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BUDGET - FY2000 - HUD

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

PROGRAM HIGHLIGHTS

	ACTUAL 1998	BUDGET ESTIMATE 1999	ENACTED 1999	CURRENT ESTIMATE 1999	ESTIMATE 2000	INCREASE + DECREASE - 2000 vs 1999
			(Dollars in Thousands)			
Program Level:						
Obligations	$199,818	$225,000	NA	$265,140	$240,000	-$25,140
Appropriations:						
Enacted or Proposed	$204,000	$225,000	$225,000	$225,000	$240,000	+$15,000
Budget Outlays:						
Outlays (net)	$199,271	$176,000	NA	$164,283	$191,000	+$26,717

NA = Not Applicable

SUMMARY OF BUDGET ESTIMATES

1. SUMMARY OF BUDGET REQUEST

Funding of $240 million is proposed for HOPWA in fiscal year 2000. HOPWA funds are used to assist low-income persons living with HIV/AIDS and their families by providing for: rental assistance, short-term rent, mortgage assistance, and utility payments to prevent homelessness; assistance in short-term facilities; and community residences, SRO dwellings and other housing facilities. Facility based assistance may include funds for construction, rehabilitation, acquisition, operating costs, and supportive services. Funds may also be used for housing information, technical assistance in operating community residences, and resource identification activities to establish, coordinate, and develop housing resources.

The Budget also proposes that 1 percent of the appropriation be allocated for technical assistance to support program performance by grantees and sponsors, as in the fiscal year 1999 Appropriations Act. HOPWA formula funds are allocated to eligible jurisdictions based on the number and incidence of cases of acquired immunodeficiency syndrome (AIDS) reported by the Centers for Disease Control and Prevention (CDC). Based on CDC data, an additional nine States or localities are eligible for formula-based allocations in 1999. This brings the total number of jurisdictions eligible to receive formula-based allocations to 97, including five States which remain eligible under grandfather provisions adopted in the 1999 Appropriations Act. A grandfather provision is again needed in 2000 so that any State that had received a HOPWA formula allocation in a prior fiscal year continues to be eligible. This provision would allow for continued support of these programs in areas that would not be covered by grants to metropolitan areas that newly qualify. The number of eligible jurisdictions is expected to grow by an additional five to ten jurisdictions in 2000. The number of eligible jurisdictions has grown each year as the HIV/AIDS epidemic continues to spread. In the 12-month period ending in March 1998, CDC reported to HUD that 57,389 new cases of AIDS have been diagnosed in the United States. Also needed again in 2000, as adopted in the 1999 Appropriation Act, is an environmental provision to allow States and local governments to undertake environmental reviews in lieu of HUD staff, a method similar to that used by other HUD programs.

The increase in funding for the HOPWA program is required to keep pace with the number of jurisdictions that become eligible for assistance under the formula program. The requested level of funding would support approximately 43,990 units of housing assistance and would provide related services to approximately 79,367 persons with HIV/AIDS and their families. Moreover, the increase in funds is necessary because the number of AIDS cases and HIV incidence have continued to increase and additional persons will be in need of housing assistance and other services. Existing clients will continue to require support as persons with HIV/AIDS are living longer, due in large measure to recent successes in AIDS drug therapies. CDC data on case fatality shows that at the end of 1997, an estimated 247,000 persons were living with AIDS. An additional 500,000 - 800,000 persons are estimated to be living with HIV infection. Although these AIDS drugs offer significant hope, they have not been appropriate for, accessible to, or successfully used by all persons, especially persons who are homeless, have very low-incomes, or are challenged by mental illness. Additionally, as the costs for care increase, as expected, cities and States will have to share available funding among more clients.

The advances in therapies and medications are ~~appear to be~~ resulting in many persons with HIV / AIDS living longer if engaged in systems that include both housing and care. while Increased longevity has ~~may have~~ reduced the need for some forms of assistance, such as hospice care, it has ~~while dramatically~~

Because therefore less

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increas~~ing~~ the ~~need~~ for housing assistance and ongoing medical care. Programs that anticipated client turnover due to client death or relocation to higher levels of care and hospitalization are maintaining their current residents and are ~~unable~~ to provide support for new or additional clients. Persons who are homeless or at risk of becoming homeless are largely unable to participate in forms of health care or benefit from the medical advances, the AIDS housing response by communities is a vital link to these forms of related care. It provides a basis for helping persons at the lowest income levels to access appropriate care and acts as a base to help maintain often difficult therapies and medical regimens. The funds provided would assist all communities in developing and refining such housing responses.

Finally, there is evidence that HOPWA programs are growing in their capacity to fully utilize funds. The HOPWA program first made funds available to local governments and States in late 1992. Grantees then initiated efforts to plan and begin programs in their communities. They established local planning bodies, hired staff, contracted with providers, committed funds to development, acquired properties, managed funds, and evaluated the performance of programs. In creating area AIDS housing plans that respond to the needs of clients, communities also coordinated HOPWA activities within HUD's consolidated planning process and provided assistance in connection with health care and other supportive services, including Ryan White CARE Act programs such as the AIDS Drugs Assistance Program. Since 1992, communities have developed greater and more effective capacities for providing AIDS housing assistance, resulting in an overall increase in the rate of expenditure for the program.

The success of the HOPWA program will be measured in a number of ways, including those listed in the "Performance Indicators" section of this Budget Justification. In addition, three evaluation efforts are underway or are expected to be conducted for the HOPWA program in 1999: (1) a review of program performance to be conducted by the HUD's Office of Policy Development and Research; (2) a joint HUD/HHS evaluation being conducted by Columbia University for the projects that target assistance under HUD's Multiple-Diagnoses Initiative for homeless persons who are living with HIV and have other diagnoses, serious mental illness and/or chronic alcohol and/or other drug use issues; and (3) a cost-study being conducted by Vanderbilt University in cooperation with AIDS Housing of Washington and other organizations. These studies should offer significant insight into the performance of AIDS housing programs and supplement the information collected by HUD through our standard reporting procedures.

2. CHANGES FROM 1998 ESTIMATES INCLUDED IN 1999 BUDGET

Actual obligations were slightly less ($4.2 million) than expected in 1998. However, outlays were $34.1 million higher than expected, which mainly indicates an increase in expenditures of funds appropriated prior to 1998. Awards of the 1998 competition in the amount of $20.4 million were announced in December 1998, and are expected to be obligated in early 1999.

3. CHANGES FROM ORIGINAL 1999 BUDGET ESTIMATES

Obligations are expected to increase by $40.1 million above the Budget estimate as a portion of fiscal year 1998 formula grants for grantees with "program years" beginning in September and October, as well as the 1998 competitive awards, are obligated. Outlays have been revised to reflect a decrease in expected outlays by $11.7 million, largely due to the accelerated spendout that occurred in fiscal year 1998.

EXPLANATION OF INCREASES AND DECREASES

Obligations are expected to decrease by $25.1 million in fiscal year 2000 because it is anticipated that all funds appropriated through fiscal year 1999 will be obligated by the end of 1999, therefore reflecting no carryover of unobligated balances into 2000. Outlays increase mainly due to the increased funding levels appropriated for the HOPWA program in recent years and in fiscal year 2000.

PROGRAM DESCRIPTION AND ACTIVITY

1. Legislative Authority. The Housing Opportunities for Persons with AIDS program is authorized by the AIDS Housing Opportunity Act, 42 U.S.C. 12901 (Title VIII, Subtitle D, of the Cranston-Gonzalez National Affordable Housing Act (NAHA) as amended by the Housing and Community Development Act of 1992).

2. Program Area Organization.

a. Program Purpose. The purpose of the program is to provide States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing and related needs, such as short-term rent, utility payments, and supportive services, of persons with HIV/AIDS and their families. Authorizing legislation (Section 854c of NAHA) requires that 90 percent of appropriated funds be distributed by formula to qualifying States and metropolitan areas on the basis of the cumulative number and the incidence of acquired immunodeficiency syndrome reported to the CDC by March 31 of the year preceding the appropriation year. The remaining 10 percent of funds are to be distributed through a national competition. The 1999 Appropriations Act allowed for 1 percent of the appropriation to be used by HUD for technical assistance to assist grantees in using their funds effectively and efficiently. Again in fiscal year 2000, the Department requests that up to 1 percent of the Appropriation be used for this purpose.

The HOPWA program is an essential component of the national efforts to address needs due to the HIV epidemic. HOPWA funds are made available under the Department's Consolidated Plan initiative which serves as the vehicle for a community to comprehensively identify each of its needs and to coordinate a holistic and responsive plan of action for addressing them with Federal and other resources. For a community to successfully address its often complex and interrelated problems, including homelessness and the risk of homelessness among persons living with HIV/AIDS and their families, the community must marshal its varied community and economic development resources, health care and service programs, and use them in a coordinated and effective manner. Area HOPWA programs which may serve clients with HIV/AIDS who are homeless also integrate these efforts with the community's creation of a continuum of care system to assist homeless persons.

The National AIDS Strategy (December 1996), developed by the Administration, established the goal of ensuring that all people living with HIV have access to services, from health care to housing and supportive services, that are affordable, of high quality, and responsive to their needs. The Strategy further recognized that "without stable housing, a person living with HIV has diminished access to care and services and a diminished opportunity to live a productive life."

b. Eligible Applicants. As indicated above, 90 percent of each year's appropriation is distributed by formula to those jurisdictions that meet the minimum requirements, as reported to the CDC. Metropolitan areas with a population of at least 500,000 which have at least 1,500 reported cumulative cases of AIDS and areas of a State outside of qualifying metro areas which have at least 1,500 reported cases of AIDS qualify for formula awards. The following displays the number of jurisdictions that have qualified for a formula allocation since the program's inception, and an estimate of the number that will qualify in fiscal year 2000:

Year	Number of Qualifying Jurisdictions
1995	66
1996	76
1997	80
1998	88
1999	97
2000 (estimate)	102-107

Competitive grants are available to State and local governments and private nonprofit entities for projects of national significance, and to State and local governments for projects in areas which do not qualify for a formula allocation. Recipients of either formula or competitive grants must use HOPWA assistance consistent with a HUD-approved Consolidated Plan, except for activities undertaken on a nationwide basis.

c. Eligible Activities. Grants are available for activities designed to carry out strategies to prevent homelessness and include: housing information and coordination of housing and services; short-term supportive housing and services; rental assistance; single room occupancy dwellings; community residences and services; program development; administrative costs; and technical assistance in operating a community residence. Under the 1999 Appropriations Act, HOPWA technical assistance will be provided to communities: (1) to assist in comprehensive and holistic approaches in strategic planning and needs assessments; and (2) to enhance the capacity of organizations to undertake eligible activities, including national and local training conferences, assistance in local development and financing of projects, operational issues, service delivery models, program evaluation and the use of publications, handbooks reports, guidance, and other communications.

The 1999 and 2000 appropriations are expected to provide assistance for approximately 41,500 and 43,990 units and to 74,875 and 79,367 persons, respectively. Experience suggests that the funding will be used as follows:

	1999 Units	Persons Assisted a/	2000 Units	Persons Assisted a/
Rental Assistance (1-3 years)	8,000	10,000	8,480	10,600
Short-term rent, mortgage & utility payments to prevent homelessness, and short-term facilities	27,000	33,750	28,620	35,775
Community residences, Single Room Occupancy dwellings, and other facilities with construction rehabilitation, acquisition, operating costs and services	6,500	8,125	6,890	8,612
Other Services, including supportive services, housing information and technical assistance to non-profit organizations b/	NA	23,000	NA	24,380
Total	41,500	74,875	43,990	79,367

NA - Not Applicable

a/ Includes family members residing with the person living with HIV/AIDS.
b/ Persons receiving supportive services only; persons receiving both housing assistance and services are included in the three housing assistance categories.

Grantee performance reports indicate that clients who receive housing assistance through this program were often at the lowest income levels, with approximately 73 percent receiving less than $500 per month in family income and 96 percent receiving less than $1,000 per month.

PERFORMANCE INDICATORS

The HOPWA program supports the Department's Strategic Goal #1: "Increase the availability of decent, safe, and affordable housing in American Communities" by ensuring that the objective "affordable rental housing is available for low-income households" is met. The goals used to measure performance are: "Increase the amount of housing assistance and supportive services to low-income persons living with HIV/AIDS (see table above) and their families to enable them to achieve housing stability and access to health-care related supportive services" and "to ensure the timely use of program funds to assist eligible persons." The HOPWA program also supports Strategic Goal #3: "Promote self-sufficiency and asset development of families and individuals" and Strategic Goal #4: "Improve community quality of life and economic vitality."

STATUS OF FUNDS

1. Authorization. Authorizing legislation is not required to continue the program.

2. Balances Available

a. Unobligated Balances. The following table compares the program obligations with funds available by year.

	ACTUAL 1998	ESTIMATE 1999	ESTIMATE 2000
	(Dollars in Thousands)		
Unobligated balance, start of year	$35,958	$40,140	...
Appropriation	204,000	225,000	$240,000
Total Available	239,958	265,140	240,000
Obligations	-199,818	-265,140	-240,000
Unobligated balance, end of year	40,140	...	...

b. Obligated Balances. The status of reserved balances is as follows.

	ACTUAL 1998	ESTIMATE 1999	ESTIMATE 2000
	(Dollars in Thousands)		
Obligated balance, start of year	$439,146	$439,693	$540,550
Obligations incurred	199,818	265,140	240,000
Subtotal	638,964	704,833	780,550
Outlays	-199,271	-164,283	-191,000
Obligated balance, end of year	439,693	540,550	589,550

DISTRIBUTION OF FUNDS BY STATE

The distribution of HOPWA funds for the 1998, 1999 and 2000 appropriations are shown below. The amounts are for local and State grantees located within these States.

STATE OR TERRITORY	ACTUAL 1998	ESTIMATE 1999	ESTIMATE 2000
	Dollars In Thousands		
Alabama	$1,042	$1,161	1,238
Arizona	865	1,289	1,375
Arkansas	506	552	589
California	28,238	27,364	29,188
Colorado	1,117	1164	1,242
Connecticut	2,301	3,547	3,783
District of Columbia (Metro area)	5,747	6,475	6,907
Delaware	434	598	638
Florida	20,907	22,800	24,320
Georgia	5,083	4,704	5,018
Hawaii	477	496	529
Illinois	4,389	4,753	5,070
Indiana	1,114	1,215	1,296
Kentucky	485	561	598
Louisiana	2,838	3,094	3,300
Maryland	4,414	4,689	5,002
Massachusetts	2,869	3,001	3,201
Michigan	2,027	2,203	2,350
Minnesota	640	762	813
Mississippi	692	769	820
Missouri	2,034	2,153	2,297
Nevada	598	1,498	1,598
New Jersey	11,240	11,904	12,698
New Mexico	...	391	417
New York	48,238	53,142	56,685
North Carolina	1,813	1,995	2,128
Ohio	2,176	2,345	2,501
Oklahoma	666	723	771
Oregon	766	803	857
Pennsylvania	4,739	5,054	5,391
Rhode Island	393	424	452
South Carolina	1,504	1,657	1,767
Tennessee	1,388	1,542	1,645
Texas	11,342	13,284	14,170
Utah	...	368	393
Virginia	1,482	1,657	1,767
Washington	1,770	1,888	2,014
Wisconsin	663	718	766
Puerto Rico	6,603	7,732	8,247
Subtotal Formula Grants	183,600	200,475	213,840
HOPWA Competitive Grants	20,400	22,275	23,760
Technical Assistance	...	2,250	2,400
Total HOPWA	204,000	225,000	240,000

Note: Totals may not add due to rounding.

OFFICE OF NATIONAL AIDS POLICY

EXECUTIVE OFFICE OF THE PRESIDENT

THE WHITE HOUSE

FACSIMILE TRANSMITTAL SHEET

TO: Alxandra Gianino	FROM: Todd Summers
COMPANY: OMB	DATE: January 26, 1999
FAX NUMBER: 5-1307	TOTAL NO. OF PAGES INCLUDING COVER:
PHONE NUMBER: 5-1483	
RE: HOPWA Congressional Justification language	

☐ URGENT ☒ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

Here are my edits. If you can't understand them, call me at 6-2444 and I'll translate my scribbles.

As I mentioned to you on the phone, I would recommend that we propose specific lanugage in those areas where we're suggesting authorizing-type changes (1% set-aside for TA, hold harmless for states). If HUD was satisfied with the language from FY99, using that again would be fine.

Thanks,

Todd

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