HOPE VI Public Housing Revitalization Program: Background, Funding, and Issues

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Summary

The Revitalization of Distressed Public Housing program, referred to as HOPE VI, has been credited with eliminating and replacing some of the most dangerous and dilapidated public housing in the country with new mixed income communities. However, the program has come under scrutiny for slow expenditure of funds and for displacing poor families. Reflecting these criticisms, the Bush Administration requested no new funding for the program in each budget request from FY2004-FY2009. Congress responded by continuing to fund the program, but at less than a quarter of what it had been funded at in FY2003 and prior years.

Created in 1992 and administered by the Department of Housing and Urban Development (HUD), the HOPE VI program provides funds to renovate or demolish existing public housing and replace it with mixed-income housing. The local public housing authorities (PHAs) that administer public housing apply for grants, currently capped at $20 million each, and use the funds to leverage other private and public resources. The bulk of the HOPE VI program is composed of revitalization grants that can be used for demolition, rehabilitation, and new construction of public housing, as well as land acquisition, relocation of residents, and community and supportive services for residents. HUD has also provided demolition-only grants that could be used—often in conjunction with revitalization grants—for the physical destruction of distressed public housing and the relocation of its residents, although no demolition grants have been issued for several years. A third type of grant, planning grants, are no longer awarded, but could be used for technical assistance in preparing a property to go through a demolition or revitalization. A new type of revitalization grant, Main Street Revitalization Grants, was created in 2003. They are available to local governments in small communities rather than PHAs for main street revitalization projects, which may be unrelated to public housing.

Over the history of the program, 256 HOPE VI revitalization grants have been made to PHAs in 36 states, districts, and territories. As of July 2008, a cumulative total of 89,892 units have been demolished and 70,435 new and rehabilitated units have been completed.

The HOPE VI program has helped transform a number of severely distressed neighborhoods, which has made the program popular with many Members of Congress from both parties. Its authorization was set to expire at the end of FY2006, but Congress extended the program through the end of FY2008 (P.L. 110-161). In the 110th Congress, HOPE VI reauthorization legislation was considered (H.R. 3524 and S. 829)—and approved by the House—but was not enacted before the end of the 110th Congress.

This report outlines the program and its history, which sets the context for today's debate. It will be updated to reflect congressional action.

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Introduction

HOPE VI is a public housing reform program. Through HOPE VI, the Department of Housing and Urban Development (HUD) provides funds to rehabilitate or demolish public housing and replace it with housing that serves both the poor as well as the middle class. In order to understand HOPE VI and its issues, it is important to first understand a brief history of the larger public housing program.

History of Public Housing

The Low-Rent Public Housing program was created as a part of the U.S. Housing Act of 1937 (P.L. 93-383). The Depression-era program was intended to stimulate construction activity, clear slums, and provide low-rent housing to poor families. As designed under the act, public housing is built and operated by local, quasi-governmental, public housing authorities (PHAs). Tenants who live in public housing typically pay 30% of their adjusted gross incomes toward rent, although they can opt for a market-based flat rent and PHAs can choose to institute minimum rents of up to $50 per month. PHAs are able to keep public housing rents low because local governments provide property tax reductions and the federal government provides both capital and operating subsidies to supplement the low rents paid by tenants.

From its inception, public housing has faced a number of barriers to success. Many communities were resistant to accepting public housing. This opposition, paired with strict federal rules about how much could be spent to build a unit of public housing, led to the construction of public housing developments in undesirable areas, such as near railroad tracks, highways, and industrial zones. The housing that was constructed was often high-density, high-rise structures. This form of development has often been characterized as "the projects." In addition to location and construction problems, many projects faced management problems. Although many public housing projects were run by effective and efficient PHAs, others had inexperienced PHAs, or in some cases, negligent PHAs, who were unable or unwilling to deal with problems as they arose.

Furthermore, PHA budgets were often insufficient to maintain the properties. It was thought at the time the program was created that most tenants would be working adults whose incomes would increase until their economic situation improved enough that they could move out of public housing. This was the case in the early years of the program. However, policies that adopted rent levels based on incomes rather than operating costs and gave priority to the elderly and disabled, paired with changing demographics and a growth in single-mother-headed households, resulted in a population of public housing residents that was very different than originally envisioned. Today, about half of public housing residents are elderly or disabled and about half are non-elderly non-disabled single-adult headed households, the majority with children. Of those non-elderly, non-disabled households, only about half have income from work, while the other half either receive some form of cash assistance, such as welfare, or report no income. Today's public housing serves the very poor, who are only required to pay a percentage of their income toward rent. Since the rent that PHAs receive from tenants is so low, public housing is dependent on congressional appropriations, and the budget has not always kept up with need. Many units of public housing fell into disrepair, and some units had to be left vacant because they were no longer habitable. Public housing, over time, became known for terrible living conditions. Research has shown that communities with high concentrations of poverty often fall victim to myriad social ills.[1] The often dense, high-rise structures of public housing became riddled with crime, drugs, and violence.

Public housing was the primary government housing program for the poor until the late 1970s. However, out of growing concern about the problems with public housing, and other government-subsidized housing construction programs, President Nixon declared a moratorium on federal housing construction programs in 1973. In 1974, Congress authorized the Section 8 program, which provided subsidies to allow low-income families to live in private market housing. It was hoped that through partnerships with the private sector, the Section 8 program could avoid the problems faced by public housing. The Section 8 program also introduced tenant-based assistance, which subsidized tenants rather than units, giving tenants the option to move. Tenant-based assistance has grown in popularity, partially out of the hope that it can prevent concentrations of poverty in neighborhoods. Over time, Section 8 overtook public housing as the government's largest housing program for the poor; today, almost twice as many households are served by Section 8 than are housed in public housing.[2]

Basis for HOPE VI

Although new construction of public housing had ended by the early 1970s, over a million units of public housing were still occupied, and many were still plagued by problems. In order to determine how to deal with the existing stock of public housing, Congress created the National Commission on Severely Distressed Public Housing (P.L. 101-235) in 1989. The Commission was mandated to identify those public housing projects that were in a severe state of distress; assess the most promising strategies for improvement; and develop a national action plan.

In 1992, the Commission issued its findings and recommendations on the state of the nation's public housing. The Commission labeled 6% of the public housing stock as severely distressed, at the time, equal to 86,000 units. It also reported finding the following:

- residents afraid to move about in their own homes and communities because of the high incidence of crime;
- high unemployment and limited opportunities for the meaningful employment of residents;
- programs designed to address the conditions with too few resources, provided too late;
- programs designed to assist residents of public housing that provide disincentives to self-sufficiency; and
- families living in physical conditions that have deteriorated to a degree that renders the housing dangerous to the health and safety of residents.

The national action plan presented by the Commission included proposals for change in five major categories:

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[1] See William Julius Wilson, *The Truly Disadvantaged: The Inner City, the Underclass and Public Policy* (Chicago: University of Chicago Press, 1987).

[2] For more information on Section 8, see CRS Report RL32284, *An Overview of the Section 8 Housing Programs*, by Maggie McCarty.

- **Addressing the needs of residents**: recommendations included increasing funding for social services, increasing coordination among federal agencies that provide social services, and promoting economic development opportunities for residents.
- **Addressing the physical conditions**: recommendations included increasing funding for capital improvements, providing national leadership to PHAs in planning and design, establishing a model process to eliminate the causes of severe distress, and increasing coordination among government programs that support the rehabilitation of severely distressed housing.
- **Addressing management needs**: recommendations included providing funding for security, further tying PHA funding to performance, and promoting income-mixing in public housing.
- **Other strategies**: recommendations included encouraging PHAs to pursue private and non-profit management opportunities, increasing and improving available data on public housing, creating a new office on severely distressed public housing at HUD, and encouraging Congress to authorize a new partnership program between PHAs, non-profits, the private sector, and residents to attract additional resources to public housing.

History of HOPE VI

HOPE VI began as a demonstration program, created in reaction to the findings of the National Commission on Severely Distressed Public Housing. The Commission's National Action Plan was presented in August 1992; in October 1992 the final version of the FY1993 HUD appropriations bill (P.L. 102-389) passed the Congress, including $300 million for an *Urban Revitalization Demonstration* program. Under the demonstration, the Secretary of HUD was to choose 15 cities, based on need, to receive up to $50 million each to revitalize distressed public housing. Each city was required to spend 80% of its funds toward the capital costs of major reconstruction, rehabilitation and other physical improvements, the capital costs of replacement units and/or Section 8 certificates, management improvements for the reconstructed project, and for planning and technical assistance purposes. The remaining 20% was to be used for community and supportive services. PHAs were required to match 15% of all funds provided.

From 1993 until 1998, the Urban Revitalization Demonstration, now commonly referred to as HOPE VI, continued to receive funding through annual appropriations bills; however the program remained unauthorized. The law governing the program was contained within annual appropriations bills and the requirements for eligibility and funding changed from year to year. HUD administered the law not through regulation, but in the directions they issued along with each annual Notice of Funding Availability (NOFA), to which communities would apply for HOPE VI funding. Changes to the program, in addition to those mandated by annual appropriations laws, were included in these NOFAs.

The FY1999 HUD appropriations bill (P.L. 105-276) included a major public housing reform initiative, the Quality Housing and Work Opportunity Reconciliation Act (QHWRA), that authorized the HOPE VI program. QHWRA codified four purposes for the program:

- improving the living environment for public housing residents of severely distressed public housing projects through the demolition, rehabilitation, reconfiguration, or replacement of obsolete public housing projects (or portions thereof);
- revitalizing sites (including remaining public housing dwelling units) on which such public housing projects are located and contributing to the improvement of the surrounding neighborhood;
- providing housing that will avoid or decrease the concentration of very low-income families; and
- building sustainable communities.[3]

In the law, severely distressed public housing was defined as public housing that

- requires major redesign, reconstruction or redevelopment, or partial or total demolition;
- is a significant contributing factor to the physical decline of and disinvestment by public and private entities in the surrounding neighborhood;
- is occupied predominantly by families that are very low-income families with children, unemployed, and dependent on various forms of public assistance; or has high rates of vandalism and criminal activity (including drug-related criminal activity) in comparison to other housing in the area;
- cannot be revitalized through assistance under other programs because of cost constraints and inadequacy of available amounts; and
- is lacking in sufficient appropriate transportation, supportive services, economic opportunity, schools, civic and religious institutions, and public services, resulting in severe social distress in the project.[4]

QHWRA authorized funding for HOPE VI through the end of FY2002 and included a sunset clause which stated that no assistance could be provided to the program after September 30, 2002. The FY2003 HUD appropriations bill (P.L. 108-7) extended authorization for the HOPE VI program through the end of FY2004 and P.L. 108-186 reauthorized the program, with some changes, through FY2006. The FY2007 appropriations law (P.L. 110-5) extended the program's authorization through the end of FY2007, and the FY2008 appropriations law (P.L. 110-161) extended the program's authorization through the end of FY2008.[5] The program lacks formal regulation; guidance is set out for each cohort of grantees in the annual Notice of Funding Availability to which they apply for funds.

[3] See 42 U.S.C. § 1437v(a).

[4] This list summarizes the definition given in 42 U.S.C. § 1437v(j)(2); the final criteria was not included in QHWRA but was added by P.L. 108-186.

[5] Authorizaton for the program is currently being extended by the FY2009 continuing resolution (P.L. 110-329).

The Program

The purpose of the HOPE VI program is to revitalize severely distressed public housing developments and transform them into safe, liveable environments. As described by HUD, this includes

- changing the physical characteristics of public housing from high-rise tenements to attractive, marketable units that blend in with the surrounding neighborhoods;
- lessening concentrations of poverty by reducing density and promoting mixed-income communities;
- encouraging partnerships with other agencies and local governments for support and resources; achieving high-quality management in public housing and enforcing strict eviction rules; and
- helping residents to attain self-sufficiency by providing services and educational opportunities, and by encouraging economic development in the area surrounding public housing.

HUD seeks to meet the goals of the HOPE VI program by providing grants to PHAs for revitalization, or if this is not economically feasible, for demolition of distressed public housing. The majority of funds are awarded through revitalization grants; funds have also been awarded through demolition grants (until FY2004) and planning grants (until FY1995). A 2003 HOPE VI reauthorization law (P.L. 108-186) created a fourth type of HOPE VI grant, designed to promote "main street" revitalization in small communities, which is unrelated to public housing.

HOPE VI Funding and Grants

Funding for the HOPE VI program increased in the beginning, but remained relatively steady over many years. However, in the face of mounting budget pressures and a desire from the Bush Administration to eliminate funding for the program (discussed later in this report), Congress enacted a major decrease in funding in FY2004 that has been continued each year since. **Table 1** presents HOPE VI appropriations from 1993 to 2008.

Table 1. HOPE VI Appropriations, 1993-2008

(dollars in millions)

FY	Public Law	Appropriations
1993	P.L. 102-389	300
1994	P.L. 103-124	778
1995	P.L. 103-327	500
1996	P.L. 104-134	480
1997	P.L. 104-204	550
1998	P.L. 105-65	550
1999	P.L. 105-276	625
2000	P.L. 106-569	575
2001	P.L. 106-377	574
2002	P.L. 107-73	574
2003	P.L. 108-7	570
2004	P.L. 108-199	149
2005	P.L. 108-447	143
2006	P.L. 109-115	99
2007	P.L. 110-5	99
2008	P.L. 110-161	100
Total		**6,666**

Source: Table prepared by CRS using the United States Office of Management and Budget, Public Budget Database for FY1993-FY2007. FY2008 funding figures based on P.L. 110-161.

This funding has been used to provide 575 grants. **Table 2** shows the amount and number of grants awarded, by type, from FY1993 to FY2008.

Table 2. HOPE VI Awards, FY1993-2008

(dollars in millions)

FY	Revitalization Grants		Other Grant Types						Totals	
			Main Street		Demolition-Only		Planning			
	$	#	$	#	$	#	$	#	$	#
1993	566	13	—	—	0	0	1	2	567	15
1994	516	14	—	—	0	0	3	6	519	20
1995	475	13	—	—	0	0	11	27	486	40
1996	383	19	—	—	71	22	—	—	454	41
1997	497	23	—	—	1	4	—	—	498	27
1998	532	28	—	—	52	46	—	—	584	74
1999	573	21	—	—	40	31	—	—	613	52
2000	514	18	—	—	52	27	—	—	566	45
2001	492	16	—	—	75	44	—	—	567	60
2002	492	27	—	—	42	41	—	—	534	68
2003	433	24	—	—	60	69	—	—	493	93
2004	127	7	2[a]	5[a]	0	0	—	—	129	12
2005[b]	157	8	[c]	[c]	0	0	—	—	157	8
2006	72	4	1	1	0	0	—	—	73	5
2007	89	5	[d]	[d]	0	0	—	—	89	5
2008	97	6	4	4	0	0	—	—	97	6
Total	6015	246	7	10	393	284	15	35	6426	575

Source: Congressional Research Service (CRS) analysis of HUD expenditure data and FY2004, FY2005, FY2006, FY2007, and FY2008 grant award statements.

a. The FY2004 Main Street Revitalization Grants were awarded in FY2005.

b. Does not include three "Mentoring Demonstration" grants, totaling $500,000, awarded in FY2005. These grants were created by the Secretary with previous year's appropriations funding. See discussion under "Residents" heading later in this report.

c. Note that FY2005 Main Street Grant funding was made available in combination with FY2006 Main Street Grant funding in the FY2006 Main Street Revitalization grants NOFA, published in the Federal Register on April 11, 2006.

d. While $2 million was advertised as available for Main Street grants in FY2007, no funds appear to have been awarded.

Planning Grants

Thirty-five planning grants were awarded to PHAs between 1993 and 1995. They were used to pay for studies of the area to be revitalized; to develop a plan for revitalization; for economic development; and for technical support. Planning grants were suspended after 1995, because HUD believed that there were enough examples of PHAs that had begun the revitalizing process that the technical assistance was no longer necessary.

Demolition-Only Grants

In 1996, HUD established a goal of demolishing 100,000 units by the year 2003. Since then, the Department has awarded 284 demolition-only grants. PHAs are awarded these grants when it is not economically feasible to redesign or reconstruct the existing units of a project. They are used to demolish existing units and to relocate the affected tenants in replacement housing, which could include providing them with tenant-based vouchers. Often, demolition-only grants are used as precursors to future HOPE VI revitalization grant initiatives. Since FY2004, when funding for HOPE VI was significantly reduced, HUD has not made any demolition-only grants available.

Main Street Revitalization Grants

The American Dream Downpayment Act (P.L. 108-186) added a new category of HOPE VI grants. Main Street Revitalization grants are awarded to units of local government (rather than PHAs) in small communities (with a population under 50,000) that are not currently served by a PHA, or are served by a small PHA (administer 100 or less units) and that have an active main street rejuvenation effort. Historically, the majority of HOPE VI grants have gone to large cities, arguably where the most blighted public housing is found. Funds can be used to develop affordable housing that is located in a community area that is undergoing a historic main street revitalization; there is no requirement that the use of funds be at all related to public housing. Main Street grants are statutorily capped at $1 million each (although HUD capped grants at $500,000 each in FY2005), and grantees must match at least 5% of the grant award. The grants are funded through a 5% set-aside in the HOPE VI annual appropriation. The first round of grants was made available in FY2004, but awarded in FY2005.

Revitalization Grants

The bulk of funding provided for the HOPE VI program has been awarded through revitalization grants,[6] which is the most well-known component of the program. HUD has awarded 246 revitalization grants since the inception of the HOPE VI program. They can be used for the development of new public housing, rehabilitation of existing public housing, demolition and/or disposition[7] of existing public housing, the creation of homeownership replacement units, the acquisition of new property, the relocation of displaced residents, community and supportive services for residents, and administrative fees and costs. Up to 20% of grant funds may be used for community and supportive services programs. Grantees must match grant funds, and they are generally used to leverage other resources.

[6] Early in the HOPE VI program, revitalization grants were called implementation grants.

[7] The term “disposition” means the sale or transfer of public housing by the PHA.

Over the history of the HOPE VI program, over $6 billion worth of revitalization grants have been awarded to PHAs in 36 states and territories. In addition, $7 million in Main Street Revitalization grants have been awarded, including to two states which had never received HOPE VI Revitalization grants. **Table 3** shows the breakdown of revitalization grants and awards by state.

Table 3. HOPE VI Revitalization and Main Street Revitalization Grants by State, FY1993-2008

State	Total Grants	Total Awards (in millions of $)
Alabama	6	119.7
Arizona	5	81.1
California[b]	13	328.1
Colorado	3	72.2
Connecticut	5	131.4
Delaware	1	16.8
District of Columbia	7	181.2
Florida	14	275.6
Georgia	11	285.9
Illinois	13	367.6
Indiana	4	79
Kentucky	6	127.7
Louisiana[a]	6	116.5
Maine[b]	1	1.0
Maryland	9	209.8
Massachusetts	7	159.1
Michigan	4	127.6
Minnesota	2	34.2
Mississippi[a]	3	52.8
Missouri	7	172.4
Montana	1	0.9
New Jersey	14	385.4
New Mexico[b]	1	1.0
New York	7	197.5
North Carolina[b]	14	327.1
Ohio	12	313.9
Oklahoma[a]	2	29.1
Oregon	2	51.9
Pennsylvania	18	367.7
Puerto Rico[a]	2	51.5

State	Total Grants	Total Awards (in millions of $)
Rhode Island[a]	2	20.5
South Carolina	7	146.5
Tennessee	11	279.8
Texas	12	351.5
Virginia	7	149.3
Washington	9	255.6
West Virginia	2	17.6
Wisconsin	6	136.5

Source: Congressional Research Service (CRS) analysis of HUD expenditure data through June 30, 2004, and HUD grant announcements for FY2004, FY2005, FY2006, FY2007, and FY2008.

a. Includes one Main Street Grant totaling $500,000.

b. Includes one Main Street Grant totaling $1 million.

The Application and Awards Process

Each year, HUD publishes a NOFA in the *Federal Register* inviting PHAs to apply for HOPE VI grants. The NOFA includes application procedures and requirements, which change somewhat every year. PHAs submit applications requesting a specified amount of money to be used to implement a plan that they have detailed to HUD.

Demolition-Only Grants

Demolition-only grants were awarded on a first-come, first-served basis. Once the NOFA was published, eligible PHAs could apply. In order to be eligible, a PHA had to fall into one of four priority groups[8] that involve the mandatory or voluntary demolition of public housing or prior approval for a revitalization grant. HUD screened applications as they arrived to ensure that they were in a priority group and that they met minimum requirements. For example, in 2003, minimum requirements included a cap of 2,500 units to be demolished per applicant, a plan to relocate residents, and proof that the units are in severe distress. HUD funded eligible applicants on a first-come, first-served basis, by priority group, until the HOPE VI funds were exhausted. No demolition-only grants have been awarded since FY2003.

[8] The priority groups are, in order of priority, (1) approved for a 202 conversion, (2) applied for a 202 conversion, (3) approved for a Section 18 demolition, or (4) approved for a HOPE VI revitalization grant. Section 202 Mandatory Conversion is the conversion of public housing developments to Section 8. If it costs less to give the residents a Section 8 voucher, rather than maintain the low rent public housing building, the building is shut down and the residents are given Section 8 vouchers. The demolition and disposition of public housing is authorized under Section 18 of the Housing Act of 1937 (the act), as amended. PHAs can apply to demolish public housing, even outside of the HOPE VI program.

Main Street Grants

The application process for Main Street grants largely mirrors that for revitalization grants. A NOFA for Main Street grants is published in the Federal Register, laying out the application requirements and deadlines. Once HUD receives applications, it screens them to determine whether they meet threshold requirements. In the FY2005/FY2006 combined NOFA, the thresholds included a requirement that a community had a prior Main Street Rejuvenation Master Plan, that the plan included affordable housing, and that appropriate zoning was in place. Once applications have been screened, they are scored. Scoring categories in the FY2005/FY2006 NOFA included the capacity of the community, including prior experience, the need for affordable housing, and the readiness of the plan for implementation. While Main Street grants are capped in law at $1 million, although in some years, HUD has limited the maximum to $500,000, presumably to serve more communities.

Revitalization Grants

PHAs who wish to receive a revitalization grant must apply by the deadline published in the NOFA. Once the deadline has passed, HUD screens the applications to ensure that they meet threshold requirements. If they do not, then they are disqualified. For example, in order to meet the threshold requirements in 2006, applicants had to prove, among other factors, that they had secured site control for the proposed site, had issued a Request for Qualifications (RFQ) to secure a developer, and that they had prepared a plan in advance for relocating residents impacted by the revitalization. The NOFA also explains deadlines for spending funds and penalties for slow expenditure.

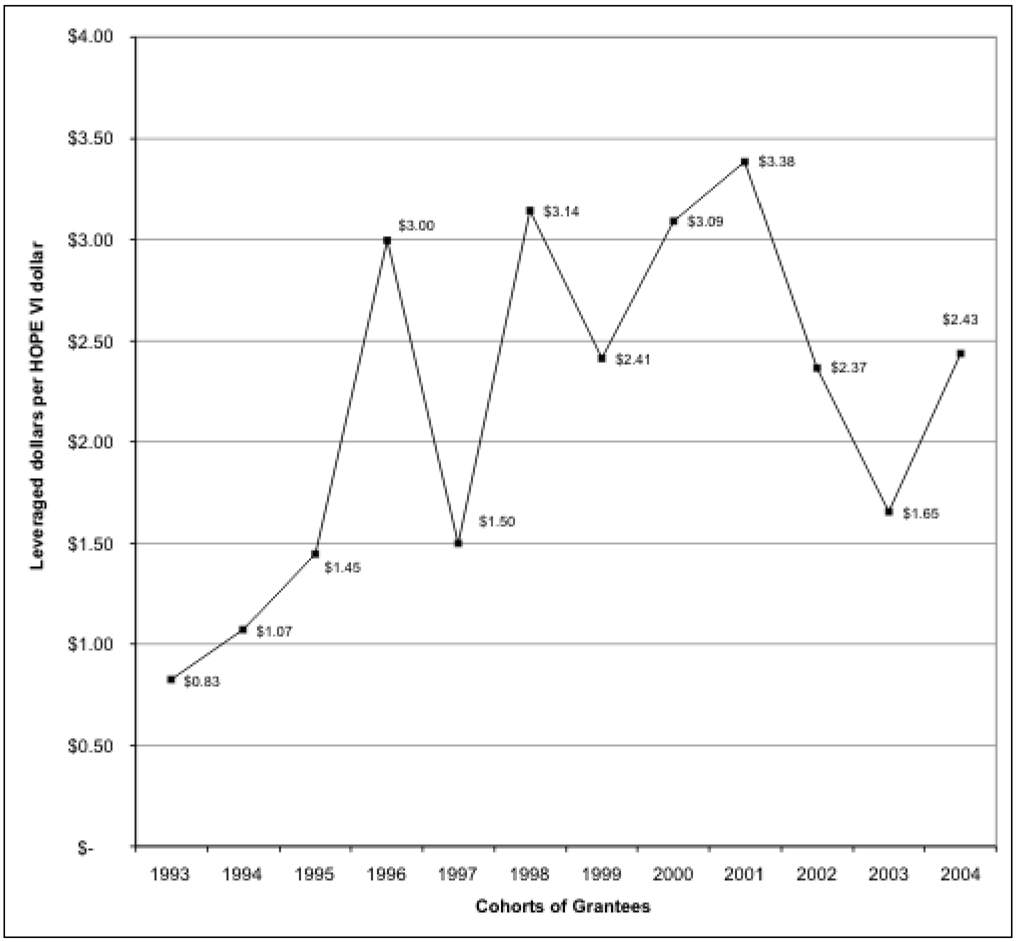
Once HUD screens the applications, the agency scores them on a variety of factors. For example, in the 2006 NOFA, applications received scores in categories including capacity to undertake development, need, the amount of outside resources brought in (leveraging), the amount of homeownership housing created, the amount of prior HOPE VI units that had been completed by the applicant, and community and supportive services. HUD then ranks the scored applications and funds them, in order, until the HOPE VI funds are exhausted. In the early years of the HOPE VI program, there was no cap on the amount a HOPE VI grantee could be awarded. However, since 1996, when HUD began allowing PHAs to use HOPE VI dollars to leverage outside resources, the average grant amount per project has dropped significantly. In recent years, HUD has capped revitalization grants at $20 million each.

Once grantees are selected, they are notified and are required to sign a grant agreement with HUD. The grant agreement includes time-lines for progress. For example, under the terms of the 2006 NOFA, HOPE VI revitalization grantees are expected to complete their developments within 54 months. However, as the NOFAs change every year, different cohorts of grantees have had different time-lines for spending their funds. PHAs must agree to meet all requirements of the program, including match requirements. For example, PHAs must match 5% of their HOPE VI grant award with other resources and must match, dollar-for-dollar, any amount over 5% of the grant amount that is used for community and supportive services for residents. If a PHA is not successfully meeting its deadlines or requirements, HUD has the authority to penalize the PHA either by appointing some form of receiver or by rescinding grant funds. To date, HUD has not rescinded HOPE VI funds from delinquent grantees, although performance on a HOPE VI grant has contributed to HUD's finding of substantial default and appointment of a receiver for several PHAs.

Leveraging

One of the key components of the HOPE VI program is the leveraging of outside resources. Beginning in 1996, revitalization grantees were encouraged to seek outside sources of funding to undertake their redevelopment, in addition to meeting their match requirement. Since that time, grantees have partnered with private non-profit and for-profit organizations and local and state governmental entities who have contributed both expertise and resources to HOPE VI projects. In aggregate, PHAs have budgeted $2.16 in leveraged (meaning non-HOPE VI) funds for each HOPE VI revitalization grant dollar awarded. **Figure 1** demonstrates the generally increasing trend in the amount of funds leveraged by HOPE VI grantees.

Figure 1. HOPE VI Leveraging by Cohorts of Grantees



Source: CRS analysis of HOPE VI data (through March 31, 2006) from the U.S. Department of Housing and Urban Development, using the same methodology as used in U.S. General Accounting Office, GAO-03-91, *Hope VI Leveraging Has Increased, but HUD Has Not Met Annual Reporting Requirement,* Nov. 2002, available at http://www.gao.gov/new.items/d0391.pdf.

Note: Numbers represent amount of leveraged resources budgeted to be spent relative to the amount of HOPE VI funding budgeted to be spent. Numbers do not reflect actual expenditures. Data are current as of March 2006.

Despite general satisfaction with the amount of non-HOPE VI funds grantees are bringing into projects, concern has been raised that HOPE VI redevelopments may be raising only limited private investment and may be more expensive than they appear. According to HUD's FY2006 HOPE VI Report to Congress, about 60% of funds spent on revitalization projects had come from leveraged funds, and 73% of those leveraged funds were from *non*-federal sources. However, that estimate includes private equity raised from the sale of Low-Income Housing Tax Credits (LIHTC) as a non-federal source, although some might consider it a form of federal funding. A study conducted by General Accounting Office (now the Government Accountability Office) in 2002 found that, after excluding LIHTC funds, only 12% of leveraged funds had come from private sources; LIHTC funding had accounted for 27% of all leveraged funds in the projects studied.[9]

Successes and Concerns

HOPE VI has been credited with a number of successes. In terms of addressing severely distressed public housing, the program has largely met its original goal: to eliminate the worst severely distressed public housing. Grantees have been provided sufficient funding to demolish over 100,000 units of public housing.[10] The homes that are built in place of the demolished units are typically lower-density, safer, and more attractive. The new designs also generally connect the public housing developments with their surrounding communities, both functionally and aesthetically. Despite the HOPE VI program's successes, there are several program issues facing Congress. They include the slow expenditure of HOPE VI funds, the impact of HOPE VI on the original public housing residents, the cost-effectiveness of the program, and the loss of assisted housing stock.

Neighborhood Improvements

Success in the HOPE VI program can be measured, in part, by the amount of revitalization it has sparked in surrounding communities. Although this kind of change is hard to measure, studies have shown that HOPE VI has had some success. A study of eight HOPE VI sites undertaken by the Housing Research Foundation found that in communities surrounding recent HOPE VI revitalization projects

- per capita incomes increased more than for the cities as a whole;
- neighborhood unemployment rates had fallen;
- receipt of public assistance had declined;
- fewer households qualified as low-income;
- commercial and residential lending rates increased at a faster rate than overall city increases; and

[9] U.S. General Accounting Office, *Hope VI Leveraging Has Increased, but HUD Has Not Met Annual Reporting Requirement*, GAO-03-91, November 2002, available at http://www.gao.gov/new.items/d0391.pdf.

[10] According to HUD program summary data, revitalization grantees have demolished 89,892 units of public housing; demolition-only grantees planned to demolish 57,593 units of public housing. Despite the fact that some units may be double-listed, so these figures are not additive, the total demolished likely exceeds 100,000.

- overall and violent crime had declined at a more rapid rate than in the overall city.

The author concluded that "although there are many non-HOPE VI factors contributing to change in these communities, the nature of HOPE VI development has helped determine the extent and pace of that change."[11]

A 2003 GAO report looking at the neighborhoods surrounding several HOPE VI sites also attempted to assess the impact of HOPE VI on neighborhoods. Using decennial Census and Home Mortgage Disclosure Act data, GAO found that the neighborhoods surrounding the HOPE VI developments generally experienced positive changes in education, income, and housing indicators. However, further analysis found mixed results in some neighborhoods compared to comparable neighborhoods that had not undergone a HOPE VI redevelopment. In summary, GAO's report stated:

> We cannot attribute these changes solely to the HOPE VI program. To the extent that they do reflect the program's influence, however, they suggest that demolition of old, deteriorated public housing alone may influence surrounding neighborhoods. For example, average housing value and average household income increased even though no new units had been constructed. It is possible that the HOPE VI program influenced these indicators by removing blight from the neighborhoods and temporarily relocating large numbers of low-income households during demolition.[12]

Regardless of whether HOPE VI redevelopments actually spur new neighborhood improvement—or if such improvements would have happened without a HOPE VI grant—the award of a HOPE VI grant has often brought positive press to areas of towns that were plagued by negative perceptions. Many news stories have been written about community transformations linked to HOPE VI.[13] Arguably, HOPE VI might help to change the public's generally negative perceptions of public housing.

Mixed Finance

HOPE VI has encouraged PHAs to build relationships with outside partners, including non-profits and the business community. These partnerships bring new resources into communities undergoing revitalization. Examples include the creation of community centers, charter schools, and new commercial activity in redeveloped HOPE VI sites and the provision of capital to help public housing residents start small businesses and social services to help public housing residents further their educations or overcome personal barriers.

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[11] Sean Zielenbach, *The Economic Impact of HOPE VI on Neighborhoods* (Washington, D.C.: Housing Research Foundation, 2002), available at http://www.housingresearch.org/hrf/hrfhome.nsf/e9c24279c3bd4d1085256a0300779c07/dc611c350fe86e7085256cd800698e98/$FILE/ATTSO6UM/ImpactAnalysisFinal.pdf.

[12] U.S. Government Accountability Office, *HOPE VI Resident Issues and Changes in Neighborhoods Surrounding Grant Sites*, GAO-04-109, November 2003.

[13] For example, see Joanne Huist Smith, "Daytonview Gets Update; Area Has New Look, Feel, Soon to Have New Residents," *Dayton Daily News,* December 25, 2003, p. Z7-1;Vicki Cheng, "Hope in Durham," *The Raleigh News & Observer,* December 8, 2003, p. B1; and David Austin, "Optimism Marks New Columbia Groundbreaking," *The Oregonian,* December 2, 2003, p. C01.

PHAs have also gained new knowledge about private capital markets partly as a result of HOPE VI. This new knowledge has allowed a number of PHAs, outside of the HOPE VI program, to participate in mixed-finance deals and secure private loans. As of December 2007, HUD has approved 106 transactions in which 186 PHAs secured a total of approximately $3.06 billion in loan and bond financing to address the capital needs of public housing.[14] These extra funds supplement federal funds and rents used to modernize public housing. It is hoped that, with the use of outside funding, PHAs can begin to address the large backlog of modernization needs in existing public housing and prevent further disrepair.

Residents

The majority of HOPE VI revitalization plans require at least the temporary displacement of residents. Grantees can relocate residents, either temporarily or permanently, to other public housing sites or by providing them with vouchers to be used in the private market. According to HUD program summary data, as of March 2006, 63,885 households had been relocated by HOPE VI revitalization grantees. Of those households, 49% had been moved to other public housing, 32% had been given Section 8 vouchers, 6% had been evicted, and 13% had made other arrangements or left the program. Of the 63,885 that were relocated, 22% are now living in revitalized units.

Although the intention of many grantees is to return as many displaced residents as possible to redeveloped sites, often fewer residents return than planned. GAO found that, in 1999, grantees estimated that 61% of original residents would return to redeveloped sites; by 2003, their estimate of resident returns had dropped to 44%.[15] Some families choose not to return, opting instead to stay where they were relocated and avoid the hassle of another move. In other cases, families are ineligible to move back because of blemished credit or rental histories. According to March 2006 HUD data, grantees now estimate that 38% of original residents will return to redeveloped sites.

Given that many residents who are displaced from public housing projects undergoing HOPE VI renovation do not return when the revitalization is complete, low-income housing advocates have raised questions about what has happened to them. Since HUD has not always required PHAs to follow residents during the revitalization process, some PHAs have lost track of residents after their initial relocation. To learn more about what has happened to displaced residents, the Urban Institute conducted a study that looked at the living conditions of former residents of eight HOPE VI sites that had been relocated either with vouchers or to other public housing units, several years after their initial relocation. Their study found that, overall, relocated tenants lived in safer, healthier communities and better housing after relocation. Although both groups have seen some gains, families relocated with vouchers have generally fared better than families relocated to other public housing. Particularly, the study found that children in voucher households have done better than children relocated to other public housing, for whom behavior problems have increased. One way in which voucher holders have done worse includes financial hardship. Voucher holders are more likely than public housing residents to report difficulty in paying for utilities and food—indicating that they are having to make tradeoffs to pay their rent.[16]

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[14] According to HUD's FY2009 Congressional Budget Justifications.

[15] U.S. Government Accountability Office, *Public Housing: HOPE VI Resident Issues and Changes in Neighborhoods Surrounding Grant Sites* ,GAO-04-109 November 21, 2003.

[16] Jennifer Comey, *HOPE VI'd and On the Move*, Urban Institute, June 2007.

Low-income housing advocates argue that HUD should put a greater priority on the needs of public housing residents when selecting HOPE VI grantees. Advocates contend that more units of public housing should be built through HOPE VI and that displaced tenants should have a right to return. They also argue that PHAs should be responsible for providing sufficient support to displaced residents, especially residents that leave public housing, to ensure that their relocation is successful. The Urban Institute findings have also led to calls for the greater use of vouchers when relocating families.[17]

Mentoring Demonstration Grants

In FY2005, HUD awarded more than $500,000 of prior years' funds for Mentoring Demonstration grants. They were awarded to prior revitalization grantees to partner with community and faith-based organizations who provide community and supportive services to families. HUD will use these grantees to see whether a "mentoring" model improves self-sufficiency outcomes for families affected by HOPE VI redevelopments. The grants were funded with previous years' appropriations funding, presumably recaptured from grantees who were unable to use them.

Expenditure

One main criticism of the HOPE VI program has been the slow expenditure of HOPE VI funds. In FY2003, unspent balances reached a peak of over $3.3 billion (over half of the $6 billion appropriated for the program).

A number of reasons have been cited for PHAs' slow expenditure of HOPE VI funds. One is the changing nature of the program. In the beginning, grantees were chosen almost solely on the basis of need. Often, the PHAs with the most need had the weakest management capacity. As a result, the poorest-performing PHAs were awarded large grants. It is not surprising that they had difficulty in implementing their redevelopment plans. This was especially true in 1996, when Congress set aside grants for a set of PHAs outside of any competitive process.[18] A 2003 GAO report found that the majority of revitalization grantees had missed at least one of the deadlines established in their grant agreements.[19]

HUD has worked to address several of these problems. Over time, the process for selecting grantees has become more competitive, and HUD now uses a number of criteria to judge applicants' capacity for undertaking these complicated development projects. For example, recent

[17] See testimony of George Moses, representing the National Low Income Housing Coalition, and Dr. Susan Popkin from the Urban Institute, before the House Financial Services Subcommittee on Housing and Community Opportunity, June 21, 2007, available at http://www.house.gov/apps/list/hearing/financialsvcs_dem/ht0621072.shtml.

[18] The 1996 grantees are known to have had problems in undertaking their HOPE VI redevelopments. Their problems are especially visible in expenditure data displayed in **Figure 2** later in this report. A GAO assessment of 1996 grantees cited several additional factors that have led to delays in HOPE VI projects: PHAs often lack staff with expertise in development and finance, which hinders their ability to undertake complicated mixed-finance deals without acquiring additional staff or consultants; certain types of development, including on-site construction and new construction, are more difficult than others, which may not have been accounted for in original plans; a lack of community and resident support can hinder HOPE VI development plans, and may lead to lengthy litigation; and the HUD approval process can move slowly, perhaps because of staffing limitations.

[19] U.S. General Accounting Office, *HUD's Oversight of HOPE VI Sites Need to Be More Consistent*, GAO-03-555, May 2003, available at http://www.gao.gov/new.items/d03555.pdf.

revitalization NOFAs have included rating factors that reward applicant and developer capacity and deduct points from applicants with previous HOPE VI grants that are behind in development.

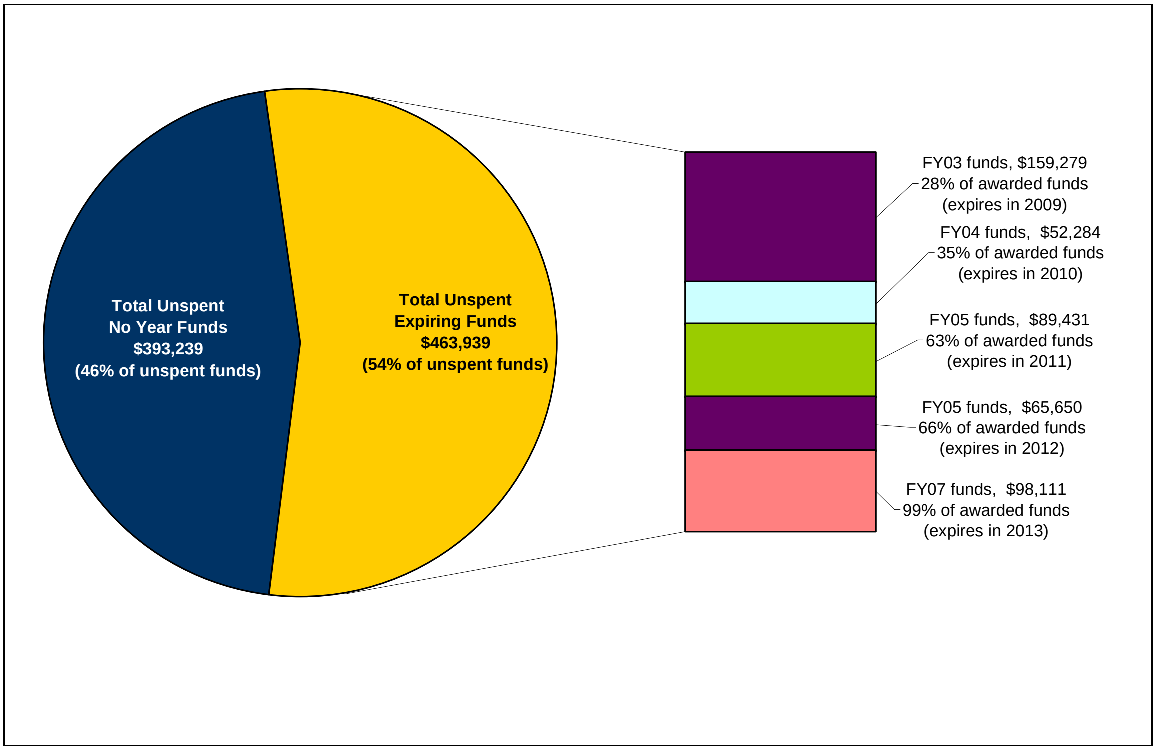
There is reason to believe that more recent HOPE VI grantees have performed better than earlier grantees. HUD's FY2006 2nd Quarter HOPE VI Progress Report to Congress included information demonstrating the improved performance of more recent cohorts of grantees on a number of administrative performance measures. For example, the number of days it took more recent grantees (those from FY2002 through FY2004) from the execution of their grant agreement to the approval of their revitalization plan averaged 177 days, compared to an average of over 600 days for older grantees (those from FY1993 through FY2001). Pre-2002 grantees took an average of over 1,100 days to get approval of their mixed finance proposals, compared to an average of about 356 days for FY2002 and later grantees. These improvements may be due, in part, to more robust selection criteria used by HUD in choosing grantees, greater PHA experience and familiarity with HOPE VI-like mixed finance developments, and more focus by HUD on interim performance measures.

Another important change has come in the way that Congress provides funding to the HOPE VI program. Prior to FY2002, HOPE VI was provided with no-year funding, meaning that the funds provided by Congress remained available to the grantee until they were spent. Beginning in FY2002, Congress adopted a one-year obligation and a five-year expenditure deadline for HOPE VI funds. Any HOPE VI funds remaining unspent at the end of that period will expire and revert back to the Treasury. This change in funding should effectively solve the problem of future accumulations of unspent balances. The FY2002 cohort of grantees were the first to experience an expiration of funds; $12 million of FY2002 grant funds expired at the end of FY2008 before they could be used by grantees.

At the end of FY2008, unspent balances in the HOPE VI fund had been reduced from their peak of $3.3 billion in FY2003 to under $860 billion. As illustrated in **Figure 2**, just under half of that amount (46%) is funding that will not expire. The remaining 54% of those funds will expire if not spent within six years of their award.

Figure 2. Composition of Unspent Balances in the Hope VI Program at the End of FY2008

(in thousands of dollars)



Source: Chart prepared by CRS using data from the Department of Treasury Combined Statement of Receipts, Outlays, and Balances, FY2008.

Over time, the remaining balance of unspent, no-year funds (awarded pre-FY2002) has been declining. As shown in **Figure 2**, of the $4.9 billion in no-year funding awarded to grantees prior to FY2002, just under $400 million remained at the end of FY2008. That balance has been reduced significantly in recent years; at the beginning of FY2002, the unspent balance of no-year funds was over $3 billion. Outlays among the pre-FY2002 grantees have been relatively constant in recent years, averaging roughly $300 million per year for the past five years. Because outlays have been relatively steady and because no new no-year money is being added, the remaining balance of these no-year funds is being depleted at a increasingly rapid rate. In FY2008, pre-FY2002 grantees spent over 30% of the remaining no-year funds. HUD has taken a number of steps to encourage these earlier grantees to spend their funds, including hiring grant expediters to provide technical assistance to grantees. Also, as noted earlier, HUD has also used poor performance on a HOPE VI grant as a factor in deciding to place a PHA in receivership.

Cost-Effectiveness

Over the history of federal housing programs, priorities have shifted from providing publicly constructed and owned housing for low-income families to providing subsidies, either to the private market to build low-cost, private housing, or to residents for use in the private market. One of the main reasons for this shift was the finding that it was more expensive to build and maintain publicly owned housing than it was to provide subsidies to the private market.[20] As a result, the government has not funded the development of new public housing units for many years. Grantees can use HOPE VI funds, in conjunction with other public and private funds, to build replacement units of public housing. Given what is known about the past cost-effectiveness of the construction of public housing, questions can be raised as to whether this is an effective use of limited government dollars. HUD testified before Congress in 2003 that it is not an efficient method. According to the Assistant Secretary for Public and Indian Housing, the division that oversees the HOPE VI program:

> Moreover, it is evident to us that HOPE VI is not an efficient method for meeting the current and future capital needs of the public housing program. The average cost of building a unit under HOPE VI is $120,000, more than 33% greater than the average cost of building a similar unit using the HOME block grant program.[21] Given overall budget constraints, it just doesn't make sense for us to continue funding for this program at the expense of more cost effective programs to serve the same ends.[22]

Taking a different look at the costs of HOPE VI, researchers at the Urban Institute attempted to undertake a cost-benefit analysis of HOPE VI redevelopment compared to maintaining the status quo in distressed public housing. Their study contrasted the up-front costs of undertaking a HOPE VI development (including HOPE VI and other government funding, but excluding equity generated by LIHTCs) to the savings to the government that could result from undertaking the redevelopment. They estimate savings from reduced housing subsidy needs (since new buildings require lower subsidies and are likely to be more energy efficient), improved family well-being (lower welfare, unemployment insurance, Medicaid, and criminal justice system costs), and improved neighborhoods (increased property tax revenue). The Urban Institute study estimates that a prototypical distressed public housing project, undergoing a HOPE VI mixed income redevelopment, could save the government more than $20 million over 20 years.[23]

One-for-One Replacement

The loss of the nation's stock of publicly assisted housing, affordable to low-income families, has been a concern for a number of years. The congressionally mandated, bipartisan Millennial Housing Commission found "a critical shortage of affordable apartments for extremely low-income households."[24] As noted earlier, most HOPE VI developments do not replace every unit of public housing demolished, and most include a number of market rate units that are too expensive

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[20] Mark Shroder and Arthur Reiger, "Vouchers versus Production Revisited," *Journal of Housing Research*, vol. 11, no. 1 (2000), pp. 91-107.

[21] The HUD HOME program provides formula grants to States and localities that communities use—often in partnership with local nonprofit groups—to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.

[22] Testimony of Assistant Secretary for Public and Indian Housing Michael Liu, in U.S. Congress, House Financial Services Committee, Subcommittee on Housing and Community Opportunity, *Strengthening and Rejuvenating Our Nation's Communities and the HOPE VI Program*, hearings, 108th Cong., 1st sess., April 29, 2003, H. Hrg. 108-23 (Washington: GPO, 2003), at http://financialservices.house.gov/media/pdf/108-23.pdf.

[23] Margery Austin Turner, Mark Woolley, G. Thomas Kingsley, Susan J. Popkin, Diane Levy, Elizabeth Cove, *Estimating the Public Costs and Benefits of HOPE VI Investments: Methodological Report*, the Urban Institute, July 16, 2007.

[24] Report of the Bipartisan Millennial Housing Commission, *Meeting Our Nation's Challenges* (Washington: GPO, 2002), p. 17.

for public housing residents to afford. As of March 2006, HOPE VI revitalization grantees planned to demolish 88,469 units of public housing, rehabilitate 10,993 units of existing public housing, and build 92,644 units of new housing—only about half of which would be public housing units, a net loss of 41,000 public housing units. As of March 2006, 88% of the units planned for demolition had been demolished, and 54% of the public housing units slated for construction had been built, an interim net loss of over 50,000 units.

Low-income housing advocates have expressed concern that HOPE VI is eroding the nation's stock of affordable housing, and many have argued that HUD should reinstate the one-for-one replacement requirement. They argue that, in many communities, there is simply a shortage of lower-cost housing and that the federal government has some responsibility to help increase, or at least maintain, the supply.

The requirement that each unit of public housing destroyed be replaced with a new unit of public housing, called "one-for-one replacement," was suspended in 1994 and fully repealed in 1996. Much of the impetus behind the suspension of the requirement was the argument put forward by PHAs that they were unable to deal with troubled public housing because the one-for-one replacement requirement, coupled with site standards, deconcentration requirements, limited funding, and other rules, made the demolition and revitalization process unworkable. At Congress's request, GAO investigated these issues and reported that PHAs were concerned that one-for-one replacement was resulting in developments becoming decrepit.[25] In addition to development concerns, critics of one-for-one replacement argued that it promoted concentrations of poverty, did not appeal to investors, and that the low rents paid by public housing residents would not allow projects to remain financially viable.

PHA groups have contended that reinstating traditional one-for-one replacement will again hamper their ability to undertake housing rehabilitation. Further, there are questions about how one-for-one replacement could affect efforts to deconcentrate poverty. Some compromise strategies, such as requiring some minimum threshold of hard unit replacement, or greater replacement with project-based subsidies, have been considered.

Recent Developments

Funding

The Bush Administration requested no new funding for the HOPE VI program in each of his FY2004-FY2008 budget requests to Congress. Citing the slow expenditure of funds, concerns about cost-effectiveness, and that the program had effectively reached its goal of demolishing 100,000 units of distressed public housing, the Administration states it is time to rethink whether HOPE VI is still necessary or effective. The Administration argues that even without new funding, the program would not end any time soon, since so many projects are still in the pipeline, but that by not funding the program, HUD would have time to throughly evaluate the program and consider alternatives.

[25] U.S. General Accounting Office, Public Housing: Funding and Other Constraints Limit Housing Authorities' Ability to Comply with One-for-One Rule, RCED-95-78, March 3, 1995, available at http://archive.gao.gov/t2pbat1/153789.pdf.

Each year, Congress has rejected the Administration's request to eliminate funding for the program. The FY2004 Consolidated Appropriations Act (P.L. 108-199) provided $149 million for HOPE VI, significantly less than the $570 million provided in FY2003. In budget hearings, many Members of Congress from both parties expressed their satisfaction with the HOPE VI program, citing successful revitalization initiatives in their own communities. The FY2005 Consolidated Appropriations Act (P.L. 108-447) also funded the HOPE VI program, providing $143 million. The FY2006 Appropriations Act for the Departments of Transportation, Treasury, and HUD, the Judiciary, the District of Columbia and Related Agencies (P.L. 109-115) provided $99 million to the program. The FY2007 year long continuing resolution funded the program at the FY2006 level (P.L. 110-5). The FY2008 Consolidated Appropriations Act (P.L. 110-161) funded the program at $100 million.

HOPE VI Reauthorization

Recent Reauthorization Legislation

The HOPE VI program was originally authorized through the end of FY2002. The 108th Congress initially extended the program through the end of FY2004 (P.L. 108-7) but later extended the HOPE VI program through the end of FY2006, as a part of a larger bill designed to make changes to a number of housing programs, including HOPE VI. The American Dream Downpayment Act (P.L. 108-186) amended the program to change the selection criteria, broaden the definition of severe distress, require GAO to conduct a study, and add a new category of grant (Main Street Revitalization grants). Several bills to reauthorize the HOPE VI program were introduced in the 109th Congress, although none were enacted. Several reauthorization bills were also considered in the 110th, and one version (H.R. 3524) passed the House; they are summarized below.

The program's authorization has been maintained through extensions included in the annual appropriations bills. The most recent extension was included as a part of the FY2009 continuing resolution (P.L. 110-329). The 111th Congress may consider HOPE VI reauthorization, and may use past legislation as guidance.

S. 829, 110th Congress

The HOPE VI Improvement and Reauthorization Act of 2007 (S. 829) was introduced on March 8, 2007. Sponsored by Senator Mikulski with bi-partisan cosponsors, it would have reauthorized the HOPE VI program through FY2013 and amended it, adding education and relocation-related requirements. Specifically, it would have required each HOPE VI grant recipient to establish, in partnership with local schools, a comprehensive educational reform and achievement strategy for transforming the neighborhood schools into high-performing schools. The bill would also have required public housing agencies to establish performance benchmarks for each of their HOPE VI projects and required the Secretary to establish specified sanctions for failure to meet such benchmarks. The Senate Banking Committee held a hearing on the bill on June 20, 2007.

H.R. 3524, 110th Congress

The HOPE VI Improvement and Reauthorization Act of 2007 (H.R. 3524) was introduced on September 11, 2007.[26] It would have reauthorized the HOPE VI program through FY2015 at $800 million per year and makd a number of changes to the program. The bill proposed to:

- eliminate demolition-only and Main Street grants;
- establish new selection criteria and application requirements;
- establish enhanced relocation requirements for displaced tenants;
- establish enhanced resident and citizen participation requirements;
- establish green building standards (largely taken from H.R. 2536);
- establish a modified one-for-one replacement requirement, requiring at least 33% of new public housing units be built on site;
- require that every displaced resident be offered a revitalized public housing unit either on site or in the jurisdiction of the PHA;
- expand the eligible uses of HOPE VI funds; and
- permit the Secretary to establish performance standards for grantees and sanctions for failure to meet the standards.

H.R. 3524 was marked up by the House Financial Services Committee on September 26, 2007. During markup, a manager's amendment was approved making several technical changes and authorizing the Secretary to use up to 2% of funding for planning and technical assistance grants. It was reported by the Committee on January 3, 2008.

On January 17, 2008, the House passed H.R. 3524, with several amendments. A manager's amendment was approved that included provisions to limit the one-for-one replacement requirement to units that were in place January 1, 2005; allow for limited waivers of the one-for-one replacement requirement; extend the deadline for completion of HOPE VI developments; modify the green building requirements by removing the reference to specific green building standards and directing the HUD Secretary to select or establish standards; add requirements that PHAs must meet in order to modify their HOPE VI plans; require that displaced families be subject only to ongoing occupancy requirements (and not initial occupancy requirements); extend the availability of HOPE VI funds for hurricane-affected areas; clarify that undocumented non-citizens are not eligible to receive HOPE VI assistance; and make other technical corrections.

Two floor amendments were also approved, one to restore the set-aside for Main Street grants and another to limit the liability of certain elderly persons and victims of crime for criminal activity that takes place in their home and that could otherwise lead to their eviction. A minority-sponsored motion to recommit was also approved that (1) added veterans to the list of hard-to-house families that would receive preference for HOPE VI units and (2) prohibited PHAs from providing such a preference to individuals who have been released from a prison, jail, or other correctional facilities (PHAs would have been required to give such individuals preference under

[26] This bill is similar to a bill with the same title and sponsor, but a different bill number (H.R. 3126) that was introduced on July 23, 2007.

the provisions of the bill prior to approval of the motion to recommit). No further action was taken on the legislation before the close of the 110th Congress.

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