

October 19, 2016

HOPWA Formula Modernization

Greetings HOPWA Grantees, Project Sponsors, and Friends,

On behalf of the Office of HIV/AIDS Housing (OHH), I am pleased to announce that the Housing Opportunities for Persons With AIDS (HOPWA) program, which has been operating under the same statute and regulations as established in 1992, is changing to reflect current HIV Epidemic trends with the passing and signing of Public Law 114-201. This new law includes modernization of the HOPWA formula, along with provisions related to other HUD programs.

Since the HOPWA program was first created in 1992, sweeping changes have occurred in the HIV epidemic in our country. In the early 1990's, advanced medical therapies did not exist for HIV, so almost everyone infected with HIV progressed rapidly to an AIDS diagnosis. Lives were cut short by AIDS, and the end of life often meant debilitating illness as well as loss of income, loss of support systems due to stigma, and loss of housing as well. HOPWA's main purpose at that time was a safety net to provide decent housing for people with AIDS to live out the end of their lives with comfort and dignity.

The epidemic today is quite different. HIV is not an assumed death sentence like it was in the early 1990's. With quality HIV medical care and therapies, a person with HIV can live a long, healthy life without ever progressing to an AIDS diagnosis. People living with HIV in 2016 still often face temporary illness, or financial crises related to their health. However, with adequate medical care and supports like housing, those temporary barriers to health and wellbeing can be overcome.

OHH is excited to work with you on implementing changes to the HOPWA formula; these changes are mostly related to the difference in counting "cumulative AIDS" to "living with HIV" cases. While acknowledging that the need for HIV/AIDS housing is great across our nation, we know the terminology in the new law will allow HOPWA formula funds to reach those communities with the highest increases of people currently living with HIV.

Several communities have expressed they are anxious to know what the impact will be. While we await a federal budget and updated data, exact allocations for jurisdictions are not yet available. As we learn specific details we will provide updates to all grantees. We are planning a series of webinars to be held as soon as 2017 formula allocations are announced, and will offer enhanced technical assistance efforts to assist communities experiencing losses or gains in funding to ensure the continued availability of housing supports for HOPWA-eligible households.

Below are some answers to the most commonly asked questions our office has received to date. If your community has specific concerns about HOPWA modernization – or HOPWA in general, including program operations, reporting, or eligible activities – the [HOPWA "Ask a Question" desk](#) is open for you.

HUD will continue to provide updates on the [HOPWA formula modernization page](#).

Sincerely,

Rita

Rita Flegel
Director, Office of HIV/AIDS Housing

What is “HOTMA” and when did it take effect?

“HOTMA” is the Housing Opportunity Through Modernization Act, or the short title of the bill and subsequent Public Law 114-201. HOTMA included modernization of the HOPWA formula, which was rolled into the law with other provisions related to HUD. HOTMA was signed into law July 29, 2016. The law provides that HOPWA modernization, based on “living with HIV” data, will be effective for the 2017 allocation year. [Read the law.](#)

Why did congress pass a law to change the HOPWA formula?

- The vast majority (90%) of HOPWA funds go toward formula grants to Metropolitan Statistical Areas and States. The prior formula gave funding to each jurisdiction based on **cumulative AIDS cases** and did not account for how many people with HIV/AIDS currently live in the jurisdiction. According to the CDC, about 55% of the people counted in the “cumulative AIDS” calculations were deceased individuals, meaning the old formula had to account for deceased persons due to the terminology used.
- In the early 1990’s our country experienced the AIDS epidemic primarily in a large, urban centers in California and on the East Coast. Today the disease has become much more common in rural areas, in the south and along the Eastern Seaboard, and those areas have a high incidence rate of people living with HIV in their communities. The old formula did not address those changes in the geography of the epidemic. Under the new formula, funds will shift according to the highest incidences of people actually living with HIV from year to year.

What are the next steps for HUD to implement the new law?

- The law provides that HOPWA modernization will begin in Fiscal Year 2017 and will be phased in over 5 years to avoid highly volatile shifts in either direction for any one jurisdiction. Jurisdictions will not gain more than 5% or lose more than 10% than their prior year funding during the 5-year phase in. These caps will give communities time to adjust and plan for new allocation amounts, with help from HUD’s Technical Assistance providers.
- OHH is developing a Notice to explain how the changes to the formula will be implemented and operationalized starting with the 2017 allocations.
- OHH will undertake rulemaking process to revise regulations at 24 CFR Part 574 consistent with the new law. A public comment period will be announced prior to the regulation change. Look for that announcement in the next few months, and take that opportunity to provide feedback.

What other changes are in the law besides the change to “living HIV/AIDS”?

- All current formula grantees remain eligible, but the baseline for newly eligible areas is increased to 2,000 living HIV/AIDS cases (previously, this was 1,500 Cumulative AIDS cases).
- The old requirement that 25% of funds be distributed to cities based on AIDS incidence is removed, and replaced with a new requirement that 25% of funds be distributed based on local Fair Market Rents and poverty rates of States and MSAs weighted for persons living with HIV or AIDS in all such eligible areas.
- The law contains provision to allow for reallocations and alternative grantees when necessary.

What can I do now to prepare my community for HOPWA formula modernization?

- Assess your community’s current HOPWA housing programs under HOPWA to determine where changes might be made to better reflect current need.
- Actively participate in your jurisdiction’s Consolidated Plan and Annual Action Plan process. [Find Con Plan info and contacts](#)
- Actively participate in your local Continuum of Care. [Find CoC contacts.](#)
- Review previously published estimates of allocations in HUD Congressional Justifications online; remember, these numbers were published based on budgets and CDC data at that time so the numbers will not be exact but can provide trending information that might be helpful in forecasting your own community’s anticipated changes in living with HIV, FMR, and poverty data.