

# Summary of H. R. 3524 The Hope VI Improvement and Reauthorization Act of 2007

## Background

Created in 1993, the HOPE VI Program grew out of recommendations by the National Commission on Severely Distressed Public Housing. To date, over 200 HOPE VI grants have been awarded to various public housing agencies across the nation. HOPE VI grants have been used to rehabilitate, demolish, and reconstruct public housing for the most severely distressed communities. HOPE VI has been popular with many Members of Congress, but it has been criticized by the Administration, which argues that grantees spend money too slowly, and by tenant advocates, who argue the program displaces more families than it houses in new developments.

On September 26, 2007, the House Financial Services Committee approved H.R. 3524, the Hope VI Improvement and Reauthorization Act of 2007, by voice vote. H.R. 3524 reauthorizes the HOPE VI program through 2012 and makes several significant changes to the underlying program. These changes include:

- Funding for Non-Housing Construction Uses:  
The bill eliminates demolition-only grants as well as the Main Street Revitalization grant program which funded small-town main street revitalization projects.
- On-Site, Mixed-Income Housing:  
All public housing agencies must provide a mixed-income housing development on the site of the original public housing location in a manner resulting in a decrease in the concentration of poverty.
- Off-Site, Mixed-Income Housing: Remaining  
replacement units must be built in areas with low concentrations of poverty in the jurisdiction of the public housing authority and in a manner that affirmatively furthers fair housing.
- Limitation on Exclusion: Housing  
authorities or resident advisory boards are prohibited from implementing strict re-entry standards, including credit checks, for returning residents.
- Tenant Protections: Public housing authorities are required to monitor and track all households affected by the HOPE VI revitalization plan.
- Improvement to Grant Implementation: All  
new housing must be rebuilt within 12 months of any demolition or disposition. Grantees that do not meet performance benchmarks are penalized.

## Republican Concerns about H. R. 3524

Republicans have expressed concerns about three provisions of the bill:

- **One-for-One Replacement:** The bill includes a requirement that public housing units proposed for demolition must be replaced on a one-for-one basis. Rather than replace one unit in a failed housing project with another, Republicans prefer investing in an innovative housing paradigm that emphasizes vibrant mixed-use communities with good housing, safe streets, and strong schools. In downtown Atlanta, for example, developer Tom Cousins replaced the crime-ridden East Lake project with a mixed-income community. The end result was a sharp reduction in crime in East Lake, and a sharp increase in the level of academic achievement among students living in the community. Had the one-for-one replacement requirement been in place when the project was conceived, it would not have moved forward.

- **Green Building Standards:** H. R. 3524 would require that all replacement housing and other structures that are part of the HOPE VI development be built in accordance with the Green Communities rating system and the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) green building standards. Many Republicans believe that, while green building standards are useful and well-intentioned, mandating them will adversely impact housing affordability. The National Association of Homebuilders and owner and property manager industry associations will oppose the bill unless the mandatory Green Communities/LEED building requirement is removed.

- **Eligibility Standards:** The bill would eliminate tenant eligibility standards, effectively paving the way for ex-convicts to relocate into public housing projects.

The Bottom Line:

Hope VI should be reauthorized in a way that encourages innovation in public housing, controls costs, and enhances the safety of public housing residents. Amendments addressing the one-for-one replacement and green building standards issues were offered unsuccessfully during Committee debate. They will likely be reoffered during floor debate, and merit Republican support.