

## H.R. 3524, HOPE VI Improvement and Reauthorization Act

### Key Points:

- HOPE VI is a valuable program which revitalizes severely distressed and obsolete public housing projects. In HOPE VI projects, every government dollar has leveraged at least two private sector dollars. HOPE VI projects have been credited with helping transform and revitalize communities across the country. Since its establishment in 1992, there have been HOPE VI projects in 237 cities.
- HOPE VI was created on a bipartisan basis in 1992 – with particular leadership from Republican Congressman Jack Kemp.
- This bill reauthorizes the successful HOPE VI program for the next eight years, through FY 2015 – authorizing up to \$800 million a year.
- The bill also contains numerous improvements to HOPE VI. For example, it requires that all public housing units proposed for demolition be replaced on a one-for-one basis. This provision is particularly needed because more than 30,000 public housing units have been lost as a direct result of HOPE VI grants made under rules that do not require one-for-one replacement.
- Other improvements to HOPE VI in the bill include requiring all replacement housing that is part of a HOPE VI development to be built in accordance with green building standards, providing expanded housing opportunities for residents displaced by HOPE VI projects, and providing enhanced tenant protections and resident involvement.

Today, the House will consider H.R. 3524, the HOPE VI Improvement and Reauthorization Act. The bill reauthorizes the highly successful HOPE VI program for eight years, authorizing \$800 million a year, and includes numerous improvements to the program. Following is an overview of the manager's amendment and of the bill.

### Manager's Amendment

The Manager's Amendment contains various provisions, including the following. It redefines the scope of the one-for-one replacement requirement by requiring the replacement of all public housing units in existence as of January 1, 2005, and provides a limited waiver from the replacement requirement. It extends the timeline for rebuilding replacement housing units to 54 months from the date of execution of the grant agreement, consistent with current HUD practice. It also deletes the bill's language requiring non-residential construction done in conjunction with a HOPE VI project to be certified to the Silver Level of the LEED (Leadership in Energy and Environmental Design) ratings system. In addition, the amendment explicitly states that no person not lawfully permitted to be in, or remain in, the United States is eligible for housing assistance under this bill.

## **The Bill**

**One-for-One Replacement Requirement.** The bill requires that all public housing units proposed for demolition or disposition under a HOPE VI project be replaced on a one-for-one basis.

**One-for-One Replacement: On-Site Housing.** The bill requires public housing agencies to provide a mixed-income housing development on the site of the original public housing location in a manner resulting in a decrease in the concentration of poverty. At least a third of the units in that development must be replacement public housing units. Public housing agencies can build additional units on the site provided the provision of these units does not violate fair housing laws and the number of additional units is determined in consultation with residents, community leaders and local government officials.

**One-for-One Replacement: Off-Site Housing.** The bill requires remaining replacement units to be built in areas with low concentrations of poverty in the jurisdiction of the public housing agency and in a manner that affirmatively furthers fair housing. These units must be comparable to public housing units in terms of affordability, tenant eligibility, and income determination.

**Expanded Housing Opportunities.** The bill provides residents displaced by a HOPE VI project with three housing choices: a revitalized unit on the site of the original public housing location; a revitalized unit in the jurisdiction of the public housing agency; or a housing choice voucher, which can be used in areas with lower concentrations of poverty.

**Green Housing.** The bill requires that all replacement housing as part of a HOPE VI project be built in accordance with the national Green Communities criteria checklist or a substantially equivalent standard as determined by the Secretary of Housing and Urban Development. Green Communities is a well-respected, widely-utilized industry standard for green affordable housing and is already required or used by a number of cities and states across the country. Hundreds of community-based developers are achieving Green Communities or similar criteria on a cost-effective basis. Studies have found that the cost of incorporating green standards is only between 2 to 4 percent – and the increased energy efficiency can result in lower utility costs for residents.

**Enhanced Tenant Protections.** The bill requires public housing agencies to monitor and track all households affected by HOPE VI revitalization plans. In addition, public housing agencies must develop a temporary relocation plan that provides comparable housing for all relocated residents, protects residents in transitioning to the private rental market with housing choice vouchers, provides for housing opportunities in neighborhoods with lower concentrations of poverty, and extends the voucher search time to 150 days.

**Enhanced Resident Involvement.** The bill provides for the active involvement and participation of residents in the grant planning process, including public hearings and four notices to residents on: 1) the intent to apply for a HOPE VI grant; 2) grant award and relocation options; 3) grant agreement and relocation options; and 4) replacement housing.

**Improvements to Grant Implementation.** Finally, the bill establishes performance benchmarks to ensure the timely completion of HOPE VI grants and provides penalties for grantees that do not meet these performance benchmarks.