

110TH CONGRESS  
1ST SESSION

# S. 829

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

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## IN THE SENATE OF THE UNITED STATES

MARCH 8, 2007

Ms. MIKULSKI (for herself, Mr. MARTINEZ, Mr. REED, Mr. SCHUMER, Mr. LEVIN, Mr. MENENDEZ, Mr. SPECTER, Mr. BOND, Mr. NELSON of Florida, and Mrs. DOLE) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## 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 2007.”.

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

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

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

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

16 (4) nationwide, the public housing inventory has  
17 an accumulated capital needs backlog of approxi-  
18 mately \$18,000,000,000, with an additional  
19 \$2,000,000,000 accruing each year;

20 (5) HOPE VI funds have successfully leveraged  
21 substantial additional resources;

22 (6) from 1993 through 2001, the  
23 \$4,500,000,000 in HOPE VI grants awarded was  
24 anticipated by Public Housing Authorities to lever-

1       age an additional \$10,210,000,000 in other public  
2       and private investments;

3           (7) according to the Government Accountability  
4       Office, 59 percent of the total funds budgeted by fis-  
5       cal year 2001 grantees for community and sup-  
6       portive services consisted of leveraged funds;

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

15          (9) HOPE VI has fundamentally transformed  
16      the lives of thousands of public housing residents  
17      who have become self-sufficient through the required  
18      community and supportive services programs.

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

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

- 1           (2) create healthy communities using a holistic  
2           and comprehensive approach to assure long term  
3           marketability and sustainability of the community;
- 4           (3) support excellent outcomes for families, es-  
5           pecially children, with an emphasis on excellent—
- 6                 (A) high-performing neighborhood schools  
7                 and academic achievement; and
- 8                 (B) quality of life amenities, such as first  
9                 class retail space and green space;
- 10          (4) create mixed-income communities, with the  
11          goal of creating a market-rate community with a  
12          seamless affordable component;
- 13          (5) develop such mixed-income communities  
14          through public-private partnerships using public and  
15          private sources of funding and market principles;  
16          and
- 17          (6) support residents with adequate resources  
18          to assist them in achieving their life goals, focusing  
19          on self-sufficiency and educational advancement of  
20          children and their parents, thereby creating a cul-  
21          ture of learning, education, and excellence, in which  
22          expectations and standards for personal responsi-  
23          bility are benchmarks for success.

1 (c) PURPOSES OF HOPE VI PROGRAM.—Section  
2 24(a) of the United States Housing Act of 1937 (42  
3 U.S.C. 1437v(a)) is amended—

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

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

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

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

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

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

4 (1) in paragraph (1)—

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

7 (B) by striking subparagraph (L) and in-  
8 serting the following:

9 “(L) necessary comprehensive supportive  
10 services, including employment and vocational  
11 counseling, life skills training, and other human  
12 services; and

13 “(M) necessary costs of ensuring the effec-  
14 tive temporary and permanent relocation of ex-  
15 isting residents.”; and

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

17 “(3) LINKAGES TO EDUCATION.—

18 “(A) IN GENERAL.—Subject to subpara-  
19 graph (C), each HOPE VI grant recipient shall  
20 establish, in partnership with the local schools  
21 and school superintendent, a comprehensive  
22 educational reform and achievement strategy,  
23 including objective standards and measures for  
24 performance, for transforming the neighborhood

1 schools that serve the revitalized HOPE VI  
2 sites into high performing schools.

3 “(B) CONTENT OF STRATEGY.—The strat-  
4 egy required under subparagraph (A) shall—

5 “(i) include the clear commitment of  
6 the neighborhood schools and institutions  
7 of higher learning, including the commit-  
8 ment of financial and other resources by  
9 local foundations and other public and pri-  
10 vate partners;

11 “(ii) include a detailed plan for re-  
12 forming educational programming for pre-  
13 school and elementary school children;

14 “(iii) address educational reform for  
15 middle school and high school students;  
16 and

17 “(iv) provide means of encouraging  
18 adult continuing education.

19 “(C) ALTERNATIVE STRATEGY.—If a pub-  
20 lic housing agency certifies to the Secretary,  
21 with supporting documentation reasonably sat-  
22 isfactory to the Secretary, that the neighbor-  
23 hood schools that serve the revitalized HOPE  
24 VI sites are high-performing schools, or that  
25 there are schools other than neighborhood

1 schools, such as other local public schools, char-  
2 ter schools or other accredited schools, that  
3 serve the revitalized HOPE VI sites, then the  
4 public housing agency, in lieu of the require-  
5 ments under subparagraphs (A) and (B), shall  
6 establish a comprehensive educational achieve-  
7 ment strategy, including objective standards  
8 and measures for performance, for students re-  
9 siding at the revitalized HOPE VI sites that in-  
10 volves a level of effort commensurate with the  
11 comprehensive educational reform and achieve-  
12 ment strategy required under subparagraphs  
13 (A) and (B).

14 “(D) TIMELINE.—The timeline for devel-  
15 opment and implementation of the strategy re-  
16 quired under subparagraph (A) shall support  
17 and be consistent with the HOPE VI redevelop-  
18 ment schedule.”.

19 (e) GRANT AWARD CRITERIA.—Section 24(e)(2) of  
20 the United States Housing Act of 1937 (42 U.S.C.  
21 1437v(e)(2)) is amended to read as follows:

22 “(2) GRANT AWARD CRITERIA.—

23 “(A) IN GENERAL.—The Secretary shall  
24 establish criteria for the award of grants under  
25 this section to ensure that performance stand-

1           ards are met by awarding funds to public hous-  
2           ing agencies that—

3                   “(i) demonstrate—

4                           “(I) partnerships and collabora-  
5                           tion between public and private sector  
6                           partners;

7                           “(II) a need for funding; and

8                           “(III) a readiness and capacity to  
9                           execute the proposed program; and

10                   “(ii) propose measurable interim and  
11                   long-term outcomes achieving the purposes  
12                   and goals of the program.

13                   “(B) CRITERIA REQUIREMENTS.—In devel-  
14                   oping criteria under subparagraph (A), the Sec-  
15                   retary shall consider—

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

20                           “(ii) the extent to which a proposal  
21                           demonstrates linkages to education, as re-  
22                           quired under subsection (d)(3);

23                           “(iii) the quality and sustainability of  
24                           the physical redevelopment program and  
25                           the offering of housing choice to residents,

1 including multifamily rental housing and  
2 homeownership opportunities for house-  
3 holds with a wide range of incomes and  
4 housing for seniors;

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

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

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

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

24 “(vi) the strength of local government  
25 support for the proposal, financial and oth-

1 erwise, which shall require, at a minimum,  
2 a commitment evidenced by the signature  
3 of the chief executive of such government  
4 of financial assistance equal to not less  
5 than 5 percent of the HOPE VI grant  
6 amount;

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

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

20 “(ix) the extent to which the proposal  
21 will leverage other public or private funds  
22 or assets for the project in an amount that  
23 equal to not less than 2 times the amount  
24 of the HOPE VI grant;

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

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

16           “(xii) the need for affordable housing  
17 in the community;

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

22           “(xiv) the strength and soundness of  
23 the proposal to assist residents in achiev-  
24 ing self-sufficiency and personal responsi-  
25 bility;

1 “(xv) the extent to which—

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

5 “(aa) wish to return to the  
6 revitalized community; and

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

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

15 “(III) reasonable and appropriate  
16 supportive services are offered to resi-  
17 dents wishing to return to the revital-  
18 ized site that will help such residents  
19 meet reoccupancy criteria;

20 “(xvi) the extent to which the plan  
21 sustains or creates more project-based  
22 housing units available to persons eligible  
23 for public housing in markets where the  
24 plan shows there is demand for the main-  
25 tenance or creation of such units;

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

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

10                   “(II) will promote long-term  
11                   housing stability;

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

17                   “(I) residents are fully informed  
18                   of relocation options, which include re-  
19                   location to housing in a neighborhood  
20                   with a lower concentration of poverty  
21                   than the current residence of such  
22                   residents, through workshops, site  
23                   tours, case management, or other  
24                   means, and are given the opportunity  
25                   to make informed choices;

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

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

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

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

23                  “(VI) the proposed budget for re-  
24                  location costs reflects the costs of ef-  
25                  fective relocation efforts, including

1 moving expenses, counseling, case  
2 management, and other related costs,  
3 including payments required under  
4 the Uniform Relocation Act; and  
5 “(xix) such other factors as the Sec-  
6 retary considers appropriate.”.

7 (f) SUPPLEMENTAL FUNDING.—Section 24(e)(3) of  
8 the United States Housing Act of 1937 (42 U.S.C.  
9 1437v(e)(3)) is amended by adding after the first sentence  
10 the following: “The Secretary may also determine not to  
11 apply certain of the selection criteria when awarding  
12 grants to previous recipients of assistance under this sec-  
13 tion that have successfully utilized such grants for site re-  
14 vitalization in accordance with their grant agreements, but  
15 that require demolition-only or site revitalization assist-  
16 ance to address conditions on a portion of the original  
17 public housing site not covered by the original grant in  
18 a manner that will increase or complement the success of  
19 the original grant.”.

20 (g) SITE VISITS.—Section 24(e) of the United States  
21 Housing Act of 1937 (42 U.S.C. 1437v(e)), as amended  
22 by subsection (e), is amended by adding at the end the  
23 following:

24 “(4) Notwithstanding any other provision of  
25 law, the Secretary may conduct site visits for HOPE

1 VI applicants to assist in making funding decisions  
2 under this section.”.

3 (h) HOPE VI PERFORMANCE BENCHMARKS.—Sec-  
4 tion 24 of the United States Housing Act of 1937 (42  
5 U.S.C. 1437v) is amended—

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

8 (2) by inserting after subsection (e) the fol-  
9 lowing:

10 “(f) PERFORMANCE BENCHMARKS.—

11 “(1) IN GENERAL.—Public housing agencies, in  
12 consultation with the Secretary, shall set perform-  
13 ance benchmarks for each component of their  
14 HOPE VI projects, including benchmarks for—

15 “(A) linkages with schools and other com-  
16 munity partners;

17 “(B) effective temporary and permanent  
18 relocation of existing residents;

19 “(C) achievement of self-sufficiency by  
20 residents;

21 “(D) accomplishing key revitalization  
22 goals, taking into consideration the scope and  
23 scale of the revitalization plan; and

24 “(E) such other benchmarks as the Sec-  
25 retary determines appropriate.

1           “(2) FAILURE TO MEET BENCHMARKS.—Except  
2 as provided in paragraph (3), if a public housing  
3 agency fails to meet the performance benchmarks  
4 described under paragraph (1), the Secretary shall  
5 impose appropriate sanctions, including—

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

8                   “(B) financial penalties;

9                   “(C) withdrawal of funding under sub-  
10                   section (j); or

11                   “(D) such other sanctions as the Secretary  
12                   may deem necessary.

13           “(3) EXTENSION OF BENCHMARKS.—The Sec-  
14           retary shall extend the performance benchmarks  
15           under paragraph (1) for a public housing agency, for  
16           such period as the Secretary determines to be nec-  
17           essary, if the failure of the agency to meet such  
18           benchmarks is attributable to—

19                   “(A) litigation;

20                   “(B) obtaining approvals of the Federal  
21                   Government or a State or local government;

22                   “(C) complying with environmental assess-  
23                   ment and abatement requirements;

24                   “(D) relocating residents;

1           “(E) an event beyond the control of the  
2           public housing agency; or

3           “(F) any other reason established by the  
4           Secretary by notice published in the Federal  
5           Register.

6           “(4) AUTHORITY OF THE SECRETARY.—The  
7           Secretary shall determine the amount of each grant  
8           under this section and the closeout or termination  
9           date for the grant, taking into consideration the  
10          scope, scale, and size of the revitalization plan.”.

11          (i) AUTHORIZATION OF APPROPRIATIONS.—Section  
12          24(n)(1) of the United States Housing Act of 1937 (42  
13          U.S.C. 1437v(n)(1)), as redesignated by subsection (h),  
14          is amended by striking “\$574,000,000 for fiscal year  
15          2007” and inserting “\$600,000,000 for each of fiscal  
16          years 2008 through 2013”.

17          (j) EXTENSION OF PROGRAM.—Section 24(p) of the  
18          United States Housing Act of 1937 (42 U.S.C. 1437v(p)),  
19          as redesignated by subsection (g) of this section, is amend-  
20          ed by striking “September 30, 2007” and inserting “Sep-  
21          tember 30, 2013”.

22          (k) REVIEW.—The Comptroller General of the United  
23          States shall—

24                  (1) conduct a review of tools utilized in HOPE  
25          VI revitalization efforts under section 24 of the

1 United States Housing Act of 1937 (42 U.S.C.  
2 1437v) which may be transferable to other federally-  
3 assisted housing programs; and

4 (2) make recommendations to the Congress on  
5 the tools reviewed under paragraph (1) not later  
6 than September 30, 2009.

○