

109TH CONGRESS
1ST SESSION

S. 1513

To reauthorize the HOPE VI program for revitalization of severely distressed public housing, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 27, 2005

Ms. MIKULSKI (for herself, Mr. BOND, Mr. REED, and Mr. SARBANES) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To reauthorize the HOPE VI program for revitalization of severely distressed public housing, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “HOPE VI Improve-
5 ment and Reauthorization Act of 2005”.

6 **SEC. 2. HOPE VI PROGRAM REAUTHORIZATION.**

7 (a) FINDINGS.—Congress finds that—

8 (1) the HOPE VI program is one of the most
9 significant and successful neighborhood reinvestment
10 strategies implemented in recent years, having trans-

1 formed dozens of distressed public housing develop-
2 ments into successful mixed-use and mixed-income
3 communities of hope and opportunity and without
4 which the physical and social revitalization of these
5 neighborhoods would not have occurred;

6 (2) HOPE VI has changed the face of public
7 housing by seamlessly incorporating affordable hous-
8 ing opportunities in vital and sustainable market-
9 based, mixed-income developments, thereby serving
10 as a model for creativity and innovation in the deliv-
11 ery of affordable housing;

12 (3) there are over 1,200,000 units of public
13 housing, between 46,900 and 81,900 of which are
14 considered to be severely distressed;

15 (4) nationwide, the public housing inventory has
16 an accumulated capital needs backlog of approxi-
17 mately \$18,000,000,000, with an estimated addi-
18 tional \$2,000,000,000 accruing each year;

19 (5) HOPE VI funds have successfully leveraged
20 substantial additional resources. From 1993 through
21 2001, the \$4,500,000,000 in HOPE VI grants
22 awarded was anticipated by Public Housing Authori-
23 ties to leverage an additional \$10,210,000,000 in
24 other public and private investments. According to
25 the Government Accountability Office, 59 percent of

1 the total funds budgeted by fiscal year 2001 grant-
2 ees for community and supportive services consisted
3 of leveraged funds;

4 (6) HOPE VI has resulted in the demolition of
5 tens of thousands of severely distressed and often
6 uninhabitable public housing units and, in their
7 place, created affordable housing opportunities in
8 healthy mixed-income communities in the form of
9 both project-based housing and housing voucher as-
10 sistance, giving existing public housing residents im-
11 proved and meaningful housing choices; and

12 (7) HOPE VI has fundamentally transformed
13 the lives of thousands of public housing residents
14 who have become self-sufficient through the required
15 community and supportive services programs.

16 (b) DECLARATION OF POLICY.—Based on the find-
17 ings set forth in subsection (a), Congress declares that it
18 is the policy of the United States to reauthorize the HOPE
19 VI program to—

20 (1) end the practice of concentrating the poor
21 in distressed, isolated neighborhoods as an under-
22 lying predicate for leaving no children behind;

23 (2) create healthy communities using a holistic
24 and comprehensive approach to assure long term
25 marketability and sustainability of the community;

1 (3) support excellent outcomes for families, es-
2 pecially children, with an emphasis on excellent—

3 (A) high performing neighborhood schools;

4 and

5 (B) quality of life amenities, such as first
6 class retail space and green space;

7 (4) create mixed-income communities, with the
8 goal of creating a market-rate community with a
9 seamless affordable component;

10 (5) develop such mixed-income communities
11 through public-private partnerships using public and
12 private sources of funding and market principles;
13 and

14 (6) support residents with adequate resources
15 to assist them in achieving their life goals, focusing
16 on self-sufficiency and educational advancement of
17 children and their parents, thereby creating a cul-
18 ture of learning, education, and excellence, in which
19 expectations and standards for personal responsi-
20 bility are benchmarks for success.

21 (c) PURPOSES OF HOPE VI PROGRAM.—Section
22 24(a) of the United States Housing Act of 1937 (42
23 U.S.C. 1437v(a)) is amended—

24 (1) in paragraph (3), by striking “and” at the
25 end;

1 (2) in paragraph (4), by striking the period at
2 the end and inserting a semicolon; and

3 (3) by adding at the end the following:

4 “(5) promoting sustainable connections between
5 the revitalization of public housing communities and
6 local schools and institutions of higher learning, as
7 a means of supporting educational achievement by
8 children and adults as part of a comprehensive self-
9 sufficiency strategy; and

10 “(6) reducing concentrations of poverty and
11 promoting housing choice and self-sufficiency among
12 low-income families by ensuring the successful tem-
13 porary or permanent relocation of residents from se-
14 verely distressed public housing projects through
15 comprehensive counseling and supportive services
16 that assist in selection of and success in lower pov-
17 erty neighborhoods of such families by giving them
18 the tools to achieve self sufficiency.”.

19 (d) EDUCATION AND RELOCATION ACTIVITIES.—Sec-
20 tion 24(d) of the United States Housing Act of 1937 (42
21 U.S.C. 1437v(d)) is amended—

22 (1) in paragraph (1)—

23 (A) in subparagraph (K), by striking
24 “and” at the end;

1 (B) by striking subparagraph (L) and in-
2 serting the following:

3 “(L) necessary comprehensive supportive
4 services, including employment and vocational
5 counseling, life skills training, and other human
6 services; and

7 “(M) necessary costs of ensuring the effec-
8 tive temporary and permanent relocation of ex-
9 isting residents.”; and

10 (2) by adding at the end the following:

11 “(3) LINKAGES TO EDUCATION.—

12 “(A) IN GENERAL.—Each HOPE VI grant
13 recipient shall establish, in partnership with the
14 local schools and school superintendent, a com-
15 prehensive educational reform and achievement
16 strategy for transforming the neighborhood
17 schools that serve the revitalized HOPE VI
18 sites into high-performing schools.

19 “(B) CONTENT OF STRATEGY.—The strat-
20 egy required by subparagraph (A) shall—

21 “(i) include the clear commitment of
22 the neighborhood schools and institutions
23 of higher learning, including the commit-
24 ment of financial and other resources by

1 local foundations and other public and pri-
2 vate partners;

3 “(ii) include a detailed plan for re-
4 forming educational programming for pre-
5 school and elementary school children;

6 “(iii) address educational reform for
7 middle school and high school students;
8 and

9 “(iv) provide means of encouraging
10 adult continuing education.

11 “(C) TIMELINE.—The timeline for develop-
12 ment and implementation of the strategy re-
13 quired by subparagraph (A) shall support and
14 be consistent with the HOPE VI redevelopment
15 schedule.”.

16 (e) GRANT AWARD CRITERIA.—Section 24(e)(2) of
17 the United States Housing Act of 1937 (42 U.S.C.
18 1437v(e)(2)) is amended to read as follows:

19 “(2) GRANT AWARD CRITERIA.—

20 “(A) IN GENERAL.—The Secretary shall
21 establish criteria for the award of grants under
22 this section to ensure that performance stand-
23 ards are met by awarding funds to public hous-
24 ing agencies that—

25 “(i) demonstrate—

1 “(I) partnerships and collabora-
2 tion between public and private sector
3 partners;

4 “(II) a need for funding; and

5 “(III) a readiness and capacity to
6 execute the proposed program; and

7 “(ii) propose measurable interim and
8 long-term outcomes for achieving the pur-
9 poses and goals of the program.

10 “(B) CRITERIA REQUIREMENTS.—In devel-
11 oping criteria under subparagraph (A), the Sec-
12 retary shall consider—

13 “(i) the extent to which the proposal
14 realistically addresses achievement of the
15 purposes of the HOPE VI program de-
16 scribed in subsection (a);

17 “(ii) the extent to which a proposal
18 demonstrates a comprehensive strategy for
19 educational achievement and for trans-
20 forming the neighborhood schools that
21 serve the revitalized HOPE IV site into
22 high-performing schools and encourages
23 the educational advancement of adults;

24 “(iii) the quality and sustainability of
25 the physical redevelopment program and

1 the offering of housing choice to residents,
2 including multifamily rental housing and
3 homeownership opportunities for house-
4 holds with a wide range of incomes and
5 housing for seniors;

6 “(iv) the likely effectiveness of the
7 plan for temporary and permanent reloca-
8 tion of existing residents, which shall en-
9 sure that residents are—

10 “(I) fully aware of their reloca-
11 tion choices; and

12 “(II) supported during the relo-
13 cation process to assure a successful
14 transition, including case management
15 and the counseling and supportive
16 services that the plan offers to such
17 residents;

18 “(v) evidence that the subject project
19 is severely distressed, which shall include a
20 certification signed by an engineer or ar-
21 chitect licensed by a State licensing board
22 that the project meets the criteria for
23 physical distress described in subsection
24 (j)(2);

1 “(vi) the strength of local government
2 support for the proposal, financial and oth-
3 erwise, which shall require, at a minimum,
4 a commitment evidenced by the signature
5 of the chief executive of such local govern-
6 ment of financial assistance equal to not
7 less than 5 percent of the HOPE VI grant
8 amount;

9 “(vii) the strength of evidence that
10 the implementation team has the ability to
11 perform under the HOPE VI program, in-
12 cluding evidence as to the capabilities of
13 both the public partners, including the
14 public housing agency, and the proposed
15 private development partners;

16 “(viii) the achievability of the
17 timelines proposed for implementation of
18 the revitalization plan, which must reflect
19 the scope and scale of the project, while
20 addressing the implementation timeline for
21 each of the components individually;

22 “(ix) the extent to which the proposal
23 will leverage other public or private funds
24 or assets for the project in an amount that

1 equal to not less than 2 times the amount
2 of the HOPE VI grant;

3 “(x) the extent to which the applicant
4 could undertake such activities without a
5 grant under this section;

6 “(xi) the extent of involvement of resi-
7 dents, State and local governments, private
8 service providers, financing entities, and
9 developers, in the development and ongoing
10 implementation of a revitalization program
11 for the project, except that the Secretary
12 may not award a grant under this section
13 unless the applicant has involved affected
14 public housing residents at the beginning
15 and during the planning process for the re-
16 vitalization program, prior to submission of
17 an application;

18 “(xii) the need for affordable housing
19 in the community;

20 “(xiii) the supply of other housing
21 available and affordable to families receiv-
22 ing tenant-based assistance under section 8
23 of this title;

24 “(xiv) the strength and soundness of
25 the proposal to assist residents in achiev-

1 ing self-sufficiency and personal responsi-
2 bility;

3 “(xv) the extent to which —

4 “(I) the plan minimizes perma-
5 nent displacement of current residents
6 of the public housing site who—

7 “(aa) wish to return to the
8 revitalized community; and

9 “(bb) meet the reoccupancy
10 criteria (including all residents
11 that were not evicted prior to the
12 revitalization effort);

13 “(II) the plan provides for com-
14 munity and supportive services to
15 residents prior to and during any relo-
16 cation; and

17 “(III) reasonable and appropriate
18 supportive services are offered to resi-
19 dents wishing to return to the revital-
20 ized site that will help them meet re-
21 occupancy criteria;

22 “(xvi) the extent to which the plan
23 sustains or creates more project-based
24 housing units available to persons eligible
25 for public housing in markets where the

1 plan shows there is demand for the main-
2 tenance or creation of such units;

3 “(xvii) the extent to which the pro-
4 posal sets forth strategies and plans that
5 assist residents displaced by the revitaliza-
6 tion in utilizing tenant based vouchers to
7 select housing opportunities, including in
8 communities with a lower concentration of
9 poverty that—

10 “(I) will not result in a financial
11 burden to the family; and

12 “(II) will promote long-term
13 housing stability;

14 “(xviii) the extent to which the pro-
15 posal provides and ensures, as part of its
16 revitalization program for the effective
17 temporary and permanent relocation of ex-
18 isting residents, that—

19 “(I) residents are fully informed
20 of relocation options, which include re-
21 location to housing in a neighborhood
22 with a lower concentration of poverty
23 than their current residence, through
24 workshops, site tours, case manage-
25 ment, or other means, and are given

1 the opportunity to make informed
2 choices;

3 “(II) relocation milestones are es-
4 tablished that ensure successful relo-
5 cation in terms of timeliness and steps
6 toward self-sufficiency;

7 “(III) the relocation plan does
8 not result in increased concentrations
9 of poverty in the communities to
10 which residents are relocated;

11 “(IV) particular attention is paid
12 to minimizing the impact of reloca-
13 tions on children, such as coordinating
14 relocation moves with school cal-
15 endars;

16 “(V) existing residents who are
17 being temporarily or permanently re-
18 located are offered and encouraged to
19 participate in comprehensive commu-
20 nity and supportive services over the
21 period of the HOPE VI grant to fa-
22 cilitate their progress toward self-suf-
23 ficiency whenever possible; and

24 “(VI) the proposed budget for re-
25 location costs reflects the costs of ef-

1 fective relocation efforts, including
 2 moving expenses, counseling, case
 3 management, and other related costs,
 4 including payments required under
 5 the Uniform Relocation Act ; and

6 “(xix) such other factors as the Sec-
 7 retary considers appropriate.”.

8 (f) SITE VISITS.—Section 24(e) of the United States
 9 Housing Act of 1937 (42 U.S.C. 1437v(e)), as amended
 10 by subsection (e) of this section, is amended by adding
 11 at the end the following:

12 “(4) Notwithstanding any other provision of
 13 law, the Secretary may conduct site visits for HOPE
 14 VI applicants to assist in making funding decisions
 15 under this section.”.

16 (g) HOPE VI PERFORMANCE BENCHMARKS.—Sec-
 17 tion 24 of the United States Housing Act of 1937 (42
 18 U.S.C. 1437v) is amended—

19 (1) by redesignating subsections (f) through (o)
 20 as subsections (g) through (p), respectively; and

21 (2) by inserting after subsection (e) the fol-
 22 lowing:

23 “(f) PERFORMANCE BENCHMARKS.—

24 “(1) IN GENERAL.—Public housing agencies, in
 25 consultation with the Secretary, shall set perform-

1 ance benchmarks for each component of their
2 HOPE VI projects, including benchmarks for—

3 “(A) linkages with schools and other com-
4 munity partners;

5 “(B) effective temporary and permanent
6 relocation of existing residents;

7 “(C) achievement of self-sufficiency by
8 residents;

9 “(D) accomplishing key revitalization
10 goals, taking into consideration the scope and
11 scale of the revitalization plan; and

12 “(E) such other benchmarks as the Sec-
13 retary determines appropriate.

14 “(2) FAILURE TO MEET BENCHMARKS.—If a
15 public housing agency fails to meet the performance
16 benchmarks described under paragraph (1), the Sec-
17 retary shall impose appropriate sanctions, includ-
18 ing—

19 “(A) appointment of an alternative admin-
20 istrator for the HOPE VI project;

21 “(B) financial penalties;

22 “(C) withdrawal of funding under sub-
23 section (j); or

24 “(D) such other sanctions as the Secretary
25 may deem necessary.

1 “(3) AUTHORITY OF SECRETARY.—The Sec-
2 retary shall determine the amount of each grant
3 under this section and the closeout date for the
4 grant, taking into consideration the scope, scale, and
5 size of the revitalization plan.”.

6 (h) AUTHORIZATION OF APPROPRIATIONS.—Section
7 24(n)(1) of the United States Housing Act of 1937 (42
8 U.S.C. 1437v(n)(1)), as redesignated by subsection (g) of
9 this section, is amended by striking “\$574,000,000 for fis-
10 cal year 2003” and inserting “\$600,000,000 for each of
11 fiscal years 2007 through 2011”.

12 (i) EXTENSION OF PROGRAM.—Section 24(p) of the
13 United States Housing Act of 1937 (42 U.S.C. 1437v(p)),
14 as redesignated by subsection (g) of this section, is amend-
15 ed by striking “September 30, 2006” and inserting “Sep-
16 tember 30, 2011”.

17 (j) REVIEW.—The Comptroller General of the United
18 States shall—

19 (1) conduct a review of tools utilized in HOPE
20 VI revitalization efforts under section 24 of the
21 United States Housing Act of 1937 (42 U.S.C.
22 1437v) which may be transferable to other federally-
23 assisted housing programs; and

1 (2) make recommendations to the Congress on
2 the tools reviewed under paragraph (1) not later
3 than September 30, 2008.

○