



Department of Housing and Urban Development (HUD): Housing Opportunities for Persons with AIDS (HOPWA) Program *(Potential Source for Capital, Operating, and/or Services Financing)*

Note: This document represents the Corporation for Supportive Housing's best interpretation of the programs, policies, and regulations described, but interested individuals and organizations should consult with the appropriate administrative agencies and regulatory information, including resources identified at the end of this document.

OVERVIEW

The purpose of the Housing Opportunities for Persons with AIDS (HOPWA) Program is to provide states and localities with the 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. HOPWA is the leading federal source of capital, operating, and services financing for the development and operation of housing programs that serves persons with HIV/AIDS, and is principally allocated to cities and states based on the incidence of AIDS diagnoses in their communities. HOPWA grant funds for capital financing are typically combined with other sources of capital funds, but in some markets, HOPWA may be the sole source of capital financing for a project. Participation in the local HOPWA planning process is encouraged, which is usually part of the Consolidated Plan and Ryan White local planning processes.

The program includes both a Formula Grant and a Competitive Grant component. Approximately 90% of the funding is distributed to states and cities in formula grants, while the remaining 10% is competitively available on an annual basis for model projects or programs. HUD decides which states and municipalities receive a Formula Grant based upon the rate of incidence of HIV/AIDS diagnoses as recorded by the Center for Disease Control. The states or municipalities that have the highest incidences of HIV/AIDS receive formula grants which can establish their own processes for awarding HOPWA funds to sub-grantees. States, municipalities and individual not-for-profit organizations can also apply directly to HUD for HOPWA funding under the Competitive Program. Technical assistance is also available for sponsors of HOPWA-funded programs through HUD-funded Technical Assistance Providers.

CONSOLIDATED PLAN REQUIREMENTS¹

In order to be eligible to receive the allocation of HOPWA Formula Grant funding, "entitlement communities" (also known as "participating jurisdictions") must submit a Consolidated Plan to HUD, and all states must submit a Consolidated Plan that covers all "non-entitlement communities" - communities that do not receive funds directly from HUD - within the state. The Plan includes an assessment of the need for affordable housing and economic development, and a five-year Comprehensive Plan (updated annually through a one-year Action Plan) which describes the activities that will be undertaken each year to address these needs.

HUD requires the government entity preparing the plan to: (1) consult with public and private agencies serving people with disabilities, people who are homeless, other groups with special housing needs, and

¹ Other funding sources also subject to Consolidated Plan requirements include the Community Development Block Grant (CDBG) Program, the Home Investment Partnership (HOME) Program, and the Emergency Shelter Grant (ESG) Program.

other local community leaders; (2) ensure citizen participation through at least two public hearings; (3) publish a draft Consolidated Plan for public comments; and (4) summarize public comments on the Consolidated Plan and submit them to HUD.

ELIGIBLE ACTIVITIES AND USES

Both permanent and transitional housing projects are eligible for HOPWA funding. HUD's HOPWA program information explains: "HOPWA funds may be used for a wide range of housing, social services, program planning, and development costs. These include, but are not limited to, the acquisition, rehabilitation, or new construction of housing units; costs for facility operations; rental assistance; and short-term payments to prevent homelessness. HOPWA funds also may be used for health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living, and other supportive services."

GRANT AND LOAN TERMS

- **Formula Program:** States and cities receive their allocation of funds on an annual basis. There is no mandatory process for sub-granting funds to projects and programs. Some states and cities spend the funds directly on housing and services; some award the funds using a competitive application process; and some use the funds to renew existing contracts with housing and service providers. Information regarding formula allocations can be found at <http://www.hud.gov/offices/cpd/aidshousing/programs/formula/grants/>. In FY 2007, HUD awarded \$256 million to 123 grantees in 30 states, 92 cities and one territory under the formula program.
- **Competitive Program:** States, municipalities and not-for-profit organizations can also apply directly to HUD for HOPWA funding under the Competitive Program. HUD issues a NOFA annually as part of its SuperNOFA. The 2007 SuperNOFA stated that for new projects, HOPWA competitive funds would only go to permanent supportive housing projects, and it made available approximately \$10 million for new programs. On average, HUD funds 20 to 22 projects per year through this program, focusing its funding on either Special Projects of National Significance targeted at underserved populations (racial, ethnic, women or rural) or projects in areas not in Formula Program allocations. I
- **National Technical Assistance:** HUD awards National Technical Assistance grants to projects that "Help communities develop comprehensive strategies for HIV/AIDS Housing." HUD focuses on programs that "Ensure the sound management of HOPWA programs; provide national HOPWA information to connect clients with assistance; and use HUD information management tools to help achieve performance at the highest levels."
- **Term of Awards:** Grants of formula funds to sub-grantees are generally awarded on a one-year basis and may be renewed. Competitive grants typically have three-year terms, and are renewable for one additional term.
- **Matching Requirements:** There are no matching requirements for formula grants. For competitive grants, the capacity to leverage resources (including in-kind contributions) is one of five standard factors considered in the applicant selection process.

IMPORTANT CONSIDERATIONS

HOPWA can be an extremely useful, flexible source of funding for supportive housing projects serving persons with HIV/AIDS. Often, the state and municipal agencies receiving Formula Grants are not housing departments and, therefore, some education and advocacy may be needed to ensure an adequate understanding of supportive housing, especially regarding development activities.

REGULATORY INFORMATION

- **Administrative Agency:** U.S. Department of Housing and Urban Development, Office of Community Planning and Development, Office of HIV/AIDS Housing, (202) 708-1934, <http://www.hud.gov/offices/cpd/aidshousing/index.cfm>
- **Formula Grant Allocation Recipient Agencies:** See <http://www.hud.gov/offices/cpd/aidshousing/local/index.cfm>
- **Authorizing Legislation:** AIDS Housing Opportunity Act, Public Law 101-624
- **CFDA CODE:** 14.241
- **Regulations and Guidelines:** 24 CFR Part 574, HOPWA Regulations: <http://www.hud.gov/offices/cpd/aidshousing/lawsregs/regs/index.cfm>

ADDITIONAL RESOURCES

- HUD maintains a comprehensive web page regarding the HOPWA Program, which includes contact information, related publications, training materials, information regarding rent limits, income limits, per-unit subsidy limits, and many other useful resources at <http://www.hud.gov/offices/cpd/aidshousing/programs/index.cfm>
- A HUD-funded national evaluation of the HOPWA Program from 2000 is available at http://www.huduser.org/publications/pdf/hopwa_0101.pdf.
- Information regarding HOPWA Appropriations and Grant Awards from 1992 to 2007 is available via <http://www.hud.gov/offices/cpd/aidshousing/budget/index.cfm>
- AIDS Housing of Washington, with a mission is to increase and sustain housing and related services for people living with HIV/AIDS or experiencing homelessness, maintains a web site with a comprehensive array of materials regarding the HOPWA Program at <http://www.aidshousing.org>.
- The National AIDS Housing Coalition has a wide variety of useful resources available via <http://www.nationalaidshousing.org>, including its Policy Toolkit at <http://www.nationalaidshousing.org/policytoolkit.htm>.

Note: This document is included within CSH's Financing Supportive Housing Guide, which is available at www.csh.org/financing.