

HOPWA Modernization Proposal

Need for Community Input & Consensus

May 22, 2014

Kathie Hiers, AIDS Alabama
Jason Wise, AIDS Project Los Angeles
Donna Crews, AIDS United

***Moderator:* Nancy Bernstine, National AIDS Housing Coalition**

In collaboration with: HIV PJA, Southern AIDS Strategy Initiative, Southern AIDS Coalition
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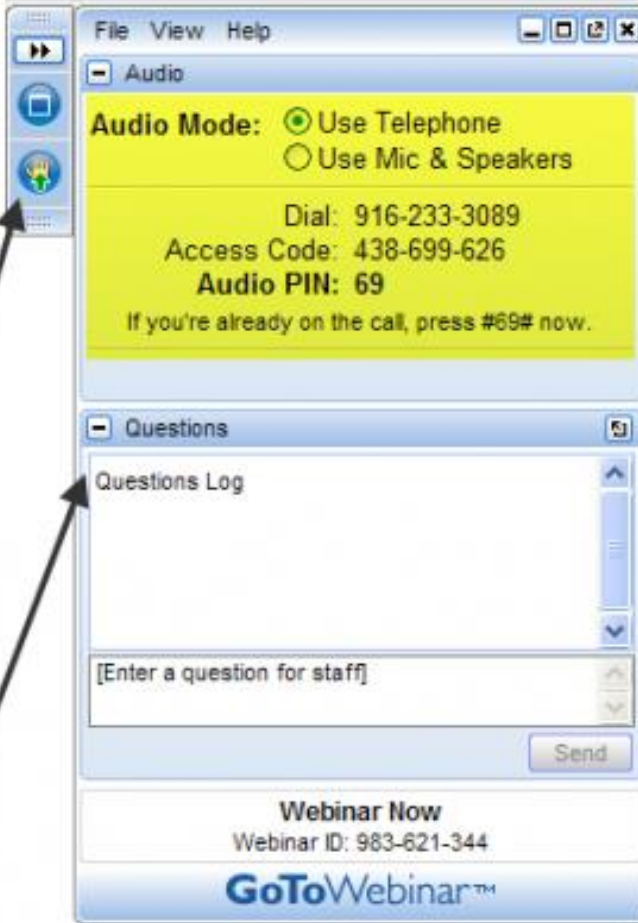
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Today's Agenda

- **Agenda & HOPWA Formula Modernization - Background**
 - Nancy Bernstine, Executive Director at National AIDS Housing Coalition
- **HOPWA Modernization – Community Perspective**
 - Kathie Hiers, CEO, AIDS Alabama
- **Community Perspectives – Impact on Urban Areas**
 - Jason Wise, Local Policy Specialist, AIDS Project Los Angeles
- **Current Political Landscape - HOPWA Formula Change**
 - Donna Crews, Director of Government Relations, AIDS United
- **Q&A**

HOPWA Formula Modernization

Background

Nancy Bernstine

National AIDS Housing Coalition

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Why make changes

1. The Program is outdated.

- HOPWA authorized in Cranston-Gonzalez National Affordable Housing Act in 1992
- Authorization expired after 1994 but the program has continued to be funded through annual appropriations
- The formula currently depends on cumulative AIDS cases which is not considered the best measure of the epidemic.

What is HOPWA?

- Housing Opportunities for Persons With AIDS
- Provides formula funding to 137 jurisdictions nationwide for:
 - Development of multi-unit community residences
 - Short Term Rental, Mortgage, and Utility Assistance to people homeless or at risk
 - Tenant-based or Project-based Rental Assistance for Permanent Supportive Housing
 - Supportive Services
 - Housing Counseling and referral

Why make changes

2. There is a new strategy for tackling the epidemic.
 - The National HIV/AIDS Strategy, released by the Administration in July 2010, directs HUD to work with Congress to develop a plan (including statutory changes if necessary) to update the HOPWA formula to address distribution disparities.

What is HUD proposing?

- Administration's FY15 budget includes a HOPWA formula modernization proposal designed to distribute formula funding in a manner that more accurately tracks the current epidemic.

What is HUD proposing?

- The major components include:
 - Distribution of 90% of annually appropriated funds by a formula in which
 - 75% of the funds are distributed based on CDC-confirmed living HIV/AIDS cases; and
 - 25% based on a combination of a housing cost factor and a community need/poverty factor

HUD's Proposal

- Switch to funding based on living HIV/AIDS cases which would align HOPWA with Ryan White formula as “best measure of the epidemic’s burden”
 - Moves away from counting cumulative AIDS (since 1981) as currently provided which, according to HUD, includes over 630,000 people who have died.

HUD's Proposal

- **Housing cost factor** based on HUD's annually established fair market rents providing some recognition of high housing costs in some areas
- **Community need/poverty factor** based on area poverty indexes providing accommodation for lack of services in high poverty areas.



Eligibility Provisions

- Jurisdictions will qualify for formula funding with population of 500,000 and CDC confirmed 2,000 HIV cases
- But continued eligibility for the 137 current formula grantees with an eligibility redetermination required at least once every ten years following enactment.

Hold-Harmless Provisions

- Includes a **stop-loss or hold-harmless** provision for current grantees:
 - For a three year period beginning with enactment,
 - No loss greater than 10% of the prior year formula allocation; i.e., ***a grantee cannot receive less than 90% of the formula funding it received in the prior year;***
 - No gain greater than 20% of the prior year formula allocation; i.e. ***a grantee cannot receive more than 120% of the formula funding it received in the prior year.***

New Activities Eligible for Funding

- Introduces new expanded short and medium term housing intervention based on Homelessness Prevention and Rapid Rehousing (HPRP) and Emergency Solutions Grant (ESG)
 - Basically permits short and medium term rent and housing and relocation services for HIV-positive homeless and at risk families
 - Permits more flexible term limits – up to 24 months in three month intervals v. current 21 week STRMU
 - Authorizes use of shallow rent payments
- Increases administrative fees to 6% for HOPWA formula grantees and 10% for HOPWA project sponsors.



Where are we now?

- Description of the changes to the formula were released as part of FY15 HUD Budget proposal in February 2014
- Draft legislative language shared with relevant leadership in House and Senate but not formally introduced by any member in either body

What do you think?

NAHC wants to hear from community members about what you think of HUD's proposals and how they will impact your community.

Please tell us what you think in the ***HOPWA Modernization Proposal Community Opinion Survey*** at:

<https://www.surveymonkey.com/s/67Z7JKL>

HOPWA Modernization

A Community Perspective

Kathie M. Hiers

CEO, AIDS Alabama

President, National AIDS Housing Coalition

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Current HOPWA Legislation

- Counts only cumulative AIDS cases, including more than 630,000 deceased persons;
- Does not utilize HIV cases;
- Appropriates 25% of formula as bonus dollars only to large urban areas, then funds them again with the 75% balance; and
- Must be changed by Congress.



HOPWA Formula

(David Vos, FAPP, December 2011)

- **Current formula also uses AIDS incidence (e.g. new cases and population reported in last three years) – weighted at 25% of funds**
- Used to determine area incidence per updated population to identify metropolitan areas with higher than average incidence of AIDS.
- At 25% of funding, this factor was shared in 2011 by 31 of 84 MSAs with the 41 states/PR also not eligible; initial year 1992 involved \$11 million and 14 cities.
- Distributed based on number of cases in “excess” above average, with 7,425 cases used in this factor’s distribution in 2011 (i.e. 8.2% of this recent AIDS case subset, only 0.6% of overall AIDS data in 2011).
- **Super-targeted as largest 7 of 31 MSA received 72% of this factor (top 3 with 48.6%) with per case impact at \$10,030 compared to cumulative case impact at \$202 per grantee.**

Bonus Fluctuates Dramatically in Some Areas: Atlanta, LA, Etc.



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HUD and the National HIV/AIDS Strategy

(2011)

Step 1.2: Promote equitable resource allocation: The Federal Government should review the methods used to distribute Federal formula grants or project implementation funds and take steps to ensure that resources go to the States and localities with the greatest need.

HUD will work with Congress to develop a plan (including seeking statutory changes if necessary) to shift to HIV/AIDS case reporting as a basis for formula grants for HOPWA funding.

Action needed to shift HOPWA data source to HIV case reports

of persons living with HIV seen as the best measure of the epidemic's burden by area , especially with more mature HIV reporting of 2013 now available from the Centers for Disease Control and Prevention.

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NHAS Implementation Plan and HOPWA

While there have not been formal administration pronouncements on HOPWA formula change, the NHAS not only indicates that formula change is coming, but gives HUD a lot of responsibilities for collaboration in the implementation of the strategy:

Step 1.2: Promote equitable resource allocation: The Federal Government should review the methods used to distribute Federal formula grants or project implementation funds and take steps to ensure that resources go to the States and localities with the greatest need.

Action: By the end of 2011, HUD will work with Congress to develop a plan (including seeking statutory changes if necessary) to shift to HIV/AIDS case reporting as a basis for formula grants for HOPWA funding.

HHS OS will work with Congress and HHS agencies to shift from AIDS cases to HIV infections case reporting as a basis for formula grants for HIV prevention and to ensure that resources go to States and localities with the greatest need.



HUD NHAS Implementation Plan

(February 2011)

- As a lead agency, HUD will plan to work with Congress to develop a plan to shift to HIV/AIDS case reporting as a basis for HOPWA formula funding.
- As a lead agency with DHHS, HUD will seek to collaborate with other Federal agencies to identify ways to increase access to non-medical supportive services (e.g., housing, nutrition services, and transportation) as critical elements of an effective HIV care system.
- As a Federal partner, HUD will work with DHHS and other agencies on more than 20 other prevention, care, and treatment activities to advance the National HIV/AIDS Strategy.

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What Are the Two Controversial Points?

- Level of the hold harmless: a maximum loss of 10% annually for up to three years is a lot of money for some jurisdictions, especially NYC.
- What amount of loss per year is acceptable?
- With the elimination of the 25% bonus for urban areas and the introduction of fair market rent and poverty factors, should these two metrics be weighed evenly?



Hold Harmless

- Would a maximum loss annually of 7.5% be more palatable?
- Would a capped maximum loss amount be more helpful in planning?
- Would a longer period of implementation be helpful? How long?



New Factors for 25% of Funds

- Is Fair Market Rent more important than the poverty factor?
- If so, why?
- What weight percentages would be acceptable?

Case Study: Alabama

- Poverty, lack of infrastructure, and lack of low-income housing stock has forced AIDS Alabama to utilize some HOPWA funding to combine with other sources to create housing.
- For many years waiting lists and demand have forced emergency rental assistance to be reduced from 21 weeks to 13 or 17 weeks.
- Insufficient funding limits long-term assistance to about 50 households.
- If funding were based solely on living HIV/AIDS cases, HOPWA funding would almost double.



A Time to Come Together to Stop the Growth of this Epidemic and Get Folks into Stable Housing!



COMPROMISE

BOEHNER: THIS IS AS PRODUCTIVE AS AN INTERNET ARGUMENT
OBAMA: I'M GOING TO MISS MY TEE-TIME.



SA LADYLIBERTY885 ORIGINAL

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We've Compromised Before! Let's Strive for Consensus.



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Community Perspectives: Impact on Urban Areas

HOPWA Modernization Proposal

Jason Wise

Local Policy Specialist, AIDS Project Los Angeles

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HOPWA Proposal – Needed Change

- Counting living HIV/AIDS cases instead of cumulative cases
- Fair market rent (FMR) calculation to account for regional differences
- Updating an antiquated formula

HOPWA Proposal – Concerns

- Weak hold harmless provision
 - Prefer 5% max cut / 10% max increase
 - Time need to adjust for funding cuts/increases.
- Poverty calculation
 - Federal Poverty Level (FPL) regionally uneven
- Community discussion needed

HOPWA Proposal – Effect on Los Angeles

- HUD estimate: \$1.5 million funding cut
- Los Angeles Housing Department:
 - ↔ Continue client move-in grants and support staff
 - ↓ Cut low-income housing development
- Region-wide lack of affordable housing
 - Move-in grant is useless with no unit to move into

Current Political Landscape

HOPWA Formula Change

Donna Crews

Director of Government Affairs

AIDS United

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Appropriations Process

- To accomplish the HOPWA formulary change in Fiscal Year 2015 policy language would need to be added to the Transportation, Housing and Urban Development, and Related Agencies (THUD) subcommittee bill in the House and the Senate.

Appropriations Process House

- Rep. Tom Latham, (R-IA) is the chair of the THUD subcommittee
- Rep. Ed Pastor, (D-AZ) is the Ranking Member of the THUD Subcommittee

Appropriations Process House

- Yesterday (5/21/14) the House full Appropriations Committee marked up the THUD bill.
- Changes to the HOPWA formula were not included, but language encouraging the Authorizing Committee to review the needed formula changes included in President Obama's budget request were mentioned.

Authorization Committee House

- HOPWA reauthorization has never occurred in the House since enactment in 1992. A full reauthorization of the legislation would occur under the Financial Services Committee
 - Rep. Jeb Hensarling, (R-TX) Chair
 - Rep. Maxine Waters, (D-CA) Ranking Member

Authorization Committee House

- Housing and Insurance Subcommittee
 - Rep. Randy Neugebauer, (R-TX) Chair
 - Rep. Michael Capuano, (D-MA) Ranking Member
- The Appropriations Committee Members traditionally ask their Authorizing Committee Members if report language is too large of change to be made in the Appropriations bill.

Appropriations Process Senate

- Sen. Patty Murray, (D-WA) is the chair of the THUD subcommittee
- Sen. Susan Collins, (R-ME) is the Ranking Member of the THUD Subcommittee
- The dates for Markup of the THUD Appropriations bill in the Senate sub or full committees have not been set yet.

Appropriations Process Senate

- Language making the change would have to be included in the Appropriations bill to ensure the formula change would be discussed when the House and Senate bills are conferenced.
- In the Senate as in the House Appropriators often cede to the Authorizing Committee for substantial changes to legislation.

Authorization Committee Senate

- HOPWA reauthorization has never occurred in the Senate since enactment in 1992. A full reauthorization of the legislation would occur under the Banking, Housing, and Urban Affairs Committee
 - Sen. Tim Johnson, (D-SD) Chair
 - Sen. Michael Crapo, (R-ID) Ranking Member

Authorization Committee Senate

- Housing, Transportation, and Community Development Subcommittee
 - Sen. Robert Menendez, (D-NJ) Chair
 - Sen. Jerry Moran, (R-KS) Ranking Member
- The Appropriations Committee Members traditionally ask their Authorizing Committee Members if report language is too large of change to be made in the Appropriations bill.

Authorization Committees House and Senate

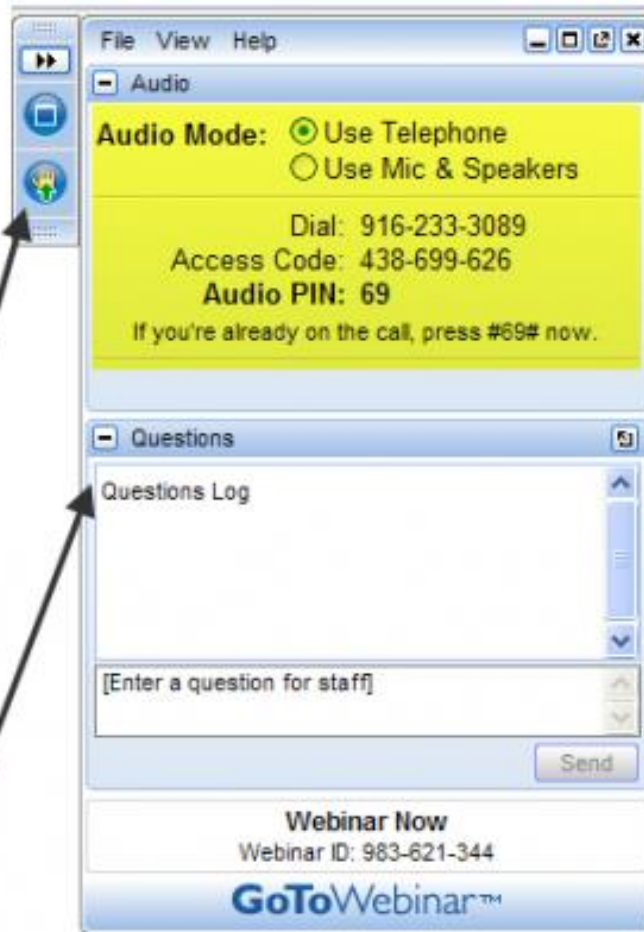
- Neither the House Financial Services Committee nor the Senate Banking, Housing and Urban Affairs Committee have listed HOPWA reauthorization on their list of priorities for completion this Congress. They remain focused on housing finance reform issues.

Legislative Calendar

113th Congress

- There are not many legislative days left in this session to enact major pieces of legislation. The appropriations bills are the main bills expected to pass Congress between now and October 1, 2014 (the beginning of Fiscal Year 2015)
 - The House and Senate are tentatively are only both in session 38 legislative days between now and October 1, 2014

Questions?



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Stay Informed, Visit & Connect:

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