



HOPWA Modernization: What Communities Need to Know

July 17, 2017



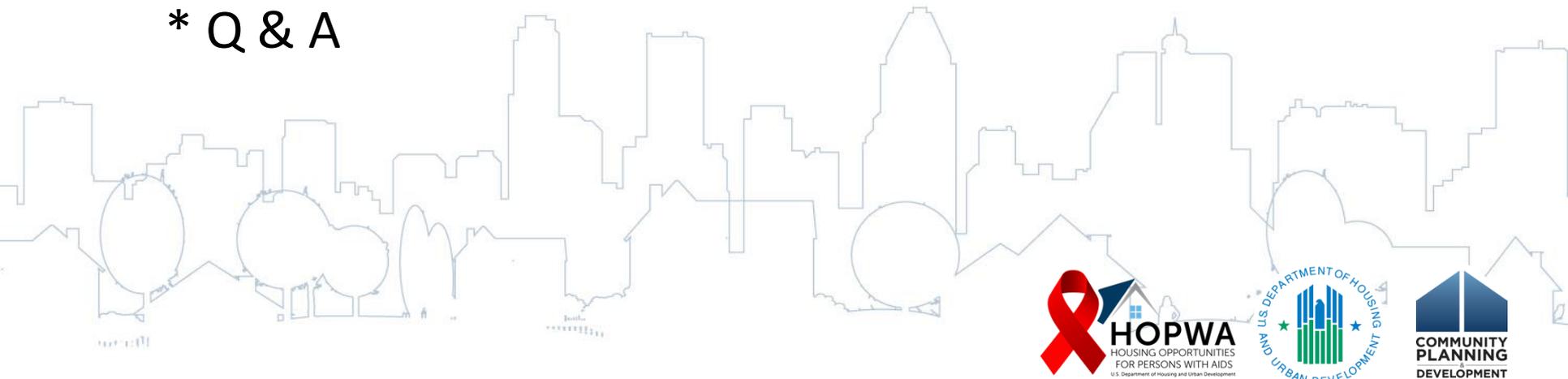
Today's Webinar

* Introductions

* Agenda for today

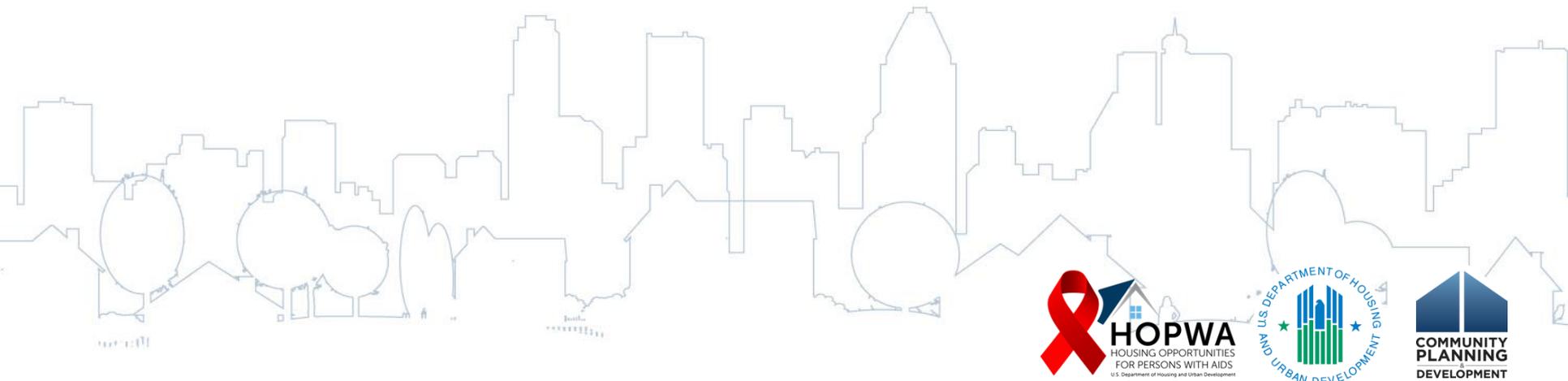
- What is HOPWA formula modernization?
- What changes will result from modernization?
- What can my community do to plan for potential changes?

* Q & A



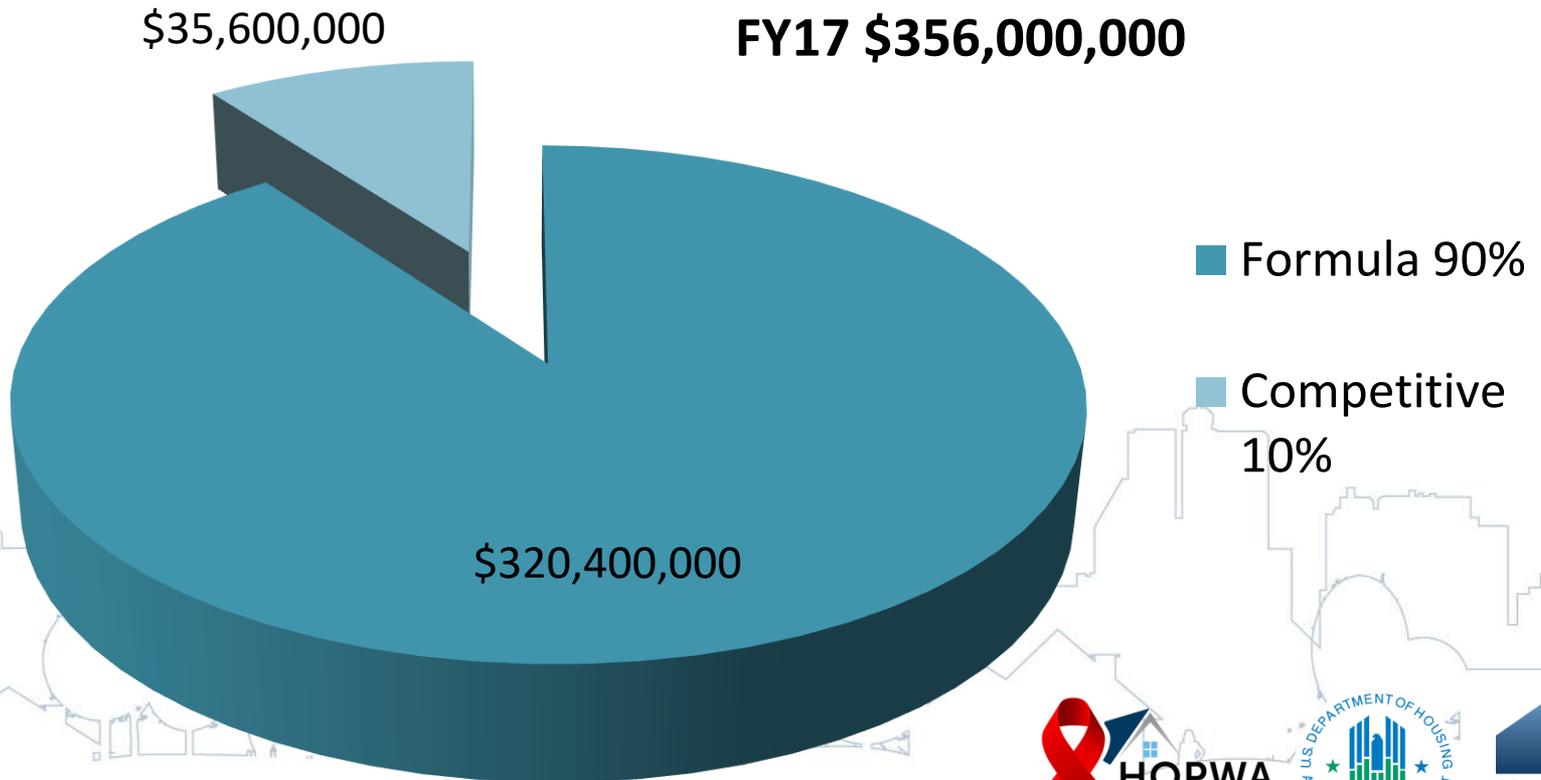
Poll 1

Which of the following best describes the organization you represent?



HOPWA Structure

The vast majority (90%) of HOPWA → funds formula grants



HOTMA

- Housing Opportunity Through Modernization Act (Public Law 114-201)
- Primary change to base HOPWA formula on "living with HIV" data
- Effective for the 2017 allocation year



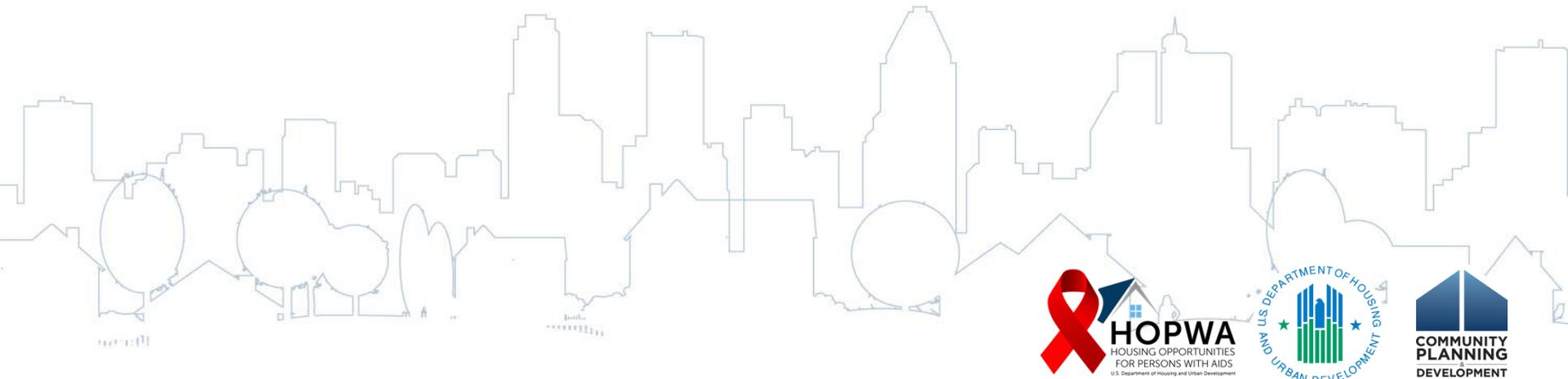
Key Provision of HOTMA

Original formula:

of cumulative AIDS cases

Modernized Formula:

of people living with HIV/AIDS (and other factors)

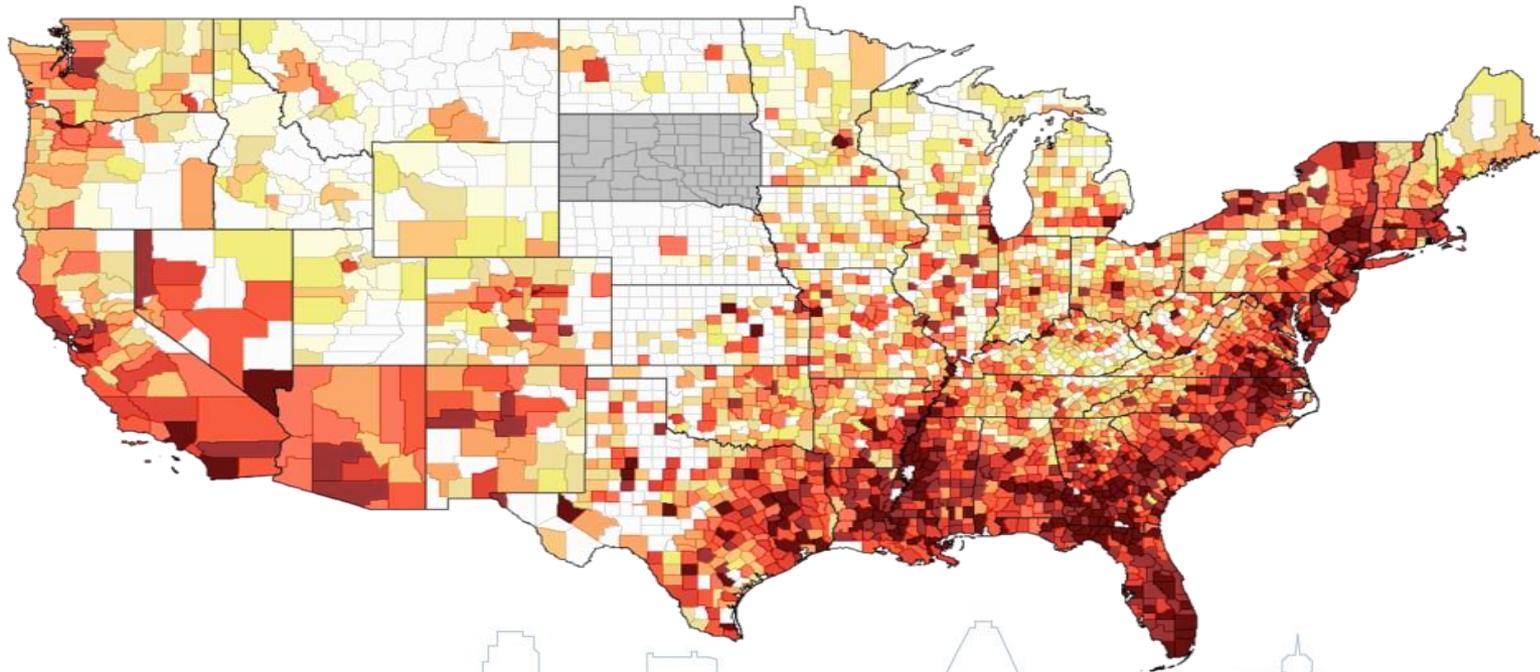


Why Modernization?

- Provide resources to communities most impacted by current epidemic
- Recognize shift in geography of the epidemic
- Under the modernized formula, funds will shift according to the highest incidences of people actually living with HIV from year to year



Today's HIV Epidemic



Rates of Persons Living with Diagnosed HIV, 2014



Rates displayed are the number of cases per 100,000 people.

*Data not shown to protect privacy because of a small number of cases and/or a small population.

**State health department, per its HIV data re-release agreement with CDC, requested not to release data to AIDS Vu.

NOTE: There are no county-level maps for Alaska, District of Columbia, and Puerto Rico because there are no counties in these states.

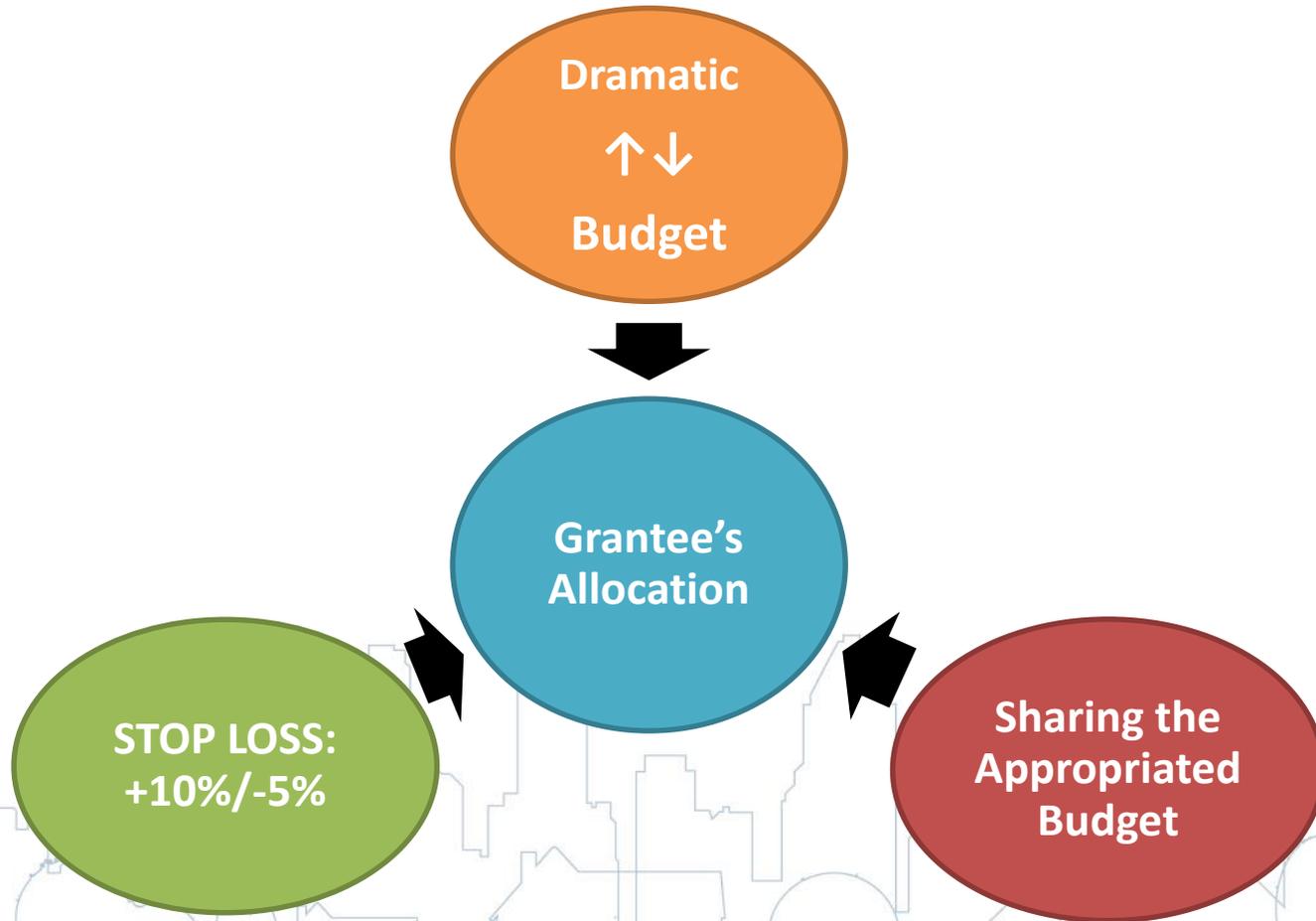


Specific Changes in the Law

- All current formula grantees remain eligible but baseline for newly eligible areas increased to 2,000 living HIV/AIDS cases
- Removed the requirement that 25% of funds be distributed to cities based on AIDS incidence
- Added new requirement that 25% of funds be distributed based on local FMRs and poverty rates
- Modernization effective starting in Fiscal Year 2017 and phased in over 5 years
 - A grantee cannot lose more than 5% or gain more than 10% of their share of the previous year's total available formula funds



Three Factors Impact a Grantee's Allocation

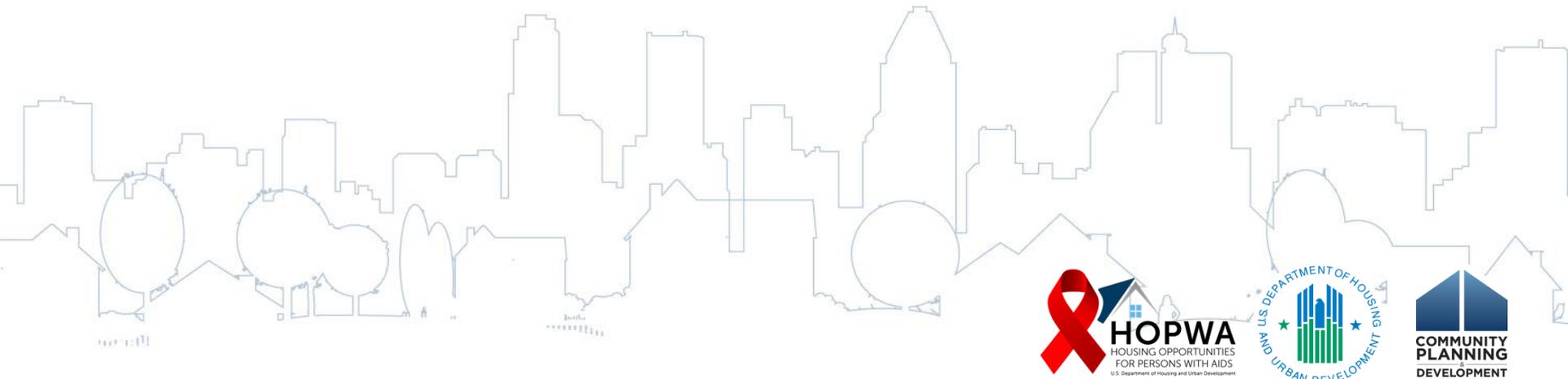


How a Grantee's Allocation is Determined

STEP 1: NEW ELIGIBLE AREAS?

Remember: Current formula grantees remain eligible

Baseline for new eligible areas is increased to 2,000 living HIV/AIDS cases



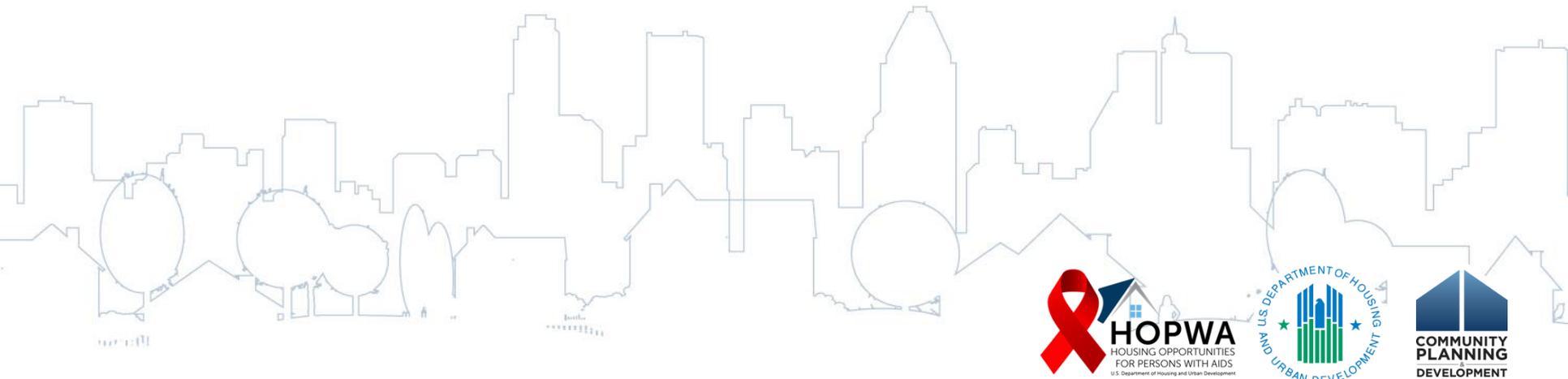
How a Grantee's Allocation is Determined

STEP 2: CALCULATION

Determine General Allocation (GA) for Living Cases (75% of Budget);

Poverty (12.5% of Budget); and

FMR (12.5% of Budget)

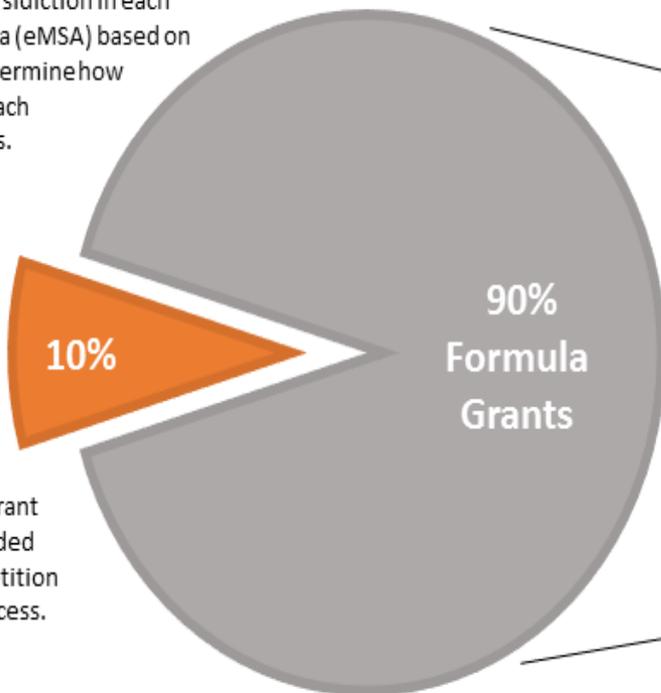


HOPWA FORMULA MODERNIZATION

■ Competitive Awards
 ■ Persons Living with HIV/AIDS (PLWHA)
 ■ Poverty Rate weighted PLWHA
 ■ FMR Rate weighted PLWHA

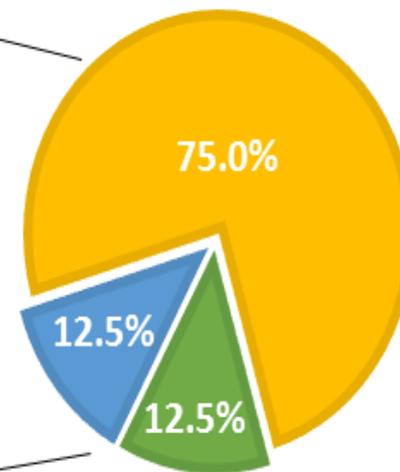
Formula Grants: 90% of the total HOPWA grant funds are allocated to the largest jurisdiction in each eligible MSA area (eMSA) based on a formula to determine how much funding each grantee receives.

Competitive Grants: 10% of the total HOPWA grant funds are awarded through competition or renewal process.



Living HIV Cases: 75% of the formula grant funds are allocated based on the living HIV cases released annually from CDC.

$$\left(\frac{\# \text{ PLWHA in eMSA or eligible state}}{\text{Total \# PLWHA in all eMSA areas and eligible states}} \right) * .75(\text{Total formula pot})$$



Poverty: 12.5% of the formula grant funds are allocated based on the weighted poverty rate using the most recent census data.

$$\left(\frac{\# \text{ PLWHA} * \text{Poverty Rate in eMSA or eligible state}}{\text{Sum of all above for all eMSA areas and eligible states}} \right) * .125(\text{Total formula pot})$$

Fair Market Rent (FMR): 12.5% of the formula grant funds are allocated based on local housing costs (FMR for 2BR) released annually from HUD.

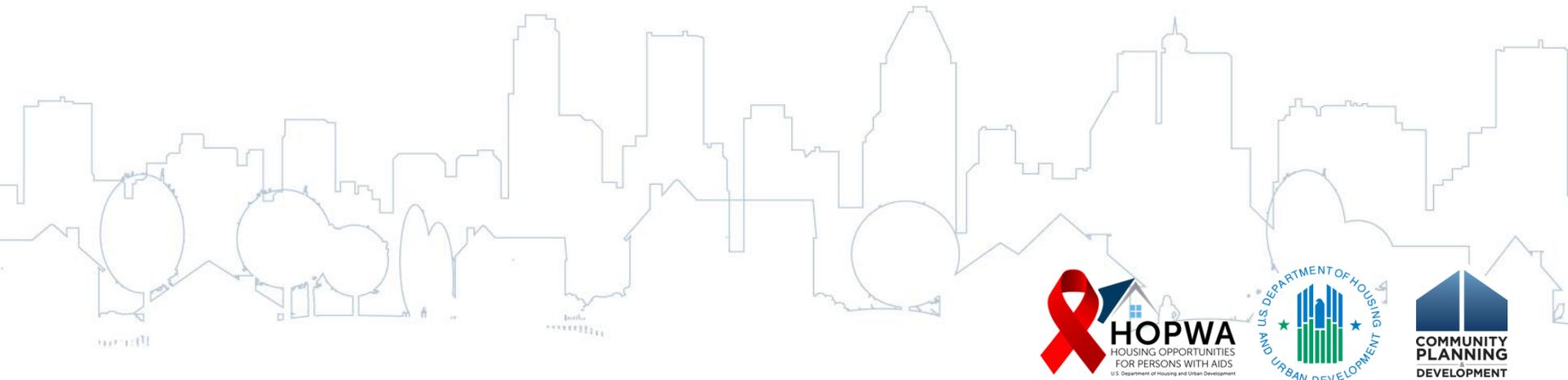
$$\left(\frac{\# \text{ PLWHA} * \text{FMR in eMSA or eligible state}}{\text{Sum of above for all eMSA areas and eligible states}} \right) * .125(\text{Total formula pot})$$

Note: This formula is for full implementation. A stop-loss provision for the 5-year period, FY17-FY21, is being used to transition grantees to full HOPWA Modernization implementation.

How a Grantee's Allocation is Determined

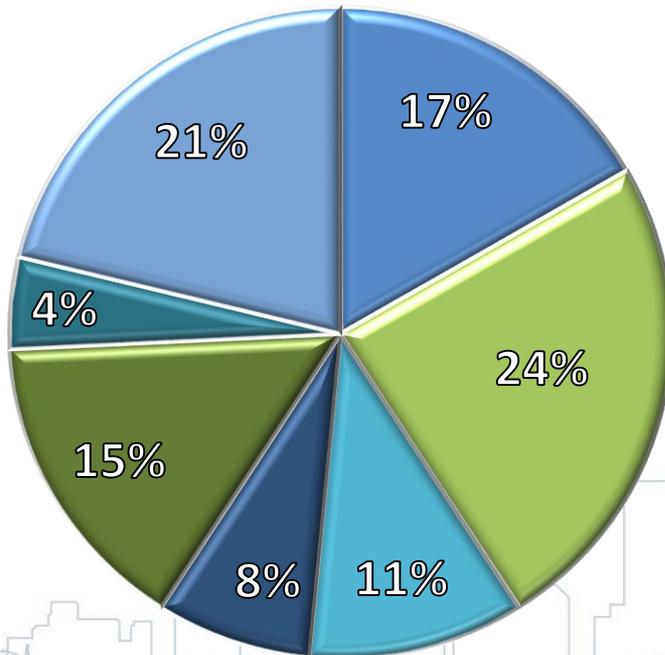
STEP 3: STOP-LOSS

Calculate final allocation w/Stop-Loss based on the grantee's share from the previous year and adjusted to the total available formula funds

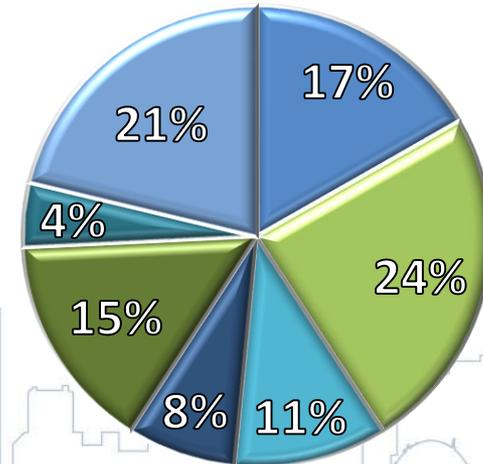


A Look at “Share of” by %

Appropriation = \$2M

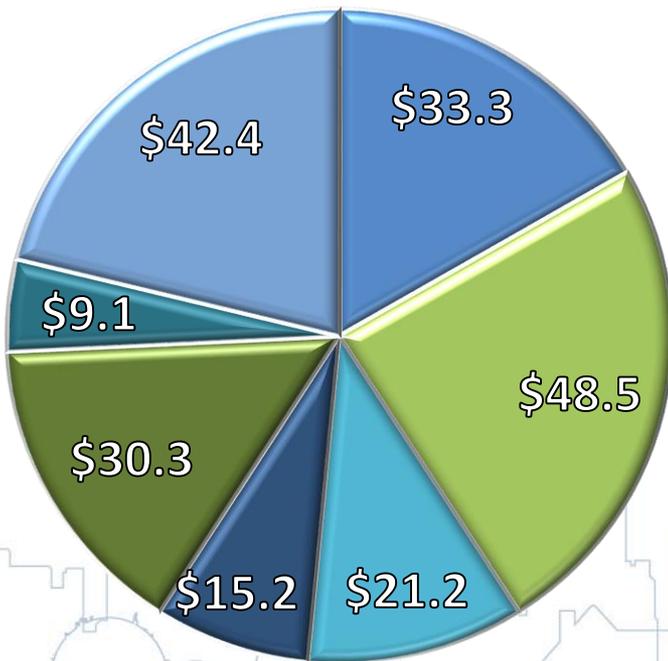


Appropriation = \$1M



A Look at "Share of" by \$

Appropriation = \$2M



Appropriation = \$1M



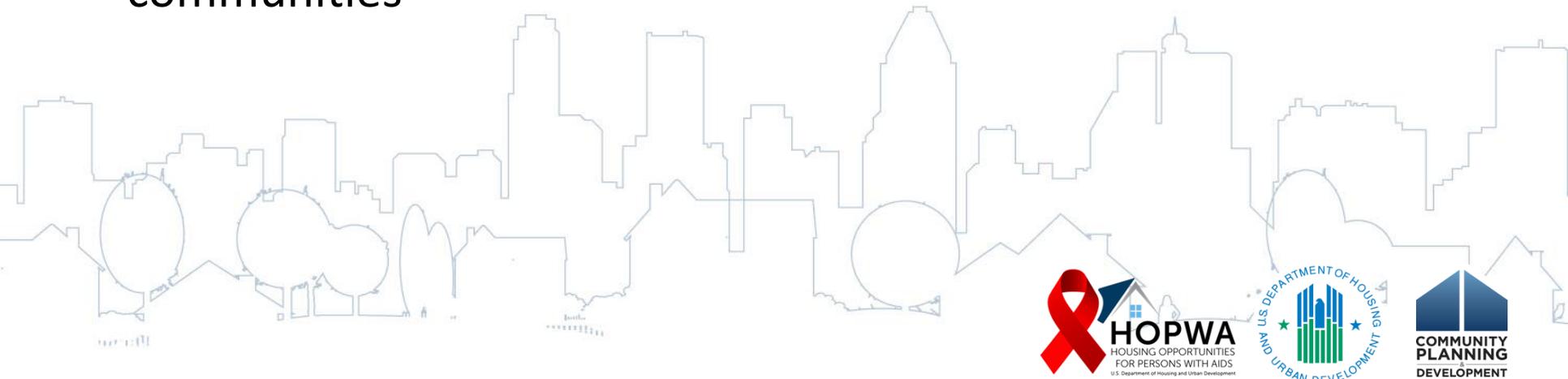
A Look at Community “A”

	FY16	FY 17
Allocation	\$11,500,000	\$11,600,000
Total Available Formula Funds	\$301,500,000	\$320,400,000
Share of Total Available Formula Funds	3.81%	3.62%
Difference in Share of Total Available Formula Funds	-5%	-5%



Budget Projections

- Five year timeframe to phase in formula modernization
- Provide grantees and communities with estimates of future funding
- Inform comprehensive planning by grantees and communities



Limitations of Budget Projections

Factors that may change each year:

- HOPWA Appropriations
- CDC data on persons living with HIV
- Poverty rate
- Fair Market Rents
- Addition of new eligible areas



Community Example: Increase

Projections Assuming a \$330 million level budget

FY 17 – FY 22

For Planning Purposes, Only

Year	Projections	Difference
FY17	\$2,500,000	\$306,536
FY 18	\$2,450,000	(\$50,000)
FY 19	\$2,560,000	\$110,000
FY 20	\$2,650,000	\$90,000
FY 21	\$2,750,000	\$100,000
FY 22	\$3,500,000	\$750,000



Community Example: Decrease

Projections Assuming a \$330 million level budget

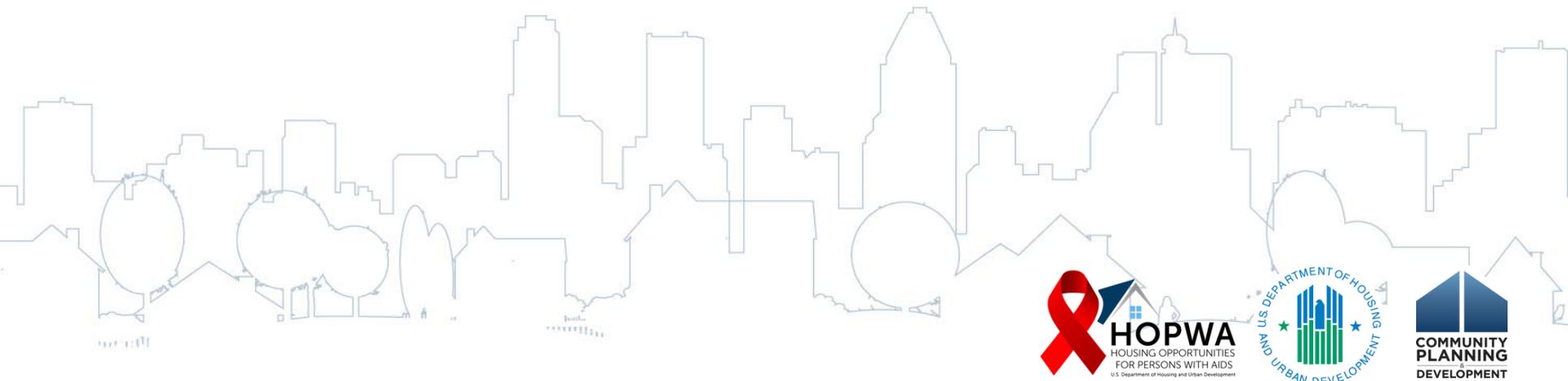
FY 18 – FY 22

Year	Projections	Difference
FY17	\$1,350,000	\$13,741
FY 18	\$1,278,000	(\$72,000)
FY 19	\$1,200,000	(\$78,000)
FY 20	\$1,154,000	(\$46,000)
FY 21	\$1,120,000	(\$34,000)
FY 22	\$1,060,000	(\$60,000)



Poll 2

Has your community started planning for HOPWA Modernization?



How Can Communities Prepare for Modernization?

- Review the allocation projections for your community when you receive them
- Assess current HOPWA spending patterns and program design to determine where changes might be made to better reflect the projections and current need
- Determine what your community needs to do to address losses/what your community needs to do to effectively spend increased HOPWA funding
- Actively participate in the Consolidated Plan/Annual Action Plan process and other community planning processes.



Assessment and Planning Tool

- Look at current allocation and activities funded
- Review number of households supported
- Assess funds expended and spending patterns
- What are wait lists for housing and services?
- Determine unmet need
- Identify potential non-HOPWA funds to leverage



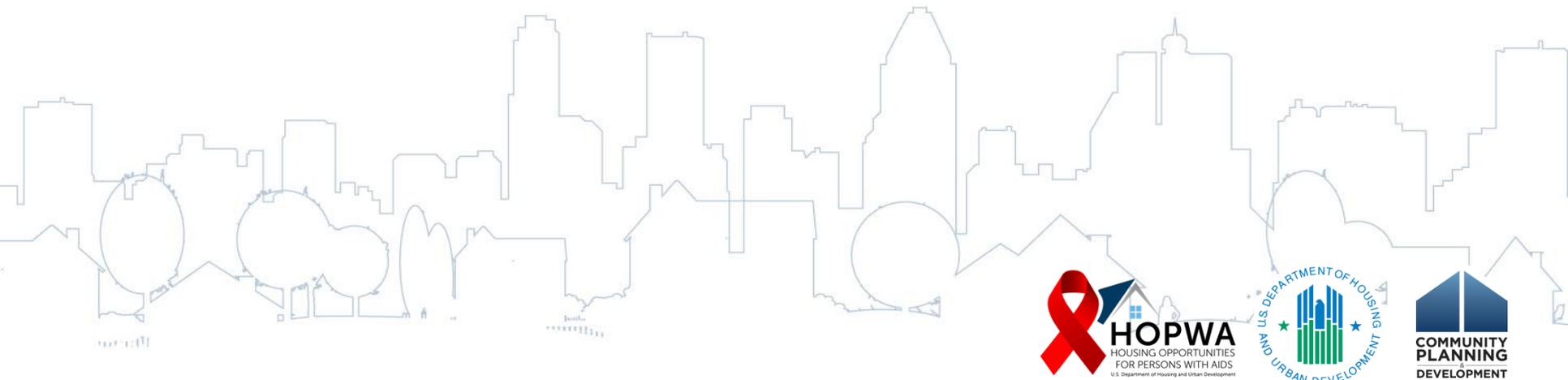
Communities Projected to Decrease

- Review current spending patterns
 - Are there any cost savings? Is money not fully spent?
 - Assess the need for more expensive models of care that may not meet current need of PLWHA. Can those models be updated?
- Review other resources in the community
 - Break out from the HOPWA silo to identify other possible housing options for PLWHA



Communities Projected to Increase

- Consider new HOPWA activities in line with current needs of PLWHA in the community.
 - What are the current needs/most critical gaps in housing assistance?
- Collaborate with non-traditional agencies to become new sponsors who can carry out new or expanded activities



Technical Assistance

- HUD is here to help
- TA may be available upon request
- HOPWA AAQ can respond to questions regarding Modernization, eligible activities, etc.:

<https://www.hudexchange.info/program-support/my-question/>

- Watch HUD's HOPWA Modernization landing page on the HUD Exchange for more news, information and resources:

<https://www.hudexchange.info/programs/hopwa/formula-modernization/>



Questions?

