

**City of Minneapolis**  
**Request for Committee Action**

**To:** Community Development & Regulatory Services  
**Date:** 4/19/2016  
**Referral:** Ways & Means  
**From:** Intergovernmental Relations Department  
**Prepared by:** Matt Bower, 673-2188  
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**File type:** Action  
**Subcategory:** RFP

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**Subject:**

Housing Opportunities for Persons with AIDS (HOPWA) Grant Funding Priorities

**Description:**

Receiving report on funding priorities for HOPWA;  
Requesting direction for staff on incorporating funding priorities into 2016 and future funding Requests for Proposals;  
Authorizing the proper City of Minneapolis Officials to issue a Request for Proposal (RFP) for 2016 HOPWA funds

**Previous Actions:**

May 5, 2015- Community Development and Regulatory Services Committee requested that HOPWA request for proposals priorities be reviewed by staff

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**Ward/Address:**

Not Applicable

**Background/Analysis:**

Staff was directed to review and report back on funding priorities that should be incorporated into the Housing Opportunities for Persons with AIDS grant and its use in the eligible metropolitan area. The HOPWA grant is a formula-based entitlement amount provided the U.S. Department of Housing and Urban Development (HUD) to qualifying metropolitan statistical areas that have a population of more than 500,000 and have more than 1,500 cumulative cases of AIDS. As the largest city in the metropolitan area, Minneapolis serves as the Formula Grant Administrator on behalf of the metropolitan area. In allocating grant amounts among eligible activities, the administrator shall address the needs of eligible persons who reside within the metropolitan statistical area, including those not within the jurisdiction of the applicant. HOPWA funds are applied for and received by Minneapolis through its HUD Consolidated Plan.

An important and HUD-required advisory process to the City's administration of HOPWA has been the community planning and advisory group for the metropolitan area, the Minnesota HIV Housing Coalition. The Coalition meets monthly on housing needs and issues facing families and individuals with HIV/AIDS and is an advisory resource in assisting the City in meeting its responsibilities under the grant for planning and coordination of resources to the benefit of intended beneficiaries.

Eligible activities under HOPWA are:

- (1) Housing information services for eligible persons to locate, acquire, finance and maintain housing. This may also include fair housing counseling;
- (2) Resource identification to establish, coordinate and develop housing assistance resources for eligible persons (including conducting preliminary research and making expenditures necessary to determine the feasibility of specific housing-related initiatives);
- (3) Acquisition, rehabilitation, conversion, lease, and repair of facilities to provide housing and services;
- (4) New construction of single room occupancy (SRO) dwellings and community residences;
- (5) Project- or tenant-based rental assistance;
- (6) Short-term rent, mortgage, and utility payments to prevent the homelessness of the tenant or mortgagor of a dwelling;
- (7) Supportive services including, but not limited to, health, mental health, assessment, permanent housing placement, drug and alcohol abuse treatment and counseling, day care, personal assistance, nutritional services, intensive care when required, and assistance in gaining access to local, State, and Federal government benefits and services, provided to individuals with acquired immunodeficiency syndrome or related diseases and not to family members of these individuals;
- (8) Operating costs for housing including maintenance, security, operation, insurance, utilities, furnishings, equipment, supplies, and other incidental costs;
- (9) Technical assistance in establishing and operating a community residence, including planning and other pre-development or pre-construction expenses and including, but not limited to, costs relating to community outreach and educational activities regarding AIDS or related diseases for persons residing in proximity to the community residence; and
- (10) Administrative expenses.

Nationally, seventy percent of HOPWA formula funds go toward housing assistance (fifty-one percent is tenant-based rental assistance), twenty percent for supportive services, and one percent for housing development.

Currently, the following HOPWA funding priority language is used in the 2015 Request for Proposal solicitation for projects and the 2015-19 Consolidated Plan.

Renewals for existing programs, providing continuum of care strategies, are a HOPWA funding priority, and if funds appropriated exceed the amount necessary to continue those programs at comparable levels (or if priorities change to address changing needs) funds should be made available for capital projects. The City of Minneapolis considers capital requests to be a top priority.

With exceptions for development of HOPWA-eligible housing units by Clare Housing, the City has funded for the past decade, tenant-based rental assistance activities provided by the Minnesota AIDS Project and the Metropolitan Council. Funding renewals have been annually awarded to these entities to continue rental housing assistance at levels proportionately equivalent to that of prior years. Both programs provide eligible programming consistent with full continuums of case management providing supportive service access and tenant-based housing to low-income persons who are living with HIV/AIDS who are homeless or at-risk of homelessness. This funding usage is similar to national uses.

Meeting with the Minnesota HIV Housing Coalition emphasized their concern that housing is health care and that HOPWA is an important component to stabilizing the housing needs of

families and individuals affected by HIV/AIDS. The Coalition sees value with continuing the housing continuum services provided by Minnesota AIDS Project/Metropolitan Council. Important as well is the development of an inventory of dedicated housing units for persons living with HIV/AIDS which will be 255 units in the metro area after completion of three pending projects through 2017. Minneapolis HOPWA funds accounts for 152 of these units.

To operate and manage housing developments require stable sources of funding of which HOPWA can contribute to but often are served better with client-associated support dollars. While it is a challenge to develop new affordable housing units for persons with HIV/AIDS, capital funding sources are available. The greater challenge in developing new units is in identifying ongoing operating and service funding necessary to maintain the units once they are developed.

The operation and management of housing developments requires a stable sources of funding of which HOPWA can contribute, but developments would be better served better with ongoing client-associated support service dollars. Support service funding is typically attached to a person, not to a unit; it is usually awarded on an annual or bi-annual basis; and most support service resources only cover a portion of the total costs of providing support services and operating costs for the development. The existing inventory of affordable housing units for persons with HIV/AIDS utilizes all of the available flexible funding resources to meet the gap in support service and operating funds. Without additional increases in ongoing support service and operating funds by the State or Counties, the HIV Housing Coalition is conservatively not in a position to pursue additional capital development projects. It is unlikely that the amount of additional HOPWA funds would be able to meet this gap.

In light of these issues, the HIV Housing Coalition at its January 2016 meeting with city staff on how funding priorities should be approached, approved the following priority language prioritizing renewal funding for rental assistance and if any HOPWA funds available exceed amounts necessary to keep those programs able to assist existing clients, then all HOPWA eligible activities could apply for any remaining funds.

HUD awards HOPWA formula grants to the City of Minneapolis upon submission and approval of its Consolidated Plan which describes the assistance to be provided. Federal formula allocations are based on the EMSA's population and proportionate number of cases of persons with AIDS. The Minnesota HIV Housing Coalition is the community planning and advisory group that assists with identifying the housing needs for persons living with HIV/AIDS in the EMSA served by the Minneapolis HOPWA grant. Based on their recommendation, renewals for existing programs, providing continuum of care strategies, are a HOPWA funding priority, and if appropriated funds exceed the amount necessary to continue those programs, then funds should be made available for HOPWA eligible activities.

If the HOPWA national formula modernization is able to be implemented by HUD--the modernization language recently passed the U.S. House of Representatives--the City would see a likely increase in the annual entitlement amount provided under HOPWA to be gradually phased in over five years with any gain to be capped at ten percent. This funding formula change could translate into the City's grant being increased by approximately \$100,000 over the existing base amount (Fiscal Year 2017 would be the earliest year the increases would begin). The priority language expressed by the HIV Housing Coalition above would allow the City to explore additional funding strategies expanding existing uses. Staff suggests that future Request for Proposals formalize a tenant-based rental assistance strategy with existing providers at existing formula funding levels with any additional funds added to the formula by HUD through formula

modernization efforts be reserved for a separate Request for Proposal process for either additional tenant-based rental assistance strategies, emphasizing pilot demonstration alternative service delivery methods; or for the other HOPWA eligible uses allowed.

Staff is preparing a Request for Proposal for 2016 HOPWA programming and seeks direction on incorporating the Minnesota HIV Housing Coalition priority as outlined above into the Request for Proposal, and further direction on how to handle any increase in the formula allocation should that occur. Additionally, staff requests authority to issue the 2016 HOPWA RFP as its amount exceeds \$1 million.

**Financial Review:**

**No additional appropriation required, amount included in current budget.**