



THE CITY OF NEW YORK
INDEPENDENT BUDGET OFFICE

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January 11, 2002

Ms. Terri Smith-Caronia
Director of New York City Policy
Housing Works
594 Broadway, Suite 700
New York, NY 10012

Dear Ms. Smith-Caronia:

As per your request, the IBO has reviewed total city spending on housing for people with HIV and AIDS for city fiscal years 1999, 2000, and 2001.

Over the last three city fiscal years, spending for both direct housing subsidies and housing-related services for people with HIV and AIDS has risen steadily. In fiscal year 1999, combined expense and capital spending on housing for people with HIV and AIDS totaled \$129.1 million. In 2000, the city spent a combined total of \$181.8 million, and in 2001, expense and capital spending totaled \$236.6 million. The increased spending has been fueled by a combination of city, state, and federal funds.

The rising expenditures on housing and services for people with HIV and AIDS is the result of rising caseloads. Treatment regimes are allowing people with HIV and AIDS to live longer, thus increasing the total number of infected individuals. In addition, Local Law 49 of 1997 expanded eligibility for services.

Expense Budget

City housing programs for people with HIV or AIDS are funded from four principal sources: city tax levy dollars, state general funds, and two federal grant programs—the Housing Opportunities for People with AIDS (HOPWA) and Ryan White Care programs.

Actual spending lagged the budgeted amount by \$29.4 million in 1999, but has subsequently risen to near budgeted levels. Unspent funds have included city, state, and federal dollars. Federal regulations allow the city to spend HOPWA grant awards over a three-year period.

Expense Budget Spending on Housing for Individuals with HIV/AIDS			
<i>Millions of Dollars</i>			
	1999	2000	2001
Total Budgeted	\$151.5	\$142.3	\$178.5
City funds	63.1	54.3	70.1
State funds	41.1	30.8	51.0
HOPWA	42.5	48.9	48.9
Ryan White and other	4.8	8.3	8.8
Total Spending	\$122.1	\$136.6	\$178.1
NOTE: Ryan White Care funding for the period 3/1/01-2/28/02 is included in the 2001 column.			
SOURCES: IBO, DOH			

Spending by Agency. Five city agencies have expenditures for housing for people with HIV and AIDS: the Human Resources Administration (HRA), the Mayor’s Office of AIDS Policy, the Department of Housing Preservation and Development (HPD), the Department of Health, and the Department of Mental Health and Mental Retardation and Alcoholism Services (DMH).

Spending on Housing for Individuals with HIV/AIDS, by Agency			
<i>Millions of dollars</i>			
	1999	2000	2001
HRA	\$111.6	\$129.5	\$163.8
Mayor’s Office	9.9	11.3	9.4
HPD	0.6	(4.2)	0
DOH	NA	NA	4.5
DMH	0	0	0.4
NOTES: NA: not available. DOH figures in the 2001 column are for the Ryan White Care year 3/1/01-2/28/02. The negative \$4.2 million for HPD in 2000 is an accounting adjustment.			
SOURCES: IBO, DOH, Mayor’s Office of AIDS Policy			

Spending by Function. Nearly three-quarters of city spending is for direct housing subsidies using city, state, and federal funds. The largest housing programs are HRA’s Scatter Site Housing, Single Room Occupancy facilities, and Supportive Housing. The Department of Health has increasingly used Ryan White Care funds to provide housing services. Almost half these Ryan White Care funds are allocated through the Department of Health to HRA, which in turn funds 41 subcontractors to provide “housing enhancements for special populations.” The other Ryan White Care funds are provided directly to nonprofit organizations for emergency rental assistance, housing referral services, and transitional housing services.

A portion of the case management services provided to people with HIV or AIDS are housing-related, such as housing referrals. City, state, and federal funds are used to provide these case management services, but the relative share of the different funding sources has changed over time. In 1999, almost all case management funds came from the city and state. In fiscal year 2000, the city used just under \$7 million in HOPWA funds for case management—less than 20 percent of total spending for that purpose—while in fiscal year 2001, the city spent more than \$24 million in HOPWA funds on case management, or over 50 percent of total spending.

The “other” line in the table below is primarily contracts with service providers through the Mayor’s Office of AIDS Policy. Some of these funds are used for housing subsidies and some

for case management. Because they cannot be easily distinguished, we have categorized this budget line as “other.”

Spending by Function			
<i>Millions of dollars</i>			
	1999	2000	2001
Housing	\$80.9	\$91.9	\$124.3
Case Management	\$30.7	\$38.4	\$44.0
Other	\$10.4	\$7.1	\$9.8
SOURCE: IBO			

Capital Budget

The city also uses funding from its capital budget to provide housing for people with HIV and AIDS. In particular, city funds for the Supportive Housing Loan Program, which provides loans for the development of new supportive housing units, have grown substantially in recent years. Although individuals with HIV or AIDS are one of the target populations for this program, it is not exclusively directed at this constituency.

Capital Commitments for Supportive Housing Loan Program				
<i>Millions of Dollars</i>				
	1998	1999	2000	2001
City Funds	\$0.4	\$0.6	\$8.4	\$34.2
Non-City Funds	49.1	6.4	36.1	24.3
Total	\$49.5	\$7.0	\$44.5	\$58.5
Percent City Funds	0.8%	8.4%	18.9%	58.4%
SOURCES: IBO, Monthly Transaction Reports.				
NOTE: Individual items may not sum to total due to rounding.				

The non-city money used for the Supportive Housing Loan Program includes funds from both the federal HOME program and HOPWA. In fiscal year 2000, the city moved \$30 million in federal funds from the expense budget into the capital budget, causing much of the jump in that year.

Conclusion

Combined city expense and capital spending on housing for people with HIV and AIDS increased by \$108 million from 1999 to 2001, or 83 percent. The city has increased its expense budget spending on housing by 54 percent and case management services by 43 percent. During this same period, the city also substantially increased its capital commitments for the Supportive Housing Loan program, which serves people with HIV and AIDS, among other populations.

Please feel free to call me if I can answer any other questions.

Sincerely,

Molly Wasow Park
Budget and Policy Analyst