleston..... | 438 | 477 | 484 |
| Columbia..... | 1,404 | 1,545 | 1,588 |
| South Carolina..... | 1,564 | 1,711 | 1,736 |
| Memphis..... | 2,019 | 1,699 | 1,725 |
| Nashville-Davidson..... | 830 | 902 | 916 |
| Tennessee..... | 831 | 914 | 928 |
| Austin..... | 1,029 | 1,103 | 1,120 |
| Dallas..... | 3,643 | 3,718 | 3,774 |
| El Paso..... | 328 | 355 | 360 |
| Ft. Worth..... | 893 | 950 | 964 |
| Houston..... | 7,316 | 7,765 | 7,901 |
| San Antonio..... | 1,064 | 1,160 | 1,187 |
| Texas..... | 2,626 | 2,815 | 2,857 |
| Salt Lake City..... | 363 | 387 | 393 |

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| HOPWA FORMULA GRANTEE | 2009 <u>ACTUAL</u> | 2010 <u>ESTIMATE</u> | 2011 <u>ESTIMATE</u> |
|----------------------------------------|------------------------|-------------------------|-------------------------|
| | (Dollars in Thousands) | | |
| Utah..... | \$120 | \$129 | \$130 |
| Richmond | 703 | 773 | 785 |
| Virginia..... | 668 | 706 | 717 |
| Virginia Beach..... | 1,002 | 1,068 | 1,094 |
| Seattle..... | 1,706 | 1,821 | 1,842 |
| Washington..... | 672 | 730 | 741 |
| Milwaukee..... | 532 | 575 | 584 |
| Wisconsin..... | 422 | 455 | 462 |
| Puerto Rico..... | 1,709 | 1,832 | 1,859 |
| San Juan Municipio..... | 6,267 | 7,975 | 6,625 |
| West Virginia..... | <u>310</u> | <u>336</u> | <u>341</u> |
| Total Formula Grants | 276,089 | 298,485 | 302,940 |
| Total Competitive/Renewal Grants | 30,676 | 33,165 | 33,660 |
| Technical Assistance | 1,485 | 0 | 0 |
| Working Capital Fund | 1,750 | 0 | 0 |
| Transformation Initiative | 0 | 3,350 | 3,400 |
| Total HOPWA | \$310,000 | \$335,000 | \$340,000 |

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

| Formula Grants | Amount |
|------------------------------------|----------------|
| 2009 Appropriation | \$276,089 |
| 2010 Appropriation/Request | 298,485 |
| 2011 Request | <u>302,940</u> |
| Program Improvements/Offsets | +4,455 |

Proposed Actions:

The fiscal year 2011 Budget request proposes \$302,940,000 for HOPWA formula grants.

Formula Allocations

HOPWA formula funds are made available under the Department’s Consolidated Plan process which enables a community to develop a comprehensive plan that identifies and prioritizes community needs, provides consultation with citizens and organizations in the community, and coordinates a responsive plan of action for addressing identified needs with Federal and other resources. This plan promotes efforts to address the housing challenges of this special needs population, including those who are homeless and those at risk of homelessness. The plan should strategically incorporate the use of other resources for housing, community and economic development, health care, and service programs and guide them in a coordinated and effective manner. By statute, formula funds are currently given to metropolitan areas with a population of at least 500,000 that have at least 1,500 reported cumulative cases of AIDS. Formula funds also go to states based on AIDS data for areas of a state outside of qualifying metro areas that have at least 1,500 reported cases of AIDS. A few areas states that had qualified in a prior year are maintained as eligible based on administrative provisions in appropriations acts.

Based on HUD’s review of CDC AIDS surveillance data, population information, the application of definitions of metropolitan statistical areas and divisions, and the administrative provisions of the appropriations act, there were 131 eligible formula jurisdictions in 2009 of which eight jurisdictions have used authority to have their state serve as grantee for the allocation. There are 133 eligible areas in fiscal year 2010, (three additional jurisdictions have become eligible: Albuquerque, NM; Little Rock, AR; and Allentown, PA; and one metropolitan area, Deltona, FL that was eligible in 2009 became ineligible in 2010 as the population fell below the 500,000 threshold and funds for the area are directed to the state grantee. HUD estimates that one to three additional MSAs may qualify in fiscal year 2011 (Greensboro NC, Syracuse NY and Greenville SC). Determination for fiscal year 2011 would be based on AIDS data to be collected and updated by the CDC by March 31, 2010. The eligibility of jurisdictions is also dependent on the application of CDC data and US Census data and the definitions of metropolitan statistical area, and a designated area may also make arrangements allowing states to administer the funds. The following table displays the number of jurisdictions and states that have qualified for a formula allocation most recently, including an adjustment to the number receiving formula grants, the number that qualify in fiscal year 2010, and the estimated number that will qualify in fiscal year 2011.

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| Fiscal Year | Number Qualifying | Adjusted Number of Grantees |
|--------------------|--------------------------|------------------------------------|
| | | |
| 2008 | 127 | 121 |
| 2009 | 131 | 123 |
| 2010 | 133 | 123 – 127 |
| 2011 | 134 – 136 est. | 123 – 129 est. |

HUD proposes to continue the following current administrative provisions on eligibility contained in the anticipated fiscal year 2010 appropriation: maintain HOPWA eligibility for nine states (Arizona, Connecticut, Delaware, Hawaii, Massachusetts, Minnesota, Nevada, Oklahoma, and Utah); maintain current grant administration authority in place for four communities (Paterson, Jersey City, and Salem County, NJ, and Wake County, NC); maintain the provision to allow for a city to arrange for a state to undertake grant responsibilities for its metropolitan area--this authority has been used by the communities of Lakeland, Cape Coral, and Palm Bay, Florida; Frederick, Maryland; Bakersfield, California; Bradenton, Florida; and Fresno, California. In addition, HUD proposes to continue the provision in fiscal year 2011 authorizing the use of incidence data collected for a 3-year period as a more reasonable source of this 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> |
|------------------------------------|----------------------|
| 2009 Appropriation | \$30,676 |
| 2010 Appropriation/Request | 33,165 |
| 2011 Request | <u>33,660</u> |
| Program Improvements/Offsets | +495 |

Proposed Actions

The fiscal year 2011 Budget request proposes \$33,660,000 for competitive grants, with an emphasis on the renewal of expiring HOPWA competitive grants. Since 2002, the renewal of expiring competitive grants has had statutory priority over the selection of new projects. This provision has been included in Appropriations Acts that require HUD to renew funding to expiring competitive grants that meet program requirements and provide permanent supportive housing. A continuation of this authority is requested in order to maintain successful current housing programs that would otherwise reduce or cease operations. HUD has implemented review and renewal selection procedures through a notice providing for a streamlined application process for submission, review, and award of renewal projects on this priority basis.

In fiscal year 2009, HUD received 26 renewal applications. HUD announced the selection of 7 renewals grants on May 8, 2009, and 19 additional renewals on July 22, 2009. As a result of funds being used to meet the statutory priority for renewal of successful projects, HUD provided notice that no new competitive grants would be solicited. In fiscal year 2010, HUD has issued the renewal notice and anticipates that 32 projects will apply for renewal funding, though it is unlikely that any new competitive projects would be funded. It is anticipated that this trend will continue in fiscal year 2011.

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**COMMUNITY PLANNING AND DEVELOPMENT
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PROGRAM OFFSETS
(Dollars in Thousands)**

| Technical Assistance | <u>Amount</u> |
|------------------------------------|----------------------|
| 2009 Appropriation | \$1,485 |
| 2010 Appropriation/Request | ... |
| 2011 Request | <u>...</u> |
| Program Improvements/Offsets | ... |

Proposed Actions

The fiscal year 2011 Budget request includes continuation of HOPWA technical assistance activities under the Transformation Initiative, described in a separate justification.

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**COMMUNITY PLANNING AND DEVELOPMENT
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PROGRAM OFFSETS
(Dollars in Thousands)**

| working capital fund | <u>Amount</u> |
|------------------------------------|----------------------|
| 2009 Appropriation | \$1,750 |
| 2010 Appropriation/Request | ... |
| 2011 Request | <u>...</u> |
| Program Improvements/Offsets | ... |

Proposed Actions

The fiscal year 2011 Budget request includes continuation of HOPWA working capital fund activities under the Transformation Initiative, described in a separate justification.

**COMMUNITY PLANNING AND DEVELOPMENT
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PROGRAM OFFSETS
(Dollars in Thousands)**

| Transformation Initiative | <u>Amount</u> |
|------------------------------------|----------------------|
| 2009 Appropriation | ... |
| 2010 Appropriation/Request | \$3,350 |
| 2011 Request | <u>3,400</u> |
| Program Improvements/Offsets | +50 |

Proposed Actions

The fiscal year 2011, Budget request proposes \$3,400,000 for the Transformation Initiative associated with HOPWA grants.

Transformation Initiative activities will include the use of HOPWA funds to support activities such as HOPWA technical assistance, training, and oversight as well as working capital funds to support the information management systems. The initiative will allow the Secretary the necessary flexibility to undertake an integrated and balanced effort to improve program performance and test innovative ideas. Up to 1 percent of the funds appropriated for the HOPWA account will be transferred to the Transformation Initiative account to undertake research, demonstrations, technical assistance, and technology improvements.

HOPWA TA is also an effective tool in providing the program with resources to assist local communities in developing their comprehensive housing strategies, including needs assessments to identify local needs and strategies for targeting area resources. In addition, HOPWA technical assistance resources have been used to help ensure that program grantees manage and provide oversight of project activities in addressing clients' housing needs in a comprehensive and cost-effective manner while supporting the development of greater and more effective capacities for providing AIDS housing assistance. In recent years, these efforts have helped grantees report and evaluate project data under the new performance outcome measures framework, with training on grantee oversight responsibilities and use of updated reporting forms. TA is expected to continue to be provided to recipient communities 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

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

The 2011 Budget includes proposed changes in the appropriations language listed and explained below. New language is italicized and underlined.

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.), [~~\$335,000,000~~ ~~\$340,000,000~~, to remain available until September 30, [2011]2012, except that amounts allocated pursuant to section 854(c)(3) of such Act shall remain available until September 30, [2012]2013. *Provided*, That the Secretary shall renew all expiring contracts for permanent supportive housing that were funded under section 854(c)(3) of such Act that meet all program requirements before awarding funds for new contracts and activities authorized under this section.

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 [2010]2011 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 [2010]2011 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year [2010]2011 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 [2010]2011, 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 [2010]2011 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

Housing Opportunities for Persons With AIDS

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.

(d) Notwithstanding any other provision of law, the amount allocated for fiscal year [2010]2011 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. [209]207. (a) Notwithstanding any other provision of law, the amount allocated for fiscal year [2010]2011 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 [2010]2011 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 [2010]2011 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.

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**COMMUNITY PLANNING AND DEVELOPMENT
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Crosswalk of 2009 Availability
(Dollars in Thousands)**

| <u>Budget Activity</u> | <u>2009 Enacted</u> | <u>Supplemental/ Rescission</u> | <u>Approved Reprogrammings</u> | <u>Transfers</u> | <u>Carryover</u> | <u>Total 2009 Resources</u> |
|---------------------------------|---------------------|-------------------------------------|------------------------------------|------------------|------------------|-------------------------------------|
| Formula Grants | \$276,089 | ... | ... | ... | \$73,410 | \$349,499 |
| Competitive Grants | 30,676 | ... | ... | ... | 28,565 | 59,241 |
| Technical Assistance | 1,485 | ... | ... | ... | 1,485 | 2,970 |
| Working Capital Fund | 1,750 | ... | ... | ... | ... | 1,750 |
| Transformation Initiative | ... | ... | ... | ... | ... | ... |
| Total | 310,000 | ... | ... | ... | 103,460 | 413,460 |

NOTE: Carryover includes \$213 thousand of recaptured competitive grant funds.

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**COMMUNITY PLANNING AND DEVELOPMENT
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Crosswalk of 2010 Changes
(Dollars in Thousands)**

| <u>Budget Activity</u> | <u>2010 President's Budget Request</u> | <u>Congressional Appropriations Action on 2010 Request</u> | <u>2010 Supplemental/ Rescission</u> | <u>Reprogrammings</u> | <u>Carryover</u> | <u>Total 2010 Resources</u> |
|---------------------------------|----------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------|-----------------------|------------------|---------------------------------|
| Formula Grants | ... | \$298,485 | ... | ... | \$72,078 | \$370,563 |
| Competitive Grants | ... | 33,165 | ... | ... | 19,707 | 52,872 |
| Technical Assistance | ... | ... | ... | ... | 1,485 | 1,485 |
| Working Capital Fund | ... | ... | ... | ... | ... | ... |
| Transformation Initiative | <u>...</u> | <u>3,350</u> | <u>...</u> | <u>...</u> | <u>...</u> | <u>3,350</u> |
| Total | ... | 335,000 | ... | ... | 93,270 | 428,270 |