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HOPE VI IMPROVEMENT AND REAUTHORIZATION ACT OF 2007

JANUARY 3, 2008.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. FRANK of Massachusetts, from the Committee on Financial Services, submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 3524]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 3524) to reauthorize the HOPE VI program for revitalization of severely distressed public housing, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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69–006

AMENDMENT

The amendment is as follows:
Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; REFERENCES; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "HOPE VI Improvement and Reauthorization Act of 2007".

(b) REFERENCES.—Except as otherwise expressly provided in this Act, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.).

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; references; table of contents.
Sec. 2. Purposes of program.
Sec. 3. Authority to waive contribution requirement in cases of extreme distress or emergency.
Sec. 4. Prohibition of demolition-only grants.
Sec. 5. Repeal of main street projects grant authority.
Sec. 6. Eligible activities.
Sec. 7. Selection of proposals for grants.
Sec. 8. Requirements for mandatory core components.
Sec. 9. Planning and technical assistance grants.
Sec. 10. Annual report; availability of documents.
Sec. 11. Definitions.
Sec. 12. Conforming amendment.
Sec. 13. Authorization of appropriations.
Sec. 14. Extension of program.
Sec. 15. Review.
Sec. 16. Regulations.

SEC. 2. PURPOSES OF PROGRAM.

Subsection (a) of section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v(a)) is amended—

(1) in paragraph (1), by inserting before "through" the following: "located in communities of all sizes, including small- and medium-sized communities,";

(2) in paragraph (3)—

(A) by inserting "low- and" before "very low-income"; and

(B) by striking "and" at the end;

(3) in paragraph (4), by striking the period at the end and inserting "; and"; and

(4) by adding at the end the following new paragraph:

"(5) promoting housing choice among low- and very low-income families.".

SEC. 3. AUTHORITY TO WAIVE CONTRIBUTION REQUIREMENT IN CASES OF EXTREME DISTRESS OR EMERGENCY.

Subsection (c) of section 24 is amended by adding at the end the following new paragraph:

"(4) WAIVER.—

"(A) AUTHORITY.—The Secretary may waive the applicability of paragraph (1) with respect to an applicant or grantee if the Secretary determines that circumstances of extreme distress or emergency, in the area that the revitalization plan of the applicant is to be carried out, directly affect the ability of the applicant or grantee to comply with such requirement.

"(B) REGULATIONS.—The Secretary shall issue regulations to carry out this paragraph, which shall—

"(i) set forth such circumstances of extreme distress and emergency; and

"(ii) provide that such circumstances shall include any instance in which the area in which a revitalization plan assisted with amounts from a grant under this section is to be carried out is subject to a declaration by the President of a major disaster or emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.".

SEC. 4. PROHIBITION OF DEMOLITION-ONLY GRANTS.

Section 24 is amended—

(1) in subsection (c)(3), by striking "or demolition of public housing (without replacement)";

(2) in the first sentence of subsection (e)(3)—

(A) by striking "demolition only,"; and

(B) by striking the last comma; and

(3) in subsection (e), by adding at the end the following new paragraph:

"(4) PROHIBITION OF DEMOLITION-ONLY GRANTS.—The Secretary may not make a grant under this section for a revitalization plan that proposes to demolish public housing without revitalization of any existing public housing dwelling units.".

SEC. 5. REPEAL OF MAIN STREET PROJECTS GRANT AUTHORITY.

Section 24 is amended—

(1) by striking subsection (n) (relating to grants for assisting affordable housing developed through main street projects in smaller communities);

(2) in subsection (a), by striking the last sentence (that appears after and below paragraph (5), as added by section 2(4) of this Act);

(3) in subsection (l)—

(A) in paragraph (3), by striking ", including a specification of the amount and type of assistance provided under subsection (n);" and inserting "; and"; and

(B) by striking paragraph (4); and

(4) in subsection (m), by striking paragraph (3).

SEC. 6. ELIGIBLE ACTIVITIES.

Paragraph (1) of section 24(d) is amended—

(1) in the matter preceding subparagraph (A), by striking "programs" and inserting "plans";

(2) in subparagraph (G), by striking "program" and inserting "plan";

(3) by striking subparagraph (J) and inserting the following new subparagraph:

"(J) the acquisition and development of replacement housing units in accordance with subsection (j);".

(4) in subparagraph (K), by striking "and" at the end;

(5) in subparagraph (L)—

(A) by striking "15 percent" and inserting "25 percent"; and

(B) by striking the period at the end and inserting a semicolon; and

(6) by adding at the end the following new subparagraphs:

"(M) necessary costs of ensuring the effective relocation of residents displaced as a result of the revitalization of the project, including costs of monitoring as required under subsection (k); and

"(N) activities undertaken to comply with the provisions of (B)(vii) and (C)(xiii) of subsection (e)(2) and subsection (l) (relating to green developments).".

SEC. 7. SELECTION OF PROPOSALS FOR GRANTS.

(a) SELECTION CRITERIA.—Section 24(e) is amended by striking paragraph (2) and inserting the following new paragraph:

"(2) GRANT AWARD CRITERIA.—

"(A) ESTABLISHMENT.—The Secretary shall establish criteria for the award of grants under this section.

"(B) MANDATORY CORE COMPONENTS.—The criteria under this paragraph shall require that a proposed revitalization plan may not be selected for award of a grant under this section unless the proposed plan meets all of the following requirements:

"(i) EVIDENCE OF SEVERE DISTRESS.—The proposed plan shall contain evidence sufficient to demonstrate that the public housing project that is subject to the plan is severely distressed, which shall include—

"(I) a certification signed by an engineer or architect licensed by a State licensing board that the project meets the criteria for physical distress under subsection (t)(2); and

"(II) such other evidence that the project meets criteria for nonphysical distress under subsection (t)(2), such as census data, crime statistics, and past surveys of neighborhood stability conducted by the public housing agency.

"(ii) RESIDENT INVOLVEMENT AND SERVICES.—The proposed plan shall provide for opportunities for involvement of residents of the housing subject to the plan and the provision of services for such residents, in accordance with subsection (g).

"(iii) RELOCATION PLAN.—The proposed plan shall provide a plan for relocation of households occupying the public housing project that is subject to the plan, in accordance with subsection (h), including a statement of the estimated number of vouchers for rental assistance under section 8 that will be needed for such relocation.

"(iv) RESIDENT RIGHT TO EXPANDED HOUSING OPPORTUNITIES.—The proposed plan provides right of resident households to occupy housing

provided under such revitalization plan in accordance with subsection (i).

"(v) ONE-FOR-ONE REPLACEMENT.—The proposed plan shall provide a plan that—

"(I) provides for replacement in accordance with subsection (j) of 100 percent of all dwelling units demolished or disposed of under such revitalization plan, as of the date of the application for the grant, on the site of the original public housing or within the jurisdiction of the public housing agency;

"(II) identifies the type of replacement housing that will be offered to tenants displaced by the revitalization plan;

"(III) contains such agreements with or assurances by the Secretary, State and local governmental agencies, and other entities sufficient to ensure compliance with subsection (j) and the requirements of section 18 applicable pursuant to subsection (p)(1); and

"(IV) contains such assurances or agreements as the Secretary considers necessary to ensure compliance with subsection (i)(2).

"(vi) FAIR HOUSING; LIMITATION ON EXCLUSION.—The proposed plan shall be carried out in a manner that complies with section (m) (relating to affirmatively furthering fair housing and limitation on exclusion).

"(vii) GREEN DEVELOPMENTS.—The proposed plan complies with the requirement under subsection (l) (relating to green developments).

"(C) MANDATORY GRADED COMPONENTS.—The criteria under this paragraph shall provide that, in addition to the requirements under subparagraph (B), the proposed revitalization plan shall address and meet minimum requirements with respect to, and shall provide additional priority based on the extent to which the plan satisfactorily addresses, each of the following issues:

"(i) COMPLIANCE WITH PURPOSES.—The extent to which the proposed plan of an applicant achieves the purposes of this section set forth in subsection (a).

"(ii) CAPABILITY AND RECORD.—The extent of the capability and record of the applicant public housing agency, public partners, proposed private development partners, or any alternative management entity for the agency, for managing redevelopment or modernization projects, meeting performance benchmarks, and obligating amounts in a timely manner, including any past performance of such entities under the HOPE VI program and any record of such entities of working with socially and economically disadvantaged businesses, as such term is defined in section 8(a)(4) of the Small Business Act (15 U.S.C. 637(a)(4)).

"(iii) DIVERSITY OUTREACH.—The extent to which the proposed revitalization plan includes partnerships with socially and economically disadvantaged businesses, as such term is defined by section 8(a)(4) of the Small Business Act.

"(iv) EFFECTIVENESS OF RELOCATION AND ONE-FOR-ONE REPLACEMENT PLANS.—The extent of the likely effectiveness of the proposed revitalization plan for temporary and permanent relocation of existing residents, including the likely effectiveness of the relocation plan under subparagraph (B)(iii) and the one-for-one replacement plan under subparagraph (B)(v).

"(v) ACHIEVABILITY OF REVITALIZATION PLAN.—The achievability of the proposed revitalization plan pursuant to subsection (o), with respect to the scope and scale of the project.

"(vi) LEVERAGING.—The extent to which the proposed revitalization plan will leverage other public or private funds or assets for the project.

"(vii) NEED FOR ADDITIONAL FUNDING.—The extent to which the applicant could undertake the activities proposed in the revitalization plan without a grant under this section.

"(viii) PUBLIC AND PRIVATE INVOLVEMENT.—The extent of involvement of State and local governments, private service providers, financing entities, and developers, in the development and ongoing implementation of the revitalization plan.

"(ix) NEED FOR AFFORDABLE HOUSING.—The extent of need for affordable housing in the community in which the proposed revitalization plan is to be carried out.

"(x) AFFORDABLE HOUSING SUPPLY.—The extent of the supply of other housing available and affordable to families receiving tenant-based assistance under section 8.

"(xi) PROJECT-BASED HOUSING.—The extent to which the proposed revitalization plan sustains or creates more project-based housing units available to persons eligible for residency in public housing in markets where the proposed plan shows there is demand for the maintenance or creation of such units.

"(xii) GREEN DEVELOPMENTS COMPLIANCE.—The extent to which the proposed revitalization plan—

"(I) in the case of residential construction, complies with the nonmandatory items of the national Green Communities criteria checklist identified in subsection (l)(1)(A), or any substantially equivalent standard as determined by the Secretary, but only to the extent such compliance exceeds the compliance necessary to accumulate the number of points required under such subsection; and

"(II) in the case of non-residential construction, includes nonmandatory components of version 2.2 of the Leadership in Energy and Environmental Design (LEED) green building rating system for New Construction and Major Renovations, version 2.0 of the LEED for Core and Shell rating system, or version 2.0 of the LEED for Commercial Interiors rating system, as applicable, or any substantially equivalent standard as determined by the Secretary, but only to the extent such inclusion exceeds the inclusion necessary to accumulate the number of points required under such system.

"(xiii) HARD-TO-HOUSE FAMILIES.—The extent to which the one-for-one replacement plan under subparagraph (B)(v) for the revitalization plan provides replacement housing that is likely to be most appropriate and beneficial for families whose housing needs are difficult to fulfill, including individuals who are not ineligible for occupancy in public housing pursuant to subsection (m)(2), have been released from a State or Federal correctional facility, have not been arrested for or charged with any crime during the period beginning upon probation or parole and ending one year after completion of probation or parole, and for whom affordable housing is a critical need.

"(xiv) FAMILY-FRIENDLY HOUSING.—The extent to which replacement housing units provided through the revitalization plan contain a sufficient number of bedrooms to prevent overcrowding.

"(xv) ADDITIONAL ON-SITE MIXED-INCOME HOUSING.—The extent to which the one-for-one replacement plan under subparagraph (B)(v) provides public housing units in addition to the number necessary to minimally comply with the requirement under subsection (j)(2)(A)(i), including the extent to which such plan provides sufficient housing for elderly and disabled residents who indicate a preference to return to housing provided on the site of the original public housing involved in the revitalization plan and complies with the requirements of subsection (j)(2)(A)(ii).

"(xvi) OTHER.—Such other factors as the Secretary considers appropriate.".

(b) TREATMENT OF LOW-INCOME HOUSING TAX CREDIT ALLOCATIONS; MANDATORY SITE VISITS.—Section 24(e), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraphs:

"(5) TREATMENT OF LOW-INCOME HOUSING TAX CREDIT ALLOCATION.—In the case of any application for a grant under this section that relies on the allocation of any low-income housing tax credit provided pursuant to section 42 of the Internal Revenue Code of 1986 as part of the revitalization plan proposed in the application, the Secretary shall not require that the first phase of any project to be developed under the plan possess an allocation of such low-income housing tax credits at the time of such application.

"(6) MANDATORY SITE VISITS.—Notwithstanding any other provision of law, the Secretary shall provide for appropriate officers or employees of the Department of Housing and Urban Development to conduct a visit to the site of the public housing involved in the revitalization plan proposed under each application for a grant under this section that is involved in a final selection of applications to be funded under this section. Site visits pursuant to this paragraph shall be used only for the purpose of obtaining information to assist in determining whether the public housing projects involved in the application are severely distressed public housing.".

SEC. 8. REQUIREMENTS FOR MANDATORY CORE COMPONENTS.

Section 24 is amended—

(1) by redesignating subsections (h) through (m) as subsections (q) through (v), respectively;

(2) by redesignating subsection (o) as subsection (w); and

(3) by striking subsection (g) and inserting the following new subsections:

"(g) RESIDENT INVOLVEMENT AND SERVICES.—

"(1) IN GENERAL.—Each revitalization plan assisted under this section shall provide opportunities for the active involvement and participation of, and consultation with, residents of the public housing that is subject to the revitalization plan during the planning process for the revitalization plan, including prior to submission of the application, and during all phases of the planning and implementation. Such opportunities for participation may include participation of members of any resident council, but may not be limited to such members, and shall include all segments of the population of residents of the public housing that is subject to the revitalization plan, including single parent-headed households, the elderly, young employed and unemployed adults, teenage youth, and disabled persons. Such opportunities shall include a process that provides opportunity for comment on specific proposals for redevelopment, any demolition and disposition involved, and any proposed significant amendments or changes to the revitalization plan.

"(2) NOTICES.—In carrying out a revitalization plan assisted under this section, a public housing agency shall provide the following written notices, in plain and nontechnical language, to each household occupying a dwelling unit in the public housing that is subject to, or to be subject to, the plan:

"(A) NOTICE OF INTENT.—Not later than the expiration of the 30-day period beginning upon publication by the Secretary of a notice of funding availability for a grant under this section for such plan, notice of—

"(i) the public housing agency's intent to submit such application;

"(ii) the proposed implementation and management of the revitalized site;

"(iii) residents' rights under this section to participate in the planning process for the plan, including opportunities for participation in accordance with paragraph (1), and to receive comprehensive relocation assistance and community and supportive services pursuant to paragraph (4); and

"(iv) the public hearing pursuant to paragraph (3).

"(B) NOTICE OF GRANT AWARD AND RELOCATION OPTIONS.—Not later than 30 days after notice to the public housing agency of the award of a grant under this section, notice that—

"(i) such grant has been awarded;

"(ii) describes the process involved under the revitalization plan to temporarily relocate residents of the public housing that is subject to the plan;

"(iii) provides the information required pursuant to subsection (h)(2) (relating to relocation options); and

"(iv) informs residents of opportunities for participation in accordance with paragraph (1).

"(C) NOTICE OF GRANT AGREEMENT AND RELOCATION OPTIONS.—Not later than 30 days after execution of a grant agreement under this section with a public housing agency, notice that—

"(i) specifically identifies the housing available for relocation of resident of the public housing subject to the revitalization plan;

"(ii) sets forth the schedule for relocation of residents of the public housing subject to the revitalization plan, including the dates on which such housing will be available for such relocation; and

"(iii) informs residents of opportunities for participation in accordance with paragraph (1).

"(D) NOTICE OF REPLACEMENT HOUSING.—Upon the availability of replacement housing provided pursuant to subsection (j), notice to each household described in subsection (i)(1) of—

"(i) such availability;

"(ii) the process and procedure for exercising the right to expanded housing opportunities and preferences under subsection (i)(2); and

"(iii) opportunities for participation in accordance with paragraph (1) of this subsection.

"(E) OTHER.—Such other notices as the Secretary may require.

"(3) PUBLIC HEARING.—The Secretary may not make a grant under this section to an applicant unless the applicant has convened and conducted a public hearing regarding the revitalization plan, including the one-for-one replacement to occur under the plan, not later than 75 days before submission of the applica-

tion for the grant under this section for such plan, at a time and location that is convenient for residents of the public housing subject to the plan.

"(4) SERVICES.—Each recipient of a grant under this section shall—

"(A) provide each household who is residing at the site of the revitalization as of the date of the notice of intent under subparagraph (A) with comprehensive relocation assistance for a period that is the latter of the two periods referred to in subparagraph (B) with comprehensive relocation assistance; and

"(B) offer, to each such displaced resident and each low-income family provided housing under the revitalization plan, community and supportive services until the latter of—

"(i) the expiration of the two-year period that begins upon the end of the development period under the plan; and

"(ii) the date on which all funding under the grant for community and supportive services has been expended.

"(h) RELOCATION PROGRAM.—Each recipient of a grant under this section shall—

"(1) provide for each household displaced by the revitalization plan for which the grant is made to be relocated to a comparable replacement dwelling, as defined in section 101 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601), and for payment of actual and reasonable relocation expenses of each such household and any replacement housing payments as are required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

"(2) fully inform such households of all relocation options, which may include relocating to housing in a neighborhood with a lower concentration of poverty than their current residence or remaining in the housing to which they relocate;

"(3) to the maximum extent possible, minimize academic disruptions on affected children enrolled in school by coordinating relocation with school calendars;

"(4) establish strategies and plans that assist such displaced residents in utilizing tenant-based vouchers to select housing opportunities, including in communities with a lower concentration of poverty, that—

"(A) will not result in a financial burden to the family; and

"(B) will promote long-term housing stability;

"(5) establish and comply with relocation benchmarks that ensure successful relocation in terms of timeliness; and

"(6) notwithstanding any other provision of law, in the case of any tenant-based assistance made available for relocation of a household under this subsection, provide that the term during which the household may lease a dwelling unit using such assistance shall not be shorter than 150 days; if the household is unable to lease a dwelling unit during such period, the public housing agency shall either extend the period during which the household may lease a dwelling unit using such assistance or provide the tenant with the next available dwelling unit owned by the public housing agency.

"(i) RIGHT TO EXPANDED HOUSING OPPORTUNITIES FOR RESIDENT HOUSEHOLDS.—

"(1) IN GENERAL.—Subject only to paragraph (3), each revitalization plan assisted with a grant under this section shall make available, to each household occupying a dwelling unit in the public housing subject to a revitalization plan that is displaced as a result of the revitalization plan (including any demolition or disposition of the unit), occupancy for such household in a replacement dwelling unit provided pursuant to subsection (j). To exercise such right under this paragraph to occupancy in such a replacement dwelling unit, the household shall respond in writing to the notice provided pursuant to subsection (g)(2)(C) by the public housing agency.

"(2) PREFERENCES.—Such a replacement dwelling unit shall be made available to each household displaced as a result of the revitalization plan before any replacement dwelling unit is made available to any other eligible household.

"(3) REPORTS TO SECRETARY.—The Secretary shall require each public housing agency carrying out a revitalization plan assisted under this section to submit to the Secretary such reports as may be necessary to allow the Secretary to determine the extent to which the public housing agency has complied with this subsection and to which displaced residents occupy replacement housing provided pursuant to subsection (j), which shall include information describing the location of replacement housing provided pursuant to subsection (j) and statistical information on the characteristics of all households occupying such replacement housing.

"(j) ONE-FOR-ONE REPLACEMENT.—Each revitalization plan assisted with a grant under this section under which any public housing dwelling unit is demolished or disposed of shall provide as follows:

"(1) NUMBER.—For one hundred percent of all such dwelling units in existence as of the date of the application for the grant that are demolished or disposed under the revitalization plan, the public housing agency carrying out the plan shall provide an additional dwelling unit.

"(2) LOCATION.—Such dwelling units shall be provided in the following manner:

"(A) ON-SITE MIXED-INCOME HOUSING.—

"(i) ONE-THIRD REQUIREMENT.—A mixed-income housing development shall be provided on the site of the original public housing involved in the revitalization plan in which, except as provided in clause (iii), at least one-third of all dwelling units shall be public housing dwelling units and shall be provided through the development of additional public housing dwelling units.

"(ii) REQUIREMENTS FOR ADDITIONAL ON-SITE UNITS.—If the mixed-income housing development provided pursuant to clause (i) includes more public housing dwelling units at the site of the original public housing than is minimally necessary to comply with such clause, the public housing agency shall consult with residents, community leaders, and local government officials regarding such additional public housing dwelling units and shall ensure that such units are provided in a manner that affirmatively furthers fair housing.

"(iii) EXCEPTION.—If, upon a showing by a public housing agency, the Secretary determines that it is infeasible to locate replacement dwelling units on the site of the original public housing involved in the revitalization plan in accordance with clause (i), all replacement units shall be located in areas within the jurisdiction of the public housing agency having low concentrations of poverty, except that at least one mixed-income housing development shall be provided in such an area within the jurisdiction of the public housing agency and that one-third of all units in such development shall be public housing dwelling units. The Secretary may make a finding of infeasibility under this clause only if—

"(I) such location on-site would result in the violation of a consent decree; or

"(II) the land on which the public housing is located is environmentally unsafe, geologically unstable, or otherwise unsuitable for the construction of housing, as evidenced by an independent environmental review or assessment.

"(iv) DECONCENTRATION OF POVERTY.—All dwelling units provided pursuant to this subparagraph shall be provided in a manner that results in decreased concentrations of poverty, with respect to such concentrations existing on the date of the application for the grant under this section.

"(B) OFF-SITE MIXED-INCOME HOUSING.—Any other replacement housing units provided in addition to the dwelling units provided pursuant to subparagraph (A) shall be provided, in areas within the jurisdiction of the public housing agency having low concentrations of poverty, through—

"(i) the acquisition or development of additional public housing dwelling units; or

"(ii) the acquisition, development, or contracting (including through project-based assistance) of additional dwelling units that are subject to requirements regarding eligibility for occupancy, tenant contribution toward rent, and long-term affordability restrictions which are comparable to public housing units, except that subparagraphs (B) and (D) of section 8(o)(13) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(13); relating to percentage limitation and income-mixing requirement for project-based assistance) shall not apply with respect to vouchers used to comply with the requirements of this clause.

"(3) TIMING.—All replacement dwelling units provided pursuant to this subsection shall be provided not later than the expiration of the 12-month period beginning upon the demolition or disposition of the public housing dwelling units, except that replacement dwelling units financed with a low-income housing tax credit under section 42 of the Internal Revenue Code of 1986 in connection with the revitalization plan shall be provided not later than the expiration of the 12-month period beginning upon the allocation of such low-income housing tax credit. To the greatest extent practicable, such replacement or additional dwelling units, or redevelopment, shall be accomplished in phases over time and, in each such phase, the public housing dwelling units and the dwelling units described in subparagraph (B)(ii) of paragraph (2) shall be made available

for occupancy before any nonassisted dwelling unit is made available for occupancy.

"(4) FAIR HOUSING.—The demolition or disposition, relocation, and provision of replacement housing units under paragraph (2)(B) shall be carried out in a manner that affirmatively furthers fair housing, as described in subsection (e) of section 808 of the Civil Rights Act of 1968 (42 U.S.C. 3608(e)).

"(k) MONITORING OF DISPLACED HOUSEHOLDS.—

"(1) PHA RESPONSIBILITIES.—To facilitate compliance with the requirement under subsection (i) (relating to right to expanded housing opportunities), the Secretary shall, by regulation, require each public housing agency that receives a grant under this section, during the period of the revitalization plan assisted with the grant and until all funding under the grant has been expended—

"(A) to maintain a current address of residence and contact information for each household affected by the revitalization plan who was occupying a dwelling unit in the housing that is subject to the plan; and

"(B) to provide such updated information to the Secretary on at least a quarterly basis.

"(2) CERTIFICATION.—The Secretary may not close out any grant made under this section to a public housing agency before the agency has certified to the Secretary that the agency has complied with subsection (i) (relating to a right to expanded housing opportunities for resident households) with respect to each resident displaced as a result of the revitalization plan, including providing occupancy in a replacement dwelling unit for each household who requested such a unit in accordance with such subsection.

"(3) REPORTS BY SECRETARY.—Not less frequently than once every six months, the Secretary shall submit a report to the Congress that includes all information submitted to the Secretary pursuant to paragraph (1) by all public housing agencies and summarizes the extent of compliance by public housing agencies with the requirements under this subsection and subsection (i).

"(l) GREEN DEVELOPMENTS REQUIREMENT.—

"(1) REQUIREMENT.—The Secretary may not make a grant under this section to an applicant unless the proposed revitalization plan of the applicant to be carried out with such grant amounts meets the following requirements, as applicable:

"(A) GREEN COMMUNITIES CRITERIA CHECKLIST.—All residential construction under the proposed plan complies with the national Green Communities criteria checklist for residential construction that provides criteria for the design, development, and operation of affordable housing, as such checklist is in effect for purposes of this subsection pursuant to paragraph (3) at the date of the application for the grant, or any substantially equivalent standard as determined by the Secretary, as follows:

"(i) The proposed plan shall comply with all items of the national Green Communities criteria checklist for residential construction that are identified as mandatory.

"(ii) The proposed plan shall comply with such other nonmandatory items of such national Green Communities criteria checklist so as to result in a cumulative number of points attributable to such nonmandatory items under such checklist of not less than—

"(I) 25 points, in the case of any proposed plan (or portion thereof) consisting of new construction; and

"(II) 20 points, in the case of any proposed plan (or portion thereof) consisting of rehabilitation.

"(B) LEED RATINGS SYSTEM.—All non-residential construction under the proposed plan complies with version 2.2 of the LEED for New Construction rating system, version 2.0 of the LEED for Core and Shell rating system, version 2.0 of the LEED for Commercial Interiors rating system, as such systems are in effect for purposes of this subsection pursuant to paragraph (3) at the time of the application for the grant, at least to the minimum extent necessary to be certified to the Silver Level under such system, or any substantially equivalent standard as determined by the Secretary.

"(2) VERIFICATION.—

"(A) IN GENERAL.—The Secretary shall verify, or provide for verification, sufficient to ensure that each proposed revitalization plan carried out with amounts from a grant under this section complies with the requirements under paragraph (1) and that the revitalization plan is carried out in accordance with such requirements and plan.

"(B) TIMING.—In providing for such verification, the Secretary shall establish procedures to ensure such compliance with respect to each grantee, and

shall report to the Congress with respect to the compliance of each grantee, at each of the following times:

"(i) Not later than 60 days after execution of the grant agreement under this section for the grantee.

"(ii) Upon completion of the revitalization plan of the grantee.

"(3) APPLICABILITY AND UPDATING OF STANDARDS.—

"(A) APPLICABILITY.—Except as provided in subparagraph (B), the national Green Communities criteria checklist and LEED rating systems referred to in subparagraphs (A) and (B) that are in effect for purposes of this subsection are such checklist and systems as in existence upon the date of the enactment of the HOPE VI Improvement and Reauthorization Act of 2007.

"(B) UPDATING.—The Secretary may, by regulation, adopt and apply, for purposes of this section, future amendments and supplements to, and editions of, the national Green Communities criteria checklist, the LEED rating systems, and any standard that the Secretary has determined to be substantially equivalent to such checklist or systems.

"(m) FAIR HOUSING; LIMITATION ON EXCLUSION.—

"(1) FAIR HOUSING.—Each revitalization plan assisted under this section shall affirmatively further fair housing, as described in subsection (e) of section 808 of the Civil Rights Act of 1968.

"(2) LIMITATION ON EXCLUSION.—Except to the extent necessary to comply with the requirements of this section, replacement housing provided pursuant to subsection (j) under a revitalization plan of a public housing agency that is owned or managed, or assisted, by the agency shall be subject to the same policies, practices, standards, and criteria regarding waiting lists, tenant screening (including screening criteria, such as credit checks), and occupancy that apply to other housing owned or managed, or assisted, respectively, by such agency. A household may not be prevented from occupying a replacement dwelling unit provided pursuant to subsection (j), or from being provided a tenant-based voucher under the revitalization plan, except to the extent specifically provided by any other provision of Federal law (including subtitle F of title V of the Quality Housing and Work Responsibility Act of 1998 (42 U.S.C. 13661 et seq.; relating to safety and security in public and assisted housing and ineligibility of drug criminals, illegal drug users, alcohol abusers, and dangerous sex offenders), subtitle D of title VI of the Housing and Community Development Act of 1992), (42 U.S.C. 13611 et seq.; relating to preferences for elderly and disabled residents), and section 16(f) of the United States Housing Act of 1937 (42 U.S.C. 1437n(f); relating to ineligibility of persons convicted of methamphetamine offenses)).

"(n) ENFORCEMENT.—

"(1) ADMINISTRATIVE ENFORCEMENT.—If the Secretary determines on the record after opportunity for an agency hearing, pursuant to a request made by any member of household described in subsection (i)(1) who is adversely affected or aggrieved by a violation of subsection (g), (h), (i), (j), (k), (m), or (o), that such a violation has occurred, the Secretary shall issue an order requiring the public housing agency committing such violation to cease and desist for such violation and to take any affirmative action necessary to correct or remedy the conditions resulting from such violation.

"(2) AVAILABILITY OF OTHER REMEDIES.—The remedy under paragraph (1) shall be in addition to all other rights and remedies provided by law.

"(o) PERFORMANCE BENCHMARKS.—

"(1) IN GENERAL.—Each public housing agency that receives a grant under this section shall, in consultation with the Secretary and residents of the public housing subject to the revitalization plan for which the grant is made that are displaced as a result of the revitalization plan, establish performance benchmarks for each component of their revitalization plan.

"(2) FAILURE TO MEET BENCHMARKS.—If a public housing agency fails to meet the performance benchmarks established pursuant to paragraph (1), the Secretary shall impose appropriate sanctions, including—

"(A) appointment of an alternative administrator for the revitalization plan;

"(B) financial penalties;

"(C) withdrawal of funding under subsection (j); or

"(D) such other sanctions as the Secretary may deem necessary.

"(3) EXTENSION OF BENCHMARKS.—The Secretary shall extend the period for compliance with performance benchmarks under paragraph (1) for a public housing agency, for such period as the Secretary determines to be necessary, if the failure of the agency to meet such benchmarks is attributable to—

"(A) litigation;

"(B) obtaining approvals of the Federal Government or a State or local government;

"(C) complying with environmental assessment and abatement requirements;

"(D) relocating residents;

"(E) resident involvement that leads to significant changes to the revitalization plan; or

"(F) any other reason established by the Secretary by notice published in the Federal Register.

"(4) AUTHORITY OF SECRETARY.—In determining the amount of each grant under this section and the closeout date for the grant, the Secretary shall take into consideration the scope, scale, and size of the revitalization plan assisted under the grant.

"(p) APPLICABILITY OF OTHER LAWS.—

"(1) SECTION 18.—Any severely distressed public housing demolished or disposed of pursuant to a revitalization plan and any public housing developed in lieu of such severely distressed housing shall be subject to the provisions of section 18. To the extent the provisions of section 18 conflict with or are duplicative of the provisions of this section, the provisions of this section solely shall apply.

"(2) URA.—The Uniform Relocation and Real Property Acquisition Policies Act of 1974 shall apply to all relocation activities pursuant to a revitalization plan under this section.".

SEC. 9. PLANNING AND TECHNICAL ASSISTANCE GRANTS.

Subsection (v) of section 24 (42 U.S.C. 1437v(v)), as so redesignated by section 8(1), is amended by striking paragraph (2) and inserting the following new paragraph:

"(2) TECHNICAL ASSISTANCE GRANTS.—Subject only to approvable requests for grants pursuant to paragraph (1) for any fiscal year, the Secretary shall use not less than two percent for grants in such fiscal year to recipients of grants under this section to assist such recipients in obtaining technical assistance in carrying out revitalization programs.".

SEC. 10. ANNUAL REPORT; AVAILABILITY OF DOCUMENTS.

Subsection (u) of section 24, as so redesignated by section 8(1) of this Act, is amended—

(1) by inserting after paragraph (3) the following new paragraph:

"(4) the extent to which public housing agencies carrying out revitalization plans with grants under this section have complied with the requirements under subsection (i) (relating to right to expanded housing opportunities for resident households); and"; and

(2) by adding at the end the following:

"To the extent not inconsistent with any other provisions of law, the Secretary shall make publicly available through a World Wide Web site of the Department of Housing and Urban Development all documents of, or filed with, the Department relating to the program under this section, including applications, grant agreements, plans, budgets, reports, and amendments to such documents; except that in carrying out this sentence, the Secretary shall take such actions as may be necessary to protect the privacy of any residents and households displaced from public housing as a result of a revitalization plan assisted under this section.".

SEC. 11. DEFINITIONS.

Subsection (s) of section 24, as so redesignated by section 8(l) of this Act, is amended—

(1) in clauses (i) and (iii) of paragraph (1)(C), by striking "program" each place such term appears and inserting "plan";

(2) in paragraph (3)—

(A) by striking "SUPPORTIVE" and inserting "COMMUNITY AND SUPPORTIVE";

(B) by inserting "community and" before "supportive services";

(C) by inserting before the period at the end the following: ", and such other services that, linked with affordable housing, will improve the health and residential stability of public housing residents"; and

(D) by inserting after "transportation," the following: "employment and vocational counseling, financial counseling, life skills training,";

(3) by redesignating paragraph (3) as paragraph (6);

(4) by inserting after paragraph (2), the following new paragraph:

"(5) SIGNIFICANT AMENDMENT OR CHANGE.—The term 'significant' means, with respect to an amendment or change to a revitalization plan, that the amendment or change—

"(A) changes the use of 10 percent or more of the funds provided under the grant made under this section for the plan from use for one activity to use for another;

"(B) eliminates an activity that, notwithstanding the change, would otherwise be carried out under the plan; or

"(C) changes the scope, location, or beneficiaries of the project carried out under the plan.";

(5) by redesignating paragraph (2) as paragraph (4); and

(6) by inserting after paragraph (1) the following new paragraphs:

"(2) COMPREHENSIVE RELOCATION ASSISTANCE.—The term 'comprehensive relocation assistance' means comprehensive assistance necessary to relocate the members of a household, and includes counseling, including counseling regarding housing options and locations and use of tenant-based assistance, case management services, assistance in locating a suitable residence, site tours, and other assistance.

"(3) DEVELOPMENT.—The term 'development' has the same meaning given such term in the first sentence of paragraph (1) of section 3(c) (42 U.S.C. 1437a).".

SEC. 12. CONFORMING AMENDMENT.

Paragraph (1) of section 24(f) is amended by striking "programs" and inserting "plans".

SEC. 13. AUTHORIZATION OF APPROPRIATIONS.

Subsection (v)(1) of section 24, as so redesignated by section 8(1) of this Act, is amended by striking all that follows "section" and inserting "$800,000,000 for each of fiscal years 2008 through 2015.".

SEC. 14. EXTENSION OF PROGRAM.

Subsection (w) of section 24, (as so redesignated by section 8(2) of this Act) is amended by striking "September 30, 2007" and inserting "September 30, 2015".

SEC. 15. REVIEW.

The Comptroller General of the United States shall—

(1) conduct a review of activities, actions, and methods used in revitalization plans assisted under section 24 of the United States Housing Act of 1937 to determine which may be transferable to other federally-assisted housing programs; and

(2) make recommendations to the Congress regarding the activities, actions, and methods reviewed under paragraph (1) not later than the expiration of the 3-year period beginning on the date of the enactment of this Act.

SEC. 16. REGULATIONS.

Section 24, as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(x) REGULATIONS.—Not later than the expiration of the 120-day period beginning on the date of the enactment of the HOPE VI Improvement and Reauthorization Act of 2007, the Secretary shall issue regulations to carry out this section, including the amendments made by such Act.".

PURPOSE AND SUMMARY

The purpose of H.R. 3524, the "HOPE VI Improvement and Revitalization Act of 2007," is to re-authorize the HOPE VI program, which provides assistance to public housing agencies to improve the living environment for public housing residents of severely distressed public housing projects. The bill includes a number of important reforms to the program including: expanding the number of replacement housing units; ensuring that residents have access to revitalized sites; requiring monitoring and tracking of displaced residents; and greater resident involvement in the planning and redevelopment process. The bill also establishes green development standards for HOPE VI revitalizations activities.

The bill is designed to accomplish these goals while protecting displaced tenants and ensuring that they are provided adequate

services to obtain suitable replacement housing on a temporary and permanent basis.

BACKGROUND AND NEED FOR LEGISLATION

In the 1970s, construction on new units of public housing effectively ended and existing units began to fall into disrepair and sink further into economic and social isolation from their surrounding communities. The HUD Reform Act of 1989 authorized the creation of the National Commission on Severely Distressed Housing (the Commission) to conduct case studies and site examination of public housing developments that were believed to be severely distressed. As part of its work, the Commission was also charged to recommend strategies to Congress to improve the condition of severely distressed public housing units. The Commission found that six percent of the nation's public housing units, or 86,000 units, were severely distressed. In addition, the Commission noted that residents in these units were affected by high rates of crime, had high levels of unemployment, and lacked programs and services to help them attain self-sufficiency. Furthermore, due to the deterioration of the units, residents' health and safety were at risk.

Based on the Commission's report, Congress created the HOPE VI program in 1992 to revitalize severely distressed public housing and transform them into safe, livable communities. Initially started as a demonstration program, HUD selected grantees for the first 15 cities based on need. This first group of grantees was awarded up to $50 million per grant, for a total of $300 million. The program operated through appropriations acts from Fiscal Year 1994 through Fiscal Year 1998. Because the program was not initially established in authorizing legislation but through appropriation acts, HUD was not directed to issue any regulations for the administration of the program when it was first created. Instead, HUD administered the program, and continues to administer the program, through Notices of Funding Availability (NOFAs) that are published in the Federal Register each year. The NOFAs outlined the requirements for public housing agencies to apply for funding.

The program was finally authorized by Congress in 1999 through the Quality Housing and Work Responsibility Act of 1998 (QHWRA) (Public Law 105–276). Under QHWRA, the purposes of the program were to improve the living environment of public housing residents, to revitalize the sites on which severely distressed public housing units were located, to decrease concentrations of poverty, and to build sustainable communities. QHWRA also defined "severely distressed public housing" as public housing that requires major design or rehabilitation; contributes significantly to the decline of the surrounding neighborhood; is occupied primarily by very low-income families and the unemployed; has high rates of crime and vandalism; and cannot be revitalized through other forms of assistance.

QHWRA authorized the program through Fiscal Year 2002. Succeeding appropriations acts have extended the authorization. The Consolidated Appropriations Act for 2003 reauthorized the program through Fiscal Year 2004. Through the American Dream Downpayment Act (Public Law 108–186), the program was reauthorized through Fiscal Year 2006. The most recent reauthorization was in

the Fiscal Year 2007 Continuing Resolution (H.J. Res. 20), which extended the program through September 30, 2007.

Through the combination of demolition and revitalization grants, HOPE VI grantees have demolished 134,572 units of severely distressed housing, exceeding HUD's initial goal of demolishing 100,000 units by 2003. Despite these successes, the program has directly contributed to a loss of hard public housing units. Because HUD repealed the one-for-one replacement requirement in 1996, some argue that there has been no incentive for public housing agencies to replace each unit taken down with another hard unit. According to HUD, over 30,000 public housing units have been lost as a result of revitalization grants alone.

The mixed-income communities that have resulted from the use of these grants have had positive results for many of the surrounding communities, with reports of increases in per capita incomes, decreases in unemployment rates, decreases in the number of households receiving public assistance, and declines in violent crime. However, some critics of the program maintain that the majority of the public housing residents have not benefited from the program because they either do not, or are not, allowed to return to the new developments.

From 1993 to 1999, grantees estimated that 61 percent of residents would return to the development. By 2003, the estimate had fallen to 44 percent. There appear to be a number of factors leading to why residents have not returned to the original developments: lack of available units (due to no requirement for one-for-one replacement); re-screening criteria that restrict re-occupancy only to residents who meet employment, creditworthiness, and other criteria; and a desire on the part of residents to remain in their temporary replacement housing.

HUD does not require public housing agencies to track displaced residents. Some public housing agencies are unable to provide information about what happens to these families after they have been displaced during the revitalization process. In Miami, for example, the public housing agency lost track of 612 out of 1,178 residents it had temporarily relocated with housing choice vouchers when it demolished the Scott/Carver Homes development in 2001. Low-income housing advocates believe that as a result of losing their vouchers, many of these families may now be homeless.

The transition from public housing to private housing (with vouchers) is difficult for former public housing residents as illustrated by an Urban Institute study.[1] The study found that for more than half of public housing residents renting housing with a voucher experienced difficulty in paying their rent and utilities.

Many public housing developments are racially and economically isolated from the surrounding community. A review of 92 census tracts in which projects that were denied HOPE VI grants are located reveals that the majority, or 62 percent, of these tracts have predominately minority populations. Within these tracts, up to 72 percent of the families live in poverty.

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[1] Susan J. Popkin, The HOPE VI Program—What about the Residents? (Washington: Urban Institute Press, Dec. 2002).

HEARINGS

The Subcommittee on Housing and Community Opportunity held a hearing on June 21, 2007, on the reauthorization of the HOPE VI Program. The following witnesses testified:

PANEL ONE

- The Honorable Orlando J. Cabrera, Assistant Secretary for Public and Indian Housing, U.S. Department of Housing and Urban Development;

PANEL TWO

- Mr. Rudy Montiel, Executive Director, Housing Authority of the City of Los Angeles;
- Mr. Charles Woodyard, Executive Director, Charlotte Housing Authority;
- Mr. Richard Fox, Executive Director, Stamford Housing Authority;
- Mr. Michael Kelly, Executive Director, District of Columbia Housing Authority.

PANEL THREE

- Dr. Susan Popkin, Principal Research Associate, The Urban Institute;
- Ms. Yvonne Stratford, former resident Scott/Carver Homes, Miami, FL;
- Mr. George Moses, President, Board of Directors, National Low Income Housing Coalition, Housing Alliance of Pennsylvania;
- Ms. Doris Koo, President and Chief Executive Officer, Enterprise Community Partners, Inc.

COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on September 26, 2007, and ordered H.R. 3524, HOPE VI Improvement and Reauthorization Act of 2007, as amended, reported by a voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. No record votes were taken with in conjunction with the consideration of this legislation. A motion by Mr. Frank to report the bill, as amended, to the House with a favorable recommendation was agreed to by a voice vote.

During the consideration of the bill, the following amendments were considered:

An amendment by Ms. Waters, No. 1, a manager's amendment making various technical and substantive changes, was agreed to by a voice vote.

An amendment by Mr. Gary G. Miller (CA), No. 2, regarding inclusion of nonprofit housing developments, was offered and withdrawn.

An amendment by Mr. Cleaver, No. 3, providing tenant-based vouchers under a revitalization plan, was agreed to by a voice vote.

An amendment by Mr. Shays, No. 4, changing the definition of significant amendment or change, was offered and withdrawn.

An amendment by Mr. Shays, No. 5, dealing with one-for-one replacement, was not agreed to by a voice vote.

An amendment by Mrs. Capito, No. 6, regarding green development compliance, was offered and withdrawn.

An amendment by Mr. Hensarling, No. 7, authorizing appropriations for section 8 rental assistance, was ruled out of order for being not germane.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee held a hearing and made findings that are reflected in this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee establishes the following performance related goals and objectives for this legislation:

The purpose of H.R. 3524 is to re-authorize the HOPE VI program, which provides assistance to public housing agencies to improve the living environment for public housing residents of severely distressed public housing projects. The bill includes a number of important reforms to the program including: expanding the number of replacement housing units; ensuring that residents have access to revitalized sites; requiring monitoring and tracking of displaced residents; and greater resident involvement in the planning and re-development process. The bill is designed to accomplish these goals while protecting displaced tenants and ensuring that they are provided adequate services to obtain suitable replacement housing on a temporary and permanent basis.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 11, 2007.

Hon. BARNEY FRANK,
Chairman, Committee on Financial Services,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3524, the HOPE VI Improvement and Reauthorization Act of 2007.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Chad Chirico.

Sincerely,

ROBERT A. SUNSHINE
(For Peter R. Orszag, Director).

Enclosure.

H.R. 3524—HOPE VI Improvement and Reauthorization Act of 2007

H.R. 3524 would authorize the appropriation of $800 million for the HOPE VI program for each of fiscal years 2008 through 2015. The HOPE VI program provides grants to housing authorities to revitalize severely distressed public housing developments. In 2007, $99 million was appropriated for this program. Spending on the HOPE VI program has historically been slow due to the time it takes to award grants and complete revitalization projects.

The estimated budgetary impact of H.R. 3524 is shown in the following table. For the purposes of this estimate, we assume that H.R. 3524 will be enacted near the beginning of fiscal year 2008, that the authorized amounts will be appropriated for each year, and that outlays will follow historical patterns. Assuming appropriation of the authorized amounts, CBO estimates that implementing this bill would cost $900 million through 2012, with additional amounts spent in later years. Enacting H.R. 3524 would not affect direct spending or revenues. The costs of this legislation fall within budget function 600 (income security).

	By fiscal year, in millions of dollars—				
	2008	2009	2010	2011	2012
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Authorization Level	800	800	800	800	800
Estimated Outlays	8	48	144	280	456

H.R. 3524 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act; any costs to State, local, or tribal governments would be incurred voluntarily.

The CBO staff contact for this estimate is Chad Chirico. This estimate was approved by Keith Fontenot, Deputy Assistant Director for Health and Human Resources, Budget Analysis Division.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the Constitutional Authority of Congress to enact this legislation is provided by Article 1, section 8, clause 1 (relating to the general welfare of the United States) and clause 3 (relating to the power to regulate interstate commerce).

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

EARMARK IDENTIFICATION

H.R. 3524 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This section establishes the short title of the bill, the "HOPE VI Improvement and Reauthorization Act of 2007."

Section 2. Purposes of program

Expands upon the current purposes of the program by clarifying that communities of all sizes can benefit from HOPE VI and by adding the promotion of housing choice among low- and very-low income families as a purpose of the program.

Section 3. Authority to waive contribution requirement in cases of extreme distress or emergency

Allows the Secretary to waive the 5 percent matching requirement for public housing agencies that experience extreme distress or emergencies. Gives the Secretary discretion to define the circumstances of an emergency, provided that these circumstances include disasters declared by the President or emergencies under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

Section 4. Prohibition of demolition only grants

Prohibits the demolition of public housing units without replacement of those units through revitalization.

Section 5. Repeal of Main Street Projects Grant Authority

Eliminates the Main Street Grant program.

Section 6. Eligible activities

Expands upon which activities constitute a permissible use of grant funds to include costs associated with green developments, costs associated with the temporary and permanent relocation of residents, costs associated with the monitoring and tracking of displaced residents, and costs associated with the acquisition and development of public housing dwelling units to meet the one-for-one replacement requirement. Permits up to 25 percent of grant funds to be used for community and supportive services (CSS).

Section 7. Selection of proposals for grants

Establishes selection criteria for HOPE VI grants. Provides minimum standards for grant consideration including physical and non-physical indicators of severe distress; opportunities for resident involvement and services to facilitate such involvement; a plan for the temporary relocation of households occupying the public housing project to be revitalized; expanded housing opportunities to relocated residents; one-for-one replacement of all demolished or disposed units; and green building standards.

Requires applications to minimally meet the following standards and provides additional consideration to the extent that applications comply with the purposes of the HOPE VI program; have a demonstrated record and capability of managing modernization projects in a timely manner; work with socially and economically disadvantaged businesses; contain an effective plan for relocation and one-for-one replacement; include an achievable and realistic revitalization plan; leverage public and private funds; involve state and local governments, private service providers, financing entities, and developers in the development and ongoing implementation of the revitalization plan; cannot be accomplished without a HOPE VI grant; address a need for affordable housing in the community; relate to the supply of affordable housing in the community; sustain or create more project-based housing units eligible for public housing eligible families; comply with residential and non-residential green building standards; provide replacement housing for families whose housing needs are difficult to fulfill, including eligible ex-offenders who have been crime-free for one year after completion of probation or parole and for whom housing is a critical need; provide replacement housing that contains a sufficient number of bedrooms to prevent overcrowding; provide on-site public housing units in excess of the one-third requirement, including housing for elderly and disabled residents who want to return to the public housing development; and address other factors as the Secretary considers appropriate.

Allows the Secretary to consider grant applications that have not received an allocation of low-income tax credits at the time of application. Requires the Secretary to conduct site visits for grant finalists for the purpose of determining if the proposed public housing project is severely distressed.

Section 8. Requirements for mandatory core components

Establishes the following requirements for HOPE VI grants:

Resident Involvement and Services: Requires the active involvement and participation of residents in the planning process and requires public housing agencies to inform residents about all stages

of the grant and application process through four written notices to residents on the public housing agency's intent to submit a HOPE VI application, award of a HOPE VI grant, completion of a grant agreement, and availability of replacement housing. Requires public housing agencies to hold a public hearing not later than 75 days before submission of the grant application. Requires public housing agencies to offer displaced residents comprehensive relocation assistance and community and supportive services until grant funding has been expended or two years after the end of the development period, whichever is longer.

Relocation Program: Requires public housing agencies to provide for the successful and timely relocation of each displaced resident, including payment of actual and reasonable relocation expenses; provide information about relocation options, including the right to remain in the housing to which they relocate; minimize academic disruptions resulting from moves on children and coordinate resident relocation with school calendars; and provide assistance to residents with using a tenant-based voucher—including in communities with a lower concentration of poverty—in a manner that will not result in a financial burden and will promote long-term housing stability. In the event families are unable to lease up their voucher within 150 days, requires the public housing agency to either extend their search time or provide them with the next available unit assisted by the agency.

Right to Expanded Housing Opportunities: Requires public housing agencies to make available to each displaced household a newly revitalized public housing unit, either on the original site, if available, or in the jurisdiction of the public housing agency. HOPE VI housing must be made available to displaced households prior to being offered to other eligible households.

One-for-One Replacement—On-Site Housing: Requires public housing agencies to replace all units that are demolished or disposed of through the HOPE VI grant. Requires at least 33 percent of units comprising the revitalized development built on site to be public housing units. Allows public housing agencies to build additional units on site, provided the number of units is determined in consultation with residents, community leaders, and local government officials, and such additional units affirmatively further fair housing. Provides exceptions from the on-site building requirement in cases of consent decrees or land unsuitability, with the requirement that at least one mixed-income housing development be provided in the jurisdiction of the public housing agency and that one-third of the units in that development be public housing dwelling units. All on-site housing must be provided in a manner that results in decreased concentrations of poverty.

One-for-One Replacement—Off-Site Housing: Requires remaining units be built throughout the jurisdiction of the public housing agency in areas with low concentrations of poverty and in a manner that affirmatively furthers fair housing. Provides that replacement housing can be provided through acquisition, development, and contracting of additional units as long as the units are comparable to public housing units in terms of eligibility for occupancy, tenant contribution toward rent, and long-term affordability. Exempts public housing agencies from project-based voucher statutory requirements on income-mixing and percentage limitation.

Rebuilding: Requires units be replaced within 12 months and for those developments that use low-income housing tax credits, within 12 months following allocation of tax credits. Provides that to the greatest extent practicable, the HOPE VI development be built in phases and that assisted dwelling units should be provided for occupancy before unassisted dwelling units.

Monitoring of Displaced Households: Requires public housing agencies to maintain a current address and contact information for each household affected by the revitalization plan and requires agencies to certify prior to close-out that they have complied with providing housing for families who requested it. Requires the Secretary to report to Congress biannually on grantee compliance with this section.

Green Developments: Requires all residential construction to be built in compliance with the national Green Communities criteria checklist or a substantially equivalent standard as determined by the Secretary. Requires all non-residential construction to be certified to the Silver Level under the LEED ratings system, or any substantially equivalent standard as determined by the Secretary.

Limitation on Exclusion: Prohibits public housing agencies from holding displaced residents or new residents to the HOPE VI development to a different eligibility standard than other households. Prohibits the use of any criteria, including credit checks, to limit the ability of public housing residents to re-occupy HOPE VI units, or to receive housing choice vouchers, except to the extent that residents are otherwise ineligible under Federal law.

Enforcement: Allows HUD to administratively enforce any violations of the following provisions of the Act: resident involvement and services, temporary relocation plan, right to expanded housing opportunities, one-for-one replacement, monitoring of displaced households, fair housing and limitation on exclusion, and performance benchmarks. Provides that such administrative enforcement shall be in addition to any other rights and remedies provided under law.

Performance Benchmarks: Allows HUD to create performance benchmarks and to impose sanctions on public housing agencies that fail to meet such benchmarks. Sanctions include appointment of an alternative administrator; financial penalties; withdrawal of funding; or other sanctions as the Secretary may deem necessary. Allows for the extension of benchmarks in cases of litigation; delays from Federal, State, or local government; compliance with environmental assessment and abatements; relocation of residents; resident involvement that leads to significant changes to the revitalization plan; or other reasons established by the Secretary.

Applicability of Other Laws: Clarifies that the Uniform Relocation and Real Property Acquisition Policies Act of 1970 applies to the HOPE VI program.

Section 9. Planning and technical assistance grants

Requires the Secretary to use not less than two percent of funds to assist grant recipients in obtaining planning and technical assistance to carry out their revitalization programs.

Section 10. Annual report and availability of documents

Requires the Secretary to report to Congress on the progress of HOPE VI grants and to make all documents relating to such grants publicly available.

Section 11. Definitions

Expands the definition of "community and supportive services," to include employment and vocational counseling, financial counseling, life skills training, and services linked with housing that will improve the health and residential stability of public housing residents. Defines "significant amendment or change," as an activity that changes the use of 10 percent or more of the funds, eliminates an activity that otherwise would have been carried out, or changes the scope, location, or beneficiaries of the revitalization plan. Defines "comprehensive relocation assistance" as comprehensive assistance necessary to relocate members of a household, includes counseling on housing options, use of a voucher, case management, housing location, site tours, and other assistance. Retains the current definition of "development."

Section 12. Conforming amendment

Clarifies that the bill addresses revitalization plans.

Section 13. Authorization of appropriations

Authorizes $800 million per year for fiscal years 2008 through 2015.

Section 14. Extension of program

Authorizes the program through September 30, 2015.

Section 15. Review

Requires the Government Accountability Office to study HOPE VI programs to determine which methods employed by HOPE VI grantees may be transferable to other federally assisted housing programs and to make recommendations to Congress not later than three years after enactment of the Act.

Section 16. Regulations

Requires HUD to issue implementing regulations within 120 days of enactment.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

UNITED STATES HOUSING ACT OF 1937

TITLE I—GENERAL PROGRAM OF ASSISTED HOUSING

* * * * * * *

SEC. 24. DEMOLITION, SITE REVITALIZATION, REPLACEMENT HOUSING, AND TENANT-BASED ASSISTANCE GRANTS FOR PROJECTS.

(a) PURPOSES.—The purpose of this section is to provide assistance to public housing agencies for the purposes of—

(1) improving the living environment for public housing residents of severely distressed public housing projects *located in communities of all sizes, including small- and medium-sized communities,* through the demolition, rehabilitation, reconfiguration, or replacement of obsolete public housing projects (or portions thereof);

* * * * * * *

(3) providing housing that will avoid or decrease the concentration of *low- and* very low-income families; **[**and**]**

(4) building sustainable communities**[**.**]***; and*

(5) promoting housing choice among low- and very low-income families.

[It is also the purpose of this section to provide assistance to smaller communities for the purpose of facilitating the development of affordable housing for low-income families that is undertaken in connection with a main street revitalization or redevelopment project in such communities.**]**

* * * * * * *

(c) CONTRIBUTION REQUIREMENT.—

(1) * * *

* * * * * * *

(3) EXEMPTION.—If assistance provided under this title will be used only for providing tenant-based assistance under section 8 **[**or demolition of public housing (without replacement)**]**, the Secretary may exempt the applicant from the requirements under paragraph (1)(A).

(4) WAIVER.—

(A) AUTHORITY.—The Secretary may waive the applicability of paragraph (1) with respect to an applicant or grantee if the Secretary determines that circumstances of extreme distress or emergency, in the area that the revitalization plan of the applicant is to be carried out, directly affect the ability of the applicant or grantee to comply with such requirement.

(B) REGULATIONS.—The Secretary shall issue regulations to carry out this paragraph, which shall—

(i) set forth such circumstances of extreme distress and emergency; and

(ii) provide that such circumstances shall include any instance in which the area in which a revitalization plan assisted with amounts from a grant under this section is to be carried out is subject to a declaration by the President of a major disaster or emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

(d) ELIGIBLE ACTIVITIES.—

(1) IN GENERAL.—Grants under this section may be used for activities to carry out revitalization **[**programs**]** *plans* for severely distressed public housing, including—

(A) * * *

* * * * * * *

(G) economic development activities that promote the economic self-sufficiency of residents under the revitalization [program] *plan*, including a Neighborhood Networks initiative for the establishment and operation of computer centers in public housing for the purpose of enhancing the self-sufficiency, employability, an economic self-reliance of public housing residents by providing them with onsite computer access and training resources;

* * * * * * *

[(J) replacement housing (including appropriate homeownership downpayment assistance for displaced residents or other appropriate replacement homeownership activities) and rental assistance under section 8;]

(J) the acquisition and development of replacement housing units in accordance with subsection (j);

(K) transitional security activities; [and]

(L) necessary supportive services, except that not more than [15 percent] *25 percent* of the amount of any grant may be used for activities under this paragraph[.]*;*

(M) necessary costs of ensuring the effective relocation of residents displaced as a result of the revitalization of the project, including costs of monitoring as required under subsection (k); and

(N) activities undertaken to comply with the provisions of (B)(vii) and (C)(xiii) of subsection (e)(2) and subsection (l) (relating to green developments).

* * * * * * *

(e) APPLICATION AND SELECTION.—

(1) * * *

[(2) SELECTION CRITERIA.—The Secretary shall establish criteria for the award of grants under this section and shall include among the factors—

[(A) the relationship of the grant to the public housing agency plan for the applicant and how the grant will result in a revitalized site that will enhance the neighborhood in which the project is located and enhance economic opportunities for residents;

[(B) the capability and record of the applicant public housing agency, or any alternative management entity for the agency, for managing redevelopment or modernization projects, meeting construction timetables, and obligating amounts in a timely manner;

[(C) the extent to which the applicant could undertake such activities without a grant under this section;

[(D) the extent of involvement of residents, State and local governments, private service providers, financing entities, and developers, in the development and ongoing implementation of a revitalization program for the project, except that the Secretary may not award a grant under this section unless the applicant has involved affected public housing residents at the beginning and during the plan-

ning process for the revitalization program, prior to submission of an application;

[(E) the need for affordable housing in the community;

[(F) the supply of other housing available and affordable to families receiving tenant-based assistance under section 8;

[(G) the amount of funds and other resources to be leveraged by the grant;

[(H) the extent of the need for, and the potential impact of, the revitalization program;

[(I) the extent to which the plan minimizes permanent displacement of current residents of the public housing site who wish to remain in or return to the revitalized community and provides for community and supportive services to residents prior to any relocation;

[(J) the extent to which the plan sustains or creates more project-based housing units available to persons eligible for public housing in markets where the plan shows there is demand for the maintenance or creation of such units;

[(K) the extent to which the plan gives to existing residents priority for occupancy in dwelling units which are public housing dwelling units, or for residents who can afford to live in other units, priority for those units in the revitalized community; and

[(L) such other factors as the Secretary considers appropriate.]

(2) GRANT AWARD CRITERIA.—

(A) ESTABLISHMENT.—The Secretary shall establish criteria for the award of grants under this section.

(B) MANDATORY CORE COMPONENTS.—The criteria under this paragraph shall require that a proposed revitalization plan may not be selected for award of a grant under this section unless the proposed plan meets all of the following requirements:

(i) EVIDENCE OF SEVERE DISTRESS.—The proposed plan shall contain evidence sufficient to demonstrate that the public housing project that is subject to the plan is severely distressed, which shall include—

(I) a certification signed by an engineer or architect licensed by a State licensing board that the project meets the criteria for physical distress under subsection (t)(2); and

(II) such other evidence that the project meets criteria for nonphysical distress under subsection (t)(2), such as census data, crime statistics, and past surveys of neighborhood stability conducted by the public housing agency.

(ii) RESIDENT INVOLVEMENT AND SERVICES.—The proposed plan shall provide for opportunities for involvement of residents of the housing subject to the plan and the provision of services for such residents, in accordance with subsection (g).

(iii) RELOCATION PLAN.—The proposed plan shall provide a plan for relocation of households occupying

the public housing project that is subject to the plan, in accordance with subsection (h), including a statement of the estimated number of vouchers for rental assistance under section 8 that will be needed for such relocation.

(iv) RESIDENT RIGHT TO EXPANDED HOUSING OPPORTUNITIES.—The proposed plan provides right of resident households to occupy housing provided under such revitalization plan in accordance with subsection (i).

(v) ONE-FOR-ONE REPLACEMENT.—The proposed plan shall provide a plan that—

(I) provides for replacement in accordance with subsection (j) of 100 percent of all dwelling units demolished or disposed of under such revitalization plan, as of the date of the application for the grant, on the site of the original public housing or within the jurisdiction of the public housing agency;

(II) identifies the type of replacement housing that will be offered to tenants displaced by the revitalization plan;

(III) contains such agreements with or assurances by the Secretary, State and local governmental agencies, and other entities sufficient to ensure compliance with subsection (j) and the requirements of section 18 applicable pursuant to subsection (p)(1); and

(IV) contains such assurances or agreements as the Secretary considers necessary to ensure compliance with subsection (i)(2).

(vi) FAIR HOUSING; LIMITATION ON EXCLUSION.—The proposed plan shall be carried out in a manner that complies with section (m) (relating to affirmatively furthering fair housing and limitation on exclusion).

(vii) GREEN DEVELOPMENTS.—The proposed plan complies with the requirement under subsection (l) (relating to green developments).

(C) MANDATORY GRADED COMPONENTS.—The criteria under this paragraph shall provide that, in addition to the requirements under subparagraph (B), the proposed revitalization plan shall address and meet minimum requirements with respect to, and shall provide additional priority based on the extent to which the plan satisfactorily addresses, each of the following issues:

(i) COMPLIANCE WITH PURPOSES.—The extent to which the proposed plan of an applicant achieves the purposes of this section set forth in subsection (a).

(ii) CAPABILITY AND RECORD.—The extent of the capability and record of the applicant public housing agency, public partners, proposed private development partners, or any alternative management entity for the agency, for managing redevelopment or modernization projects, meeting performance benchmarks, and obligating amounts in a timely manner, including any

past performance of such entities under the HOPE VI program and any record of such entities of working with socially and economically disadvantaged businesses, as such term is defined in section 8(a)(4) of the Small Business Act (15 U.S.C. 637(a)(4)).

(iii) DIVERSITY OUTREACH.—The extent to which the proposed revitalization plan includes partnerships with socially and economically disadvantaged businesses, as such term is defined by section 8(a)(4) of the Small Business Act.

(iv) EFFECTIVENESS OF RELOCATION AND ONE-FOR-ONE REPLACEMENT PLANS.—The extent of the likely effectiveness of the proposed revitalization plan for temporary and permanent relocation of existing residents, including the likely effectiveness of the relocation plan under subparagraph (B)(iii) and the one-for-one replacement plan under subparagraph (B)(v).

(v) ACHIEVABILITY OF REVITALIZATION PLAN.—The achievability of the proposed revitalization plan pursuant to subsection (o), with respect to the scope and scale of the project.

(vi) LEVERAGING.—The extent to which the proposed revitalization plan will leverage other public or private funds or assets for the project.

(vii) NEED FOR ADDITIONAL FUNDING.—The extent to which the applicant could undertake the activities proposed in the revitalization plan without a grant under this section.

(viii) PUBLIC AND PRIVATE INVOLVEMENT.—The extent of involvement of State and local governments, private service providers, financing entities, and developers, in the development and ongoing implementation of the revitalization plan.

(ix) NEED FOR AFFORDABLE HOUSING.—The extent of need for affordable housing in the community in which the proposed revitalization plan is to be carried out.

(x) AFFORDABLE HOUSING SUPPLY.—The extent of the supply of other housing available and affordable to families receiving tenant-based assistance under section 8.

(xi) PROJECT-BASED HOUSING.—The extent to which the proposed revitalization plan sustains or creates more project-based housing units available to persons eligible for residency in public housing in markets where the proposed plan shows there is demand for the maintenance or creation of such units.

(xii) GREEN DEVELOPMENTS COMPLIANCE.—The extent to which the proposed revitalization plan—

(I) in the case of residential construction, complies with the nonmandatory items of the national Green Communities criteria checklist identified in subsection (l)(1)(A), or any substantially equivalent standard as determined by the Secretary, but only to the extent such compliance exceeds the compli-

ance necessary to accumulate the number of points required under such subsection; and

(II) in the case of non-residential construction, includes non-mandatory components of version 2.2 of the Leadership in Energy and Environmental Design (LEED) green building rating system for New Construction and Major Renovations, version 2.0 of the LEED for Core and Shell rating system, or version 2.0 of the LEED for Commercial Interiors rating system, as applicable, or any substantially equivalent standard as determined by the Secretary, but only to the extent such inclusion exceeds the inclusion necessary to accumulate the number of points required under such system.

(xiii) HARD-TO-HOUSE FAMILIES.—The extent to which the one-for-one replacement plan under subparagraph (B)(v) for the revitalization plan provides replacement housing that is likely to be most appropriate and beneficial for families whose housing needs are difficult to fulfill, including individuals who are not ineligible for occupancy in public housing pursuant to subsection (m)(2), have been released from a State or Federal correctional facility, have not been arrested for or charged with any crime during the period beginning upon probation or parole and ending one year after completion of probation or parole, and for whom affordable housing is a critical need.

(xiv) FAMILY-FRIENDLY HOUSING.—The extent to which replacement housing units provided through the revitalization plan contain a sufficient number of bedrooms to prevent overcrowding.

(xv) ADDITIONAL ON-SITE MIXED-INCOME HOUSING.—The extent to which the one-for-one replacement plan under subparagraph (B)(v) provides public housing units in addition to the number necessary to minimally comply with the requirement under subsection (j)(2)(A)(i), including the extent to which such plan provides sufficient housing for elderly and disabled residents who indicate a preference to return to housing provided on the site of the original public housing involved in the revitalization plan and complies with the requirements of subsection (j)(2)(A)(ii).

(xvi) OTHER.—Such other factors as the Secretary considers appropriate.

(3) APPLICABILITY OF SELECTION CRITERIA.—The Secretary may determine not to apply certain of the selection criteria established pursuant to paragraph (2) when awarding grants for [demolition only,] tenant-based assistance only[,] or other specific categories of revitalization activities. This section may not be construed to require any application for a grant under this section to include demolition of public housing or to preclude use of grant amounts for rehabilitation or rebuilding of any housing on an existing site.

(4) PROHIBITION OF DEMOLITION-ONLY GRANTS.—The Secretary may not make a grant under this section for a revitaliza-

tion plan that proposes to demolish public housing without revitalization of any existing public housing dwelling units.

(5) TREATMENT OF LOW-INCOME HOUSING TAX CREDIT ALLOCATION.—In the case of any application for a grant under this section that relies on the allocation of any low-income housing tax credit provided pursuant to section 42 of the Internal Revenue Code of 1986 as part of the revitalization plan proposed in the application, the Secretary shall not require that the first phase of any project to be developed under the plan possess an allocation of such low-income housing tax credits at the time of such application.

(6) MANDATORY SITE VISITS.—Notwithstanding any other provision of law, the Secretary shall provide for appropriate officers or employees of the Department of Housing and Urban Development to conduct a visit to the site of the public housing involved in the revitalization plan proposed under each application for a grant under this section that is involved in a final selection of applications to be funded under this section. Site visits pursuant to this paragraph shall be used only for the purpose of obtaining information to assist in determining whether the public housing projects involved in the application are severely distressed public housing.

(f) COST LIMITS.—Subject to the provisions of this section, the Secretary—

(1) shall establish cost limits on eligible activities under this section sufficient to provide for effective revitalization [programs] *plans*; and

* * * * * * *

[(g) DISPOSITION AND REPLACEMENT.—Any severely distressed public housing disposed of pursuant to a revitalization plan and any public housing developed in lieu of such severely distressed housing, shall be subject to the provisions of section 18. Severely distressed public housing demolished pursuant to a revitalization plan shall not be subject to the provisions of section 18.]

(g) RESIDENT INVOLVEMENT AND SERVICES.—

(1) IN GENERAL.—Each revitalization plan assisted under this section shall provide opportunities for the active involvement and participation of, and consultation with, residents of the public housing that is subject to the revitalization plan during the planning process for the revitalization plan, including prior to submission of the application, and during all phases of the planning and implementation. Such opportunities for participation may include participation of members of any resident council, but may not be limited to such members, and shall include all segments of the population of residents of the public housing that is subject to the revitalization plan, including single parent-headed households, the elderly, young employed and unemployed adults, teenage youth, and disabled persons. Such opportunities shall include a process that provides opportunity for comment on specific proposals for redevelopment, any demolition and disposition involved, and any proposed significant amendments or changes to the revitalization plan.

(2) NOTICES.—In carrying out a revitalization plan assisted under this section, a public housing agency shall provide the following written notices, in plain and nontechnical language,

to each household occupying a dwelling unit in the public housing that is subject to, or to be subject to, the plan:

(A) NOTICE OF INTENT.—Not later than the expiration of the 30-day period beginning upon publication by the Secretary of a notice of funding availability for a grant under this section for such plan, notice of—

(i) the public housing agency's intent to submit such application;

(ii) the proposed implementation and management of the revitalized site;

(iii) residents' rights under this section to participate in the planning process for the plan, including opportunities for participation in accordance with paragraph (1), and to receive comprehensive relocation assistance and community and supportive services pursuant to paragraph (4); and

(iv) the public hearing pursuant to paragraph (3).

(B) NOTICE OF GRANT AWARD AND RELOCATION OPTIONS.—Not later than 30 days after notice to the public housing agency of the award of a grant under this section, notice that—

(i) such grant has been awarded;

(ii) describes the process involved under the revitalization plan to temporarily relocate residents of the public housing that is subject to the plan;

(iii) provides the information required pursuant to subsection (h)(2) (relating to relocation options); and

(iv) informs residents of opportunities for participation in accordance with paragraph (1).

(C) NOTICE OF GRANT AGREEMENT AND RELOCATION OPTIONS.—Not later than 30 days after execution of a grant agreement under this section with a public housing agency, notice that—

(i) specifically identifies the housing available for relocation of resident of the public housing subject to the revitalization plan;

(ii) sets forth the schedule for relocation of residents of the public housing subject to the revitalization plan, including the dates on which such housing will be available for such relocation; and

(iii) informs residents of opportunities for participation in accordance with paragraph (1).

(D) NOTICE OF REPLACEMENT HOUSING.—Upon the availability of replacement housing provided pursuant to subsection (j), notice to each household described in subsection (i)(1) of—

(i) such availability;

(ii) the process and procedure for exercising the right to expanded housing opportunities and preferences under subsection (i)(2); and

(iii) opportunities for participation in accordance with paragraph (1) of this subsection.

(E) OTHER.—Such other notices as the Secretary may require.

(3) PUBLIC HEARING.—The Secretary may not make a grant under this section to an applicant unless the applicant has convened and conducted a public hearing regarding the revitalization plan, including the one-for-one replacement to occur under the plan, not later than 75 days before submission of the application for the grant under this section for such plan, at a time and location that is convenient for residents of the public housing subject to the plan.

(4) SERVICES.—Each recipient of a grant under this section shall—

(A) provide each household who is residing at the site of the revitalization as of the date of the notice of intent under subparagraph (A) with comprehensive relocation assistance for a period that is the latter of the two periods referred to in subparagraph (B) with comprehensive relocation assistance; and

(B) offer, to each such displaced resident and each low-income family provided housing under the revitalization plan, community and supportive services until the latter of—

(i) the expiration of the two-year period that begins upon the end of the development period under the plan; and

(ii) the date on which all funding under the grant for community and supportive services has been expended.

(h) RELOCATION PROGRAM.—Each recipient of a grant under this section shall—

(1) provide for each household displaced by the revitalization plan for which the grant is made to be relocated to a comparable replacement dwelling, as defined in section 101 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601), and for payment of actual and reasonable relocation expenses of each such household and any replacement housing payments as are required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

(2) fully inform such households of all relocation options, which may include relocating to housing in a neighborhood with a lower concentration of poverty than their current residence or remaining in the housing to which they relocate;

(3) to the maximum extent possible, minimize academic disruptions on affected children enrolled in school by coordinating relocation with school calendars;

(4) establish strategies and plans that assist such displaced residents in utilizing tenant-based vouchers to select housing opportunities, including in communities with a lower concentration of poverty, that—

(A) will not result in a financial burden to the family; and

(B) will promote long-term housing stability;

(5) establish and comply with relocation benchmarks that ensure successful relocation in terms of timeliness; and

(6) notwithstanding any other provision of law, in the case of any tenant-based assistance made available for relocation of a household under this subsection, provide that the term during

which the household may lease a dwelling unit using such assistance shall not be shorter than 150 days; if the household is unable to lease a dwelling unit during such period, the public housing agency shall either extend the period during which the household may lease a dwelling unit using such assistance or provide the tenant with the next available dwelling unit owned by the public housing agency.

(i) RIGHT TO EXPANDED HOUSING OPPORTUNITIES FOR RESIDENT HOUSEHOLDS.—

(1) IN GENERAL.—Subject only to paragraph (3), each revitalization plan assisted with a grant under this section shall make available, to each household occupying a dwelling unit in the public housing subject to a revitalization plan that is displaced as a result of the revitalization plan (including any demolition or disposition of the unit), occupancy for such household in a replacement dwelling unit provided pursuant to subsection (j). To exercise such right under this paragraph to occupancy in such a replacement dwelling unit, the household shall respond in writing to the notice provided pursuant to subsection (g)(2)(C) by the public housing agency.

(2) PREFERENCES.—Such a replacement dwelling unit shall be made available to each household displaced as a result of the revitalization plan before any replacement dwelling unit is made available to any other eligible household.

(3) REPORTS TO SECRETARY.—The Secretary shall require each public housing agency carrying out a revitalization plan assisted under this section to submit to the Secretary such reports as may be necessary to allow the Secretary to determine the extent to which the public housing agency has complied with this subsection and to which displaced residents occupy replacement housing provided pursuant to subsection (j), which shall include information describing the location of replacement housing provided pursuant to subsection (j) and statistical information on the characteristics of all households occupying such replacement housing.

(j) ONE-FOR-ONE REPLACEMENT.—Each revitalization plan assisted with a grant under this section under which any public housing dwelling unit is demolished or disposed of shall provide as follows:

(1) NUMBER.—For one hundred percent of all such dwelling units in existence as of the date of the application for the grant that are demolished or disposed under the revitalization plan, the public housing agency carrying out the plan shall provide an additional dwelling unit.

(2) LOCATION.—Such dwelling units shall be provided in the following manner:

(A) ON-SITE MIXED-INCOME HOUSING.—

(i) ONE-THIRD REQUIREMENT.—A mixed-income housing development shall be provided on the site of the original public housing involved in the revitalization plan in which, except as provided in clause (iii), at least one-third of all dwelling units shall be public housing dwelling units and shall be provided through the development of additional public housing dwelling units.

(ii) REQUIREMENTS FOR ADDITIONAL ON-SITE UNITS.—If the mixed-income housing development provided pursuant to clause (i) includes more public housing dwelling units at the site of the original public housing than is minimally necessary to comply with such clause, the public housing agency shall consult with residents, community leaders, and local government officials regarding such additional public housing dwelling units and shall ensure that such units are provided in a manner that affirmatively furthers fair housing.

(iii) EXCEPTION.—If, upon a showing by a public housing agency, the Secretary determines that it is infeasible to locate replacement dwelling units on the site of the original public housing involved in the revitalization plan in accordance with clause (i), all replacement units shall be located in areas within the jurisdiction of the public housing agency having low concentrations of poverty, except that at least one mixed-income housing development shall be provided in such an area within the jurisdiction of the public housing agency and that one-third of all units in such development shall be public housing dwelling units. The Secretary may make a finding of infeasibility under this clause only if—

(I) such location on-site would result in the violation of a consent decree; or

(II) the land on which the public housing is located is environmentally unsafe, geologically unstable, or otherwise unsuitable for the construction of housing, as evidenced by an independent environmental review or assessment.

(iv) DECONCENTRATION OF POVERTY.—All dwelling units provided pursuant to this subparagraph shall be provided in a manner that results in decreased concentrations of poverty, with respect to such concentrations existing on the date of the application for the grant under this section.

(B) OFF-SITE MIXED-INCOME HOUSING.—Any other replacement housing units provided in addition to the dwelling units provided pursuant to subparagraph (A) shall be provided, in areas within the jurisdiction of the public housing agency having low concentrations of poverty, through—

(i) the acquisition or development of additional public housing dwelling units; or

(ii) the acquisition, development, or contracting (including through project-based assistance) of additional dwelling units that are subject to requirements regarding eligibility for occupancy, tenant contribution toward rent, and long-term affordability restrictions which are comparable to public housing units, except that subparagraphs (B) and (D) of section 8(o)(13) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(13); relating to percentage limitation and in-

come-mixing requirement for project-based assistance) shall not apply with respect to vouchers used to comply with the requirements of this clause.

(3) TIMING.—All replacement dwelling units provided pursuant to this subsection shall be provided not later than the expiration of the 12-month period beginning upon the demolition or disposition of the public housing dwelling units, except that replacement dwelling units financed with a low-income housing tax credit under section 42 of the Internal Revenue Code of 1986 in connection with the revitalization plan shall be provided not later than the expiration of the 12-month period beginning upon the allocation of such low-income housing tax credit. To the greatest extent practicable, such replacement or additional dwelling units, or redevelopment, shall be accomplished in phases over time and, in each such phase, the public housing dwelling units and the dwelling units described in subparagraph (B)(ii) of paragraph (2) shall be made available for occupancy before any nonassisted dwelling unit is made available for occupancy.

(4) FAIR HOUSING.—The demolition or disposition, relocation, and provision of replacement housing units under paragraph (2)(B) shall be carried out in a manner that affirmatively furthers fair housing, as described in subsection (e) of section 808 of the Civil Rights Act of 1968 (42 U.S.C. 3608(e)).

(k) MONITORING OF DISPLACED HOUSEHOLDS.—

(1) PHA RESPONSIBILITIES.—To facilitate compliance with the requirement under subsection (i) (relating to right to expanded housing opportunities), the Secretary shall, by regulation, require each public housing agency that receives a grant under this section, during the period of the revitalization plan assisted with the grant and until all funding under the grant has been expended—

(A) to maintain a current address of residence and contact information for each household affected by the revitalization plan who was occupying a dwelling unit in the housing that is subject to the plan; and

(B) to provide such updated information to the Secretary on at least a quarterly basis.

(2) CERTIFICATION.—The Secretary may not close out any grant made under this section to a public housing agency before the agency has certified to the Secretary that the agency has complied with subsection (i) (relating to a right to expanded housing opportunities for resident households) with respect to each resident displaced as a result of the revitalization plan, including providing occupancy in a replacement dwelling unit for each household who requested such a unit in accordance with such subsection.

(3) REPORTS BY SECRETARY.—Not less frequently than once every six months, the Secretary shall submit a report to the Congress that includes all information submitted to the Secretary pursuant to paragraph (1) by all public housing agencies and summarizes the extent of compliance by public housing agencies with the requirements under this subsection and subsection (i).

(l) GREEN DEVELOPMENTS REQUIREMENT.—

(1) REQUIREMENT.—The Secretary may not make a grant under this section to an applicant unless the proposed revitalization plan of the applicant to be carried out with such grant amounts meets the following requirements, as applicable:

(A) GREEN COMMUNITIES CRITERIA CHECKLIST.—All residential construction under the proposed plan complies with the national Green Communities criteria checklist for residential construction that provides criteria for the design, development, and operation of affordable housing, as such checklist is in effect for purposes of this subsection pursuant to paragraph (3) at the date of the application for the grant, or any substantially equivalent standard as determined by the Secretary, as follows:

(i) The proposed plan shall comply with all items of the national Green Communities criteria checklist for residential construction that are identified as mandatory.

(ii) The proposed plan shall comply with such other nonmandatory items of such national Green Communities criteria checklist so as to result in a cumulative number of points attributable to such nonmandatory items under such checklist of not less than—

(I) 25 points, in the case of any proposed plan (or portion thereof) consisting of new construction; and

(II) 20 points, in the case of any proposed plan (or portion thereof) consisting of rehabilitation.

(B) LEED RATINGS SYSTEM.—All non-residential construction under the proposed plan complies with version 2.2 of the LEED for New Construction rating system, version 2.0 of the LEED for Core and Shell rating system, version 2.0 of the LEED for Commercial Interiors rating system, as such systems are in effect for purposes of this subsection pursuant to paragraph (3) at the time of the application for the grant, at least to the minimum extent necessary to be certified to the Silver Level under such system, or any substantially equivalent standard as determined by the Secretary.

(2) VERIFICATION.—

(A) IN GENERAL.—The Secretary shall verify, or provide for verification, sufficient to ensure that each proposed revitalization plan carried out with amounts from a grant under this section complies with the requirements under paragraph (1) and that the revitalization plan is carried out in accordance with such requirements and plan.

(B) TIMING.—In providing for such verification, the Secretary shall establish procedures to ensure such compliance with respect to each grantee, and shall report to the Congress with respect to the compliance of each grantee, at each of the following times:

(i) Not later than 60 days after execution of the grant agreement under this section for the grantee.

(ii) Upon completion of the revitalization plan of the grantee.

(3) APPLICABILITY AND UPDATING OF STANDARDS.—

(A) APPLICABILITY.—Except as provided in subparagraph (B), the national Green Communities criteria checklist and LEED rating systems referred to in subparagraphs (A) and (B) that are in effect for purposes of this subsection are such checklist and systems as in existence upon the date of the enactment of the HOPE VI Improvement and Reauthorization Act of 2007.

(B) UPDATING.—The Secretary may, by regulation, adopt and apply, for purposes of this section, future amendments and supplements to, and editions of, the national Green Communities criteria checklist, the LEED rating systems, and any standard that the Secretary has determined to be substantially equivalent to such checklist or systems.

(m) FAIR HOUSING; LIMITATION ON EXCLUSION.—

(1) FAIR HOUSING.—Each revitalization plan assisted under this section shall affirmatively further fair housing, as described in subsection (e) of section 808 of the Civil Rights Act of 1968.

(2) LIMITATION ON EXCLUSION.—Except to the extent necessary to comply with the requirements of this section, replacement housing provided pursuant to subsection (j) under a revitalization plan of a public housing agency that is owned or managed, or assisted, by the agency shall be subject to the same policies, practices, standards, and criteria regarding waiting lists, tenant screening (including screening criteria, such as credit checks), and occupancy that apply to other housing owned or managed, or assisted, respectively, by such agency. A household may not be prevented from occupying a replacement dwelling unit provided pursuant to subsection (j), or from being provided a tenant-based voucher under the revitalization plan, except to the extent specifically provided by any other provision of Federal law (including subtitle F of title V of the Quality Housing and Work Responsibility Act of 1998 (42 U.S.C. 13661 et seq.; relating to safety and security in public and assisted housing and ineligibility of drug criminals, illegal drug users, alcohol abusers, and dangerous sex offenders), subtitle D of title VI of the Housing and Community Development Act of 1992), (42 U.S.C. 13611 et seq.; relating to preferences for elderly and disabled residents), and section 16(f) of the United States Housing Act of 1937 (42 U.S.C. 1437n(f); relating to ineligibility of persons convicted of methamphetamine offenses)).

(n) ENFORCEMENT.—

(1) ADMINISTRATIVE ENFORCEMENT.—If the Secretary determines on the record after opportunity for an agency hearing, pursuant to a request made by any member of household described in subsection (i)(1) who is adversely affected or aggrieved by a violation of subsection (g), (h), (i), (j), (k), (m), or (o), that such a violation has occurred, the Secretary shall issue an order requiring the public housing agency committing such violation to cease and desist for such violation and to take any affirmative action necessary to correct or remedy the conditions resulting from such violation.

(2) AVAILABILITY OF OTHER REMEDIES.—The remedy under paragraph (1) shall be in addition to all other rights and remedies provided by law.

(o) PERFORMANCE BENCHMARKS.—

(1) IN GENERAL.—Each public housing agency that receives a grant under this section shall, in consultation with the Secretary and residents of the public housing subject to the revitalization plan for which the grant is made that are displaced as a result of the revitalization plan, establish performance benchmarks for each component of their revitalization plan.

(2) FAILURE TO MEET BENCHMARKS.—If a public housing agency fails to meet the performance benchmarks established pursuant to paragraph (1), the Secretary shall impose appropriate sanctions, including—

(A) appointment of an alternative administrator for the revitalization plan;

(B) financial penalties;

(C) withdrawal of funding under subsection (j); or

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

(3) EXTENSION OF BENCHMARKS.—The Secretary shall extend the period for compliance with performance benchmarks under paragraph (1) for a public housing agency, for such period as the Secretary determines to be necessary, if the failure of the agency to meet such benchmarks is attributable to—

(A) litigation;

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

(C) complying with environmental assessment and abatement requirements;

(D) relocating residents;

(E) resident involvement that leads to significant changes to the revitalization plan; or

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

(4) AUTHORITY OF SECRETARY.—In determining the amount of each grant under this section and the closeout date for the grant, the Secretary shall take into consideration the scope, scale, and size of the revitalization plan assisted under the grant.

(p) APPLICABILITY OF OTHER LAWS.—

(1) SECTION 18.—Any severely distressed public housing demolished or disposed of pursuant to a revitalization plan and any public housing developed in lieu of such severely distressed housing shall be subject to the provisions of section 18. To the extent the provisions of section 18 conflict with or are duplicative of the provisions of this section, the provisions of this section solely shall apply.

(2) URA.—The Uniform Relocation and Real Property Acquisition Policies Act of 1974 shall apply to all relocation activities pursuant to a revitalization plan under this section.

[(h)**]** *(q)* ADMINISTRATION BY OTHER ENTITIES.—The Secretary may require a grantee under this section to make arrangements satisfactory to the Secretary for use of an entity other than the public housing agency to carry out activities assisted under the revitalization plan, if the Secretary determines that such action will help to effectuate the purposes of this section.

[(i)] *(r)* WITHDRAWAL OF FUNDING.—If a grantee under this section does not proceed within a reasonable timeframe, in the determination of the Secretary, the Secretary shall withdraw any grant amounts under this section that have not been obligated by the public housing agency. The Secretary shall redistribute any withdrawn amounts to one or more other applicants eligible for assistance under this section or to one or more other entities capable of proceeding expeditiously in the same locality in carrying out the revitalization plan of the original grantee.

[(j)] *(s)* DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) APPLICANT.—The term "applicant" means—

(A) * * *

* * * * * * *

(C) any public housing agency that is designated as troubled pursuant to section 6(j)(2) and that—

(i) is so designated principally for reasons that will not affect the capacity of the agency to carry out a revitalization [program] *plan*;

* * * * * * *

(iii) is otherwise determined by the Secretary to be capable of carrying out a revitalization [program] *plan*.–

(2) COMPREHENSIVE RELOCATION ASSISTANCE.—The term "comprehensive relocation assistance" means comprehensive assistance necessary to relocate the members of a household, and includes counseling, including counseling regarding housing options and locations and use of tenant-based assistance, case management services, assistance in locating a suitable residence, site tours, and other assistance.

(3) DEVELOPMENT.—The term "development" has the same meaning given such term in the first sentence of paragraph (1) of section 3(c) (42 U.S.C. 1437a).

[(2)] *(4)* SEVERELY DISTRESSED PUBLIC HOUSING.—The term "severely distressed public housing" means a public housing project (or building in a project)—

(A) * * *

* * * * * * *

(5) SIGNIFICANT AMENDMENT OR CHANGE.—The term "significant" means, with respect to an amendment or change to a revitalization plan, that the amendment or change—

(A) changes the use of 10 percent or more of the funds provided under the grant made under this section for the plan from use for one activity to use for another;

(B) eliminates an activity that, notwithstanding the change, would otherwise be carried out under the plan; or

(C) changes the scope, location, or beneficiaries of the project carried out under the plan.

[(3) SUPPORTIVE] *(6) COMMUNITY AND SUPPORTIVE* SERVICES.—The term "*community and* supportive services" includes all activities that will promote upward mobility, self-sufficiency, and improved quality of life for the residents of the public housing project involved, including literacy training, job

training, day care, transportation, *employment and vocational counseling, financial counseling, life skills training,* and economic development activities*, and such other services that, linked with affordable housing, will improve the health and residential stability of public housing residents*.

[(k)**]** *(t)* GRANTEE REPORTING.—The Secretary shall require grantees of assistance under this section to report the sources and uses of all amounts expended for revitalization plans.

[(l)**]** *(u)* ANNUAL REPORT.—The Secretary shall submit to the Congress an annual report setting forth—

(1) * * *

* * * * * * *

(3) the amount and type of financial assistance provided under and in conjunction with this section**[**, including a specification of the amount and type of assistance provided under subsection (n);**]***; and*

[(4) the types of projects funded, and number of affordable housing dwelling units developed with, grants under subsection (n); and**]**

(4) the extent to which public housing agencies carrying out revitalization plans with grants under this section have complied with the requirements under subsection (i) (relating to right to expanded housing opportunities for resident households); and

(5) the recommendations of the Secretary for statutory and regulatory improvements to the program established by this section.

To the extent not inconsistent with any other provisions of law, the Secretary shall make publicly available through a World Wide Web site of the Department of Housing and Urban Development all documents of, or filed with, the Department relating to the program under this section, including applications, grant agreements, plans, budgets, reports, and amendments to such documents; except that in carrying out this sentence, the Secretary shall take such actions as may be necessary to protect the privacy of any residents and households displaced from public housing as a result of a revitalization plan assisted under this section.

[(m)**]** *(v)* FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under this section **[**$574,000,000 for fiscal year 2007.**]** *$800,000,000 for each of fiscal years 2008 through 2015.*

[(2) TECHNICAL ASSISTANCE AND PROGRAM OVERSIGHT.—Of the amount appropriated pursuant to paragraph (1) for any fiscal year, the Secretary may use up to 2 percent for technical assistance or contract expertise, including assistance in connection with the establishment and operation of computer centers in public housing through the Neighborhoods Networks initiative described in subsection (d)(1)(G). Such assistance or contract expertise may be provided directly or indirectly by grants, contracts, or cooperative agreements, and shall include training, and the cost of necessary travel for participants in such training, by or to officials of the Department of Housing and Urban Development, of public housing agencies, and of residents.

[(3) SET-ASIDE FOR MAIN STREET HOUSING GRANTS.—Of the amount appropriated pursuant to paragraph (1) for any fiscal year, the Secretary shall provide up to 5 percent for use only for grants under subsection (n).]

(2) TECHNICAL ASSISTANCE GRANTS.—Subject only to approvable requests for grants pursuant to paragraph (1) for any fiscal year, the Secretary shall use not less than two percent for grants in such fiscal year to recipients of grants under this section to assist such recipients in obtaining technical assistance in carrying out revitalization programs.

[(n) GRANTS FOR ASSISTING AFFORDABLE HOUSING DEVELOPED THROUGH MAIN STREET PROJECTS IN SMALLER COMMUNITIES.—

[(1) AUTHORITY AND USE OF GRANT AMOUNTS.—The Secretary may make grants under this subsection to smaller communities. Such grant amounts shall be used by smaller communities only to provide assistance to carry out eligible affordable housing activities under paragraph (4) in connection with an eligible project under paragraph (2).

[(2) ELIGIBLE PROJECT.—For purposes of this subsection, the term "eligible project" means a project that—

[(A) the Secretary determines, under the criteria established pursuant to paragraph (3), is a main street project;

[(B) is carried out within the jurisdiction of a smaller community receiving the grant; and

[(C) involves the development of affordable housing that is located in the commercial area that is the subject of the project.

[(3) MAIN STREET PROJECTS.—The Secretary shall establish requirements for a project to be considered a main street project for purposes of this section, which shall require that the project—

[(A) has as its purpose the revitalization or redevelopment of a historic or traditional commercial area;

[(B) involves investment, or other participation, by the government for, and private entities in, the community in which the project is carried out; and

[(C) complies with such historic preservation guidelines or principles as the Secretary shall identify to preserve significant historic or traditional architectural and design features in the structures or area involved in the project.

[(4) ELIGIBLE AFFORDABLE HOUSING ACTIVITIES.—For purposes of this subsection, the activities described in subsection (d)(1) shall be considered eligible affordable housing activities, except that—

[(A) such activities shall be conducted with respect to affordable housing rather than with respect to severely distressed public housing projects; and

[(B) eligible affordable housing activities under this subsection shall not include the activities described in subparagraphs (B) through (E), (J), or (K) of subsection (d)(1).

[(5) MAXIMUM GRANT AMOUNT.—A grant under this subsection for a fiscal year for a single smaller community may not exceed $1,000,000.

[(6) CONTRIBUTION REQUIREMENT.—A smaller community applying for a grant under this subsection shall be considered an

applicant for purposes of subsection (c) (relating to contributions by applicants), except that—

[(A) such supplemental amounts shall be used only for carrying out eligible affordable housing activities; and

[(B) paragraphs (1)(B) and (3) shall not apply to grants under this subsection.

[(7) APPLICATIONS AND SELECTION.—

[(A) APPLICATION.—Pursuant to subsection (e)(1), the Secretary shall provide for smaller communities to apply for grants under this subsection, except that the Secretary may establish such separate or additional criteria for applications for such grants as may be appropriate to carry out this subsection.

[(B) SELECTION CRITERIA.—The Secretary shall establish selection criteria for the award of grants under this subsection, which shall be based on the selection criteria established pursuant to subsection (e)(2), with such changes as may be appropriate to carry out the purposes of this subsection.

[(8) COST LIMITS.—The cost limits established pursuant to subsection (f) shall apply to eligible affordable housing activities assisted with grant amounts under this subsection.

[(9) INAPPLICABILITY OF OTHER PROVISIONS.—The provisions of subsections (g) (relating to disposition and replacement of severely distressed public housing), and (h) (relating to administration of grants by other entities), shall not apply to grants under this subsection.

[(10) REPORTING.—The Secretary shall require each smaller community receiving a grant under this subsection to submit a report regarding the use of all amounts provided under the grant.

[(11) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

[(A) AFFORDABLE HOUSING.—The term "affordable housing" means rental or homeownership dwelling units that—

[(i) are made available for initial occupancy to low-income families, with a subset of units made available to very- and extremely-low income families; and

[(ii) are subject to the same rules regarding occupant contribution toward rent or purchase and terms of rental or purchase as dwelling units in public housing projects assisted with a grant under this section.

[(B) SMALLER COMMUNITY.—The term "smaller community" means a unit of general local government (as such term is defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302)) that—

[(i) has a population of 50,000 or fewer; and

[(ii)(I) is not served by a public housing agency; or

[(II) is served by a single public housing agency, which agency administers 100 or fewer public housing dwelling units.]

[(o)] *(w)* SUNSET.—No assistance may be provided under this section after September 30, [2007] *2015*.

(x) REGULATIONS.—Not later than the expiration of the 120-day period beginning on the date of the enactment of the HOPE VI Im-

provement and Reauthorization Act of 2007, the Secretary shall issue regulations to carry out this section, including the amendments made by such Act.

* * * * * * *

REPUBLICAN ADDITIONAL VIEWS

H.R. 3524, the HOPE VI Improvement and Reauthorization Act, reauthorizes the HOPE VI program through 2012 and makes several significant changes to the underlying program. It is our view that H.R. 3524 includes several very troubling provisions such as mandatory one-for-one replacement, mandatory compliance with the Green Communities rating system and the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED), and the elimination of demolition-only grants and tenant eligibility standards. We are concerned that these and other provisions will discourage participation in the HOPE VI program by developers and non-profits, thereby undermining the further development of affordable housing.

BACKGROUND

The HOPE VI program was created in 1992 with the express mission to eliminate and replace some of the most dangerous and dilapidated public housing in the country with livable mixed-income communities. The creation of the program was the direct result of recommendations made in a report submitted to Congress by the National Commission on Severely Distressed Public Housing. In the report, the Commission reported that approximately 6 percent of the 1.4 million existing public housing apartments (86,000 units) were severely distressed, and recommended that they be removed from the housing stock. The HOPE VI program encourages public housing authorities (PHAs) to seek new partnerships with private entities to create mixed-finance and mixed-income affordable housing that is developed and operated very differently from traditional public housing.

The HOPE VI program was modified and extended by the FYs 1994, 1995, 1996, 1997, 1998 and 1999 appropriations acts. HOPE VI was originally authorized through the end of FY 2002 by section 535 of the Quality Housing and Work Responsibility Act of 1998 (QHWRA). The 108th Congress initially extended the program through the end of FY 2004, but more recently Congress extended the HOPE VI program through FY 2006. The House passed a one-year reauthorization bill in the 109th Congress but the Senate did not take action.

The purpose of the HOPE VI program is to revitalize severely distressed public housing developments and transform them into safe, livable environments. 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. Local public housing authorities apply for grants and use the funds to leverage other private and/or public funds. The Department of Housing and Urban Development (HUD) seeks to meet the goals of the HOPE VI program by providing grants to PHAs for revitaliza-

tion, or, if this is not economically feasible, for demolition of distressed public housing. The activities permitted under HOPE VI include:

(1) The capital costs of demolition, major reconstruction, rehabilitation and other physical improvements;

(2) Replacement housing and management improvements;

(3) Planning and technical assistance; and

(4) Implementation of community service programs and supportive services, or the planning for such activities.

According to a report released in June 2007 by The Urban Institute's Metropolitan Housing and Communities Center, entitled "HOPE VI'd and On the Move,"

> HUD has awarded 609 grants in 193 cities under the $6.3 billion HOPE VI program, As of June 2006, HOPE VI revitalization grants have supported the demolition of 78,100 severely distressed units, with another 10,400 units slated for redevelopment. Housing authorities that receive HOPE VI grants must also develop supportive services to help both original and new residents attain self-sufficiency. HOPE VI funds will support the construction of 103,600 replacement units, but just 57,100 will be deeply subsidized public housing units. The rest will receive shallower subsidies or serve market-rate tenants or homebuyers.

A study of eight HOPE VI sites undertaken by the Housing Research Foundation (HRF) found that in communities surrounding a recent HOPE VI revitalization project:

- Per capita incomes were up an average of 71 percent (compared to only 14.5 percent for the cities as a whole).
- Neighborhood unemployment rates had fallen by an average of 8.4 percent.
- Only 11 percent of neighborhood households were receiving public assistance, down from an average of 39 percent in 1989.
- 69 percent of households qualified as low-income, down from 81 percent in 1989.
- Commercial and residential lending rates increased at a faster rate than overall city increases.
- Violent crime and overall crime declined by an average of 46 percent and 68 percent respectively, compared to a decline of only 25 percent and 38 percent in the overall city.

Despite its successes, the HOPE VI program is not without its shortcomings. The Bush Administration and other critics maintain that the program has accomplished its intended mission and should now be eliminated. They argue that grantees spend money too slowly and that the HOPE VI program is not an efficient method of meeting the current and future capital needs of public housing or for meeting the affordable housing needs of low-income families. In addition, tenant advocates claim that the program displaces more families than it houses in new developments.

H.R. 3524, THE HOPE VI IMPROVEMENT AND REAUTHORIZATION ACT OF 2007

Participation by private sector developers and lenders is integral to the success of the HOPE VI program. However, H.R. 3524 significantly complicates participation in the program and changes the risk profile for HOPE VI projects. Congressman Shays, an original cosponsor of the bill, and other Republican Members of the Committee worked with the Majority to address the bill's deficiencies, and while some changes were made through a manager's amendment during Committee consideration, there continue to be several areas of disagreement. Specifically, we remain concerned about provisions that eliminate the demolition-only grants; impose one-for-one replacement requirements; create a right of return for tenants displaced by HOPE VI projects; mandate Green Community/LEED building standards for all HOPE VI replacement buildings; eliminate the HOPE VI eligibility standards; require that units be replaced within 12 months after demolition; and impose multiple notice schedules.

Elimination of Demolition-only Grants: Current law allows HUD to award demolition only grants, but H.R. 3524 eliminates that authority and prohibits the demolition of public housing units without replacement of those units through revitalization. Clearly, there may be instances when demolition-only grants are appropriate. For example, PHAs may have already assembled a financing package to fund redevelopment and replacement housing activities but are lacking the funds for the demolition itself. There may be severely distressed public housing sites that are not viable candidates for redevelopment—sites that may have been only partially occupied or completely vacant. In these instances, other forms of housing assistance, such as Section 8 vouchers, may be more appropriate in a community than public housing. For this reason, we support maintaining HUD's authority to make demolition-only grants.

Mandatory One-for-One Replacement. H.R. 3524 stipulates that PHAs must replace every unit that is demolished or disposed of through a HOPE VI grant, including those units that were unoccupied prior to demolition. One-third of the replacement units must be placed on the site of the original housing and the remaining units within the jurisdiction of the PHA sponsoring the project. The one-for-one replacement requirement is inconsistent with the larger objective of the HOPE VI program, which is to demolish obsolete public housing units and develop sound strategies to redevelop not only the property but in many cases an entire community. The promotion of a mix of incomes for families that will reoccupy the site and the "de-concentration" of poverty are fundamental to the core mission of the HOPE VI program, and one-for-one replacement impedes the achievement of that mission.

A one-for-one replacement requirement will affect both private and public funding and will pose a number of logistical challenges for private sector participants. Available land and site control issues are significant barriers to in-fill development in surrounding or adjacent neighborhoods, which would force housing agencies to focus construction of replacement units on the footprint of the development. However, the footprint is usually not large enough to

accommodate both the replacement of most previous units on site and a mix of other housing types including market rate units. The end result would be reconcentration of poverty on the former site. This would undermine the mixed income model of the HOPE VI program and could return the development to a state similar to that before revitalization. The HOPE VI program has met its goal of providing an improved living environment for many residents of public housing and that improved quality of life is frequently due to a move to private market housing with the help of a Housing Choice Voucher or other federal assistance. The June 2007 Urban Institute report states:

> For most residents of the original HOPE VI sites, relocation is the major program. Our findings show that for the majority of residents who have moved to the private market, moving has meant improvements in neighborhood poverty rates, neighborhood unemployment rates and housing quality.

H.R. 3524 assumes that families will move from the HOPE VI site, be temporarily relocated, and then return to the replacement housing constructed with HOPE VI funds.

While this will be true for some families, it will not be for all. Some residents will choose to remain in the housing to which they relocated, or may choose to keep a Section 8 Housing Choice voucher which empowers the family to make choices about where and when they wish to move. Implementing the one-for-one replacement mandate for HOPE VI projects will increase the overall cost of the program, reduce the number and size of grants made available and discourage participation by the private market, which will lead to fewer families receiving assistance.

Mandated Green Communities and LEED Compliance: H.R. 3524 mandates that developers comply with the criteria of the Green Communities rating system, operated by Enterprise Community Partners, for residential projects, and the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system for mixed-use commercial projects, to the exclusion of other viable or accredited green building standards and programs. Green Communities and LEED requirements in residential and non-residential construction are important variables that will impact both time and cost estimates for a development. H.R. 3524 requires HOPE VI grantees to comply with both mandatory and non-mandatory elements of the Green Communities and LEED criteria which will inevitably increase the cost per unit for constructing public housing.

HUD works closely with PHAs to keep total development costs (TDC) for public housing units in line with federal standards, and these new mandatory green building requirements could put many developments over the TDC thresholds. While we agree with the goal of building greener and more energy and resource-efficient affordable housing, we question the wisdom of codifying a specific privately-developed rating tool such as Green Communities or LEED for a government program. Many credible and accredited green building standards and programs exist in the marketplace today or are in the process of being developed. Codifying green tar-

gets to the proprietary preference of one organization in lieu of other viable standards is misguided. Not only will it stifle innovation, but it will also artificially inflate costs for green building materials. In addition, it creates a profit monopoly for one organization through commissioning fees that have no environmental benefit. In a December 26 article in Slate Magazine by Daniel Brook entitled, "It's Way Too Easy Being Green, The Decidedly Dupable System for Rating a Building's Greenness," it is estimated that LEED certification can cost more than $100,000. A 2006 Home Depot Foundation study found that incorporating green building elements into residential construction increases per unit costs by 3–5 percent, and the United States Green Building Council has estimated that complying with its forthcoming residential green building standard will add $12,000 to $15,000 in costs per unit, which may not be affordable for the mainstream builder.

The National Association of Homebuilders (NAHB) is currently in the process of establishing the first residential green building standard accredited by the American National Standards Institute (ANSI). The ANSI accreditation credential certifies that the standard has met key criteria in the areas of balance, openness, consensus, and proper appeals protocols. The certification process ensures that no stakeholder receives any undue influence in the development of the benchmarks that must be environmentally rigorous, as agreed upon by both industry experts and by the regulatory community (state, local, and/or federal government) that enforces them. ANSI accreditation also authenticates an approved standard's ability to comply with national policy on the use of voluntary consensus standards (see OMB Circular A–119 (Revised)). For this reason, the NAHB has stated it will oppose this legislation if this provision remains in the bill. In a letter dated September 26, 2007, NAHB said:

> NAHB is extremely concerned about the impacts that the mandatory language in Section 8 for Green Communities and the LEED rating system will have on being able to deliver HOPE VI projects. Because other affordable alternatives exist in the marketplace, and others are likely to emerge in response to addressing the challenges of climate changes, the explicit reference to one rating system in this legislation is overly restrictive, costly and could limit the number of projects that can be undertaken within the HOPE VI program.

The Committee has not been afforded adequate opportunity to fully investigate the ramifications of mandating green standards for the HOPE VI program, much less the implications of mandating a private label green standard such as Green Communities or LEED in statute. Congresswoman Capito, the Ranking Republican on the Subcommittee on Housing and Community Opportunity, offered an amendment during Committee consideration of H.R. 3524 to modify the costly mandatory green building standards for the HOPE VI program included in the bill. Mrs. Capito withdrew her amendment from consideration after receiving assurances that the Majority would continue to work toward a consensus on this issue.

We are disappointed that the Majority has not followed through on that commitment.

Elimination of HOPE VI Eligibility Standards. H.R. 3524 would prohibit housing owners and managers (who are generally private actors, not PHAs) from using eligibility and occupancy standards that are used in other federally-subsidized housing programs. Specifically, the bill prohibits PHAs from holding displaced residents or new residents to the HOPE VI development to a different eligibility standard than other households. Specifically, it prohibits the use of any criteria, including credit checks, to limit the ability of public housing residents to re-occupy HOPE VI units, or to receive housing choice vouchers, except to the extent that the residents are otherwise ineligible by Federal law. In addition, the bill includes language providing preferences for the "hard to house," which includes convicted felons. In its analysis of the bill, HUD questioned why former prisoners should be given preferential treatment through the HOPE VI program over other vulnerable households. Furthermore, HUD noted that across most HOPE VI developments, resident leaders request very strict return criteria to address these issues in the hope of establishing new standards for their community. The HOPE VI program has led the way in revitalizing not only the physical characteristics of distressed housing but in terms of management and housing policy in general. The continued success of the HOPE VI program and its ability to create mixed income communities depends on the ability of the private partners of public housing authorities, which include developers, lenders, investors and management companies, to be able to use fair and reasonable screening and occupancy policies as a condition for participation. Prohibiting PHAs and private partners from using eligibility standards may deter future participation in the HOPE VI program, which could ultimately impact the future construction and availability of affordable housing.

Replacement of Units within 12 Month after Demolition. H.R. 3524 includes a requirement to provide all replacement dwelling units within 12 months after the demolition of the original project. While we support the goal of increasing the spend out rate of HOPE VI funds and reducing the time it takes to complete a HOPE VI project, we share the concern previously articulated by HUD that this 12-month replacement requirement may be unworkable. As pointed out in the joint letter to Chairwoman Waters on September 24, 2007 by the executive directors of the Council of Large Public Housing Authorities, National Association of Housing and Redevelopment Officials, and Public Housing Authorities Directors Association, this requirement is inconsistent with the financing and development of newly constructed rental housing:

> The requirement does not take into account the specific circumstances of a community, local building conditions, or unforeseen setbacks and delays in financing, construction and redevelopment process. The assembly and preparation of building sites, the allocation of low-income housing tax credits and the availability of financing can be a multi-year effort. If housing authorities are expected to provide replacement dwelling units, the statue must provide scheduling flexibility to structure the phases of their projects

while taking into account the availability of building sites, financing, types of units and other local market factors.

Multiple Notice Schedules. H.R. 3524 imposes additional tenant involvement and participation requirements in the planning process for a HOPE VI redevelopment project. The bill requires public housing agencies to inform residents during all stages of the grant and application process through four written notices regarding the application, award of the grant, completion of the grant, and availability of replacement housing. It is important to note that current law requires housing agencies to involve residents in the grant application process, development efforts, relocation and community and supportive services. Under additional requirements in the Uniform Relocation Act (URA), which all HOPE VI grantees are obligated to follow, PHAs must issue a notice of intention to redevelop a site and of the right of residents to relocation benefits. Tenant input and participation is essential to the success of a revitalization program. However, it is important that the processes and procedures put in place do not impede the ability to effectively and efficiently implement the revitalization program. While H.R. 3524 includes many tenant protections and participation requirements, it does not include any level of protection for private and public entities administering or participating in the HOPE VI program. The absence of adequate safeguards ensuring an orderly and fair planning and development process for public housing authorities and private entities may serve as a deterrent to their participation in the program.

CONCLUSION

The HOPE VI program is not a cure-all for the rehabilitation and capital improvement needs of public housing. However, it has been a program that has worked. Through public-private partnerships, many severely distressed public housing developments have been transformed into safe, livable environments by establishing positive incentives for tenant self-sufficiency and comprehensive services that empower residents. Because the overly prescriptive and potentially burdensome reforms contained in H.R. 3524 threaten to do more harm than good to the HOPE VI program, we intend to seek substantial changes to the legislation when it is considered by the full House.

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