

# SECTION 1

## GENERAL HOPE VI INFORMATION



# HOPE VI FACT SHEET

## Program Purpose

The HOPE VI program serves a vital role in the Department of Housing and Urban Development's efforts to transform Public Housing. The specific elements of public housing transformation that have proven key to HOPE VI include changing the physical shape of public housing, establishing positive incentives for resident self-sufficiency and comprehensive services that empower residents, lessening concentrations of poverty by placing public housing in nonpoverty neighborhoods and promoting mixed-income communities, and forging partnerships with other agencies, local governments, nonprofit organizations, and private businesses to leverage support and resources.

## Eligible Activities

The activities funded by HOPE VI include the capital costs of major rehabilitation, new construction, and other physical improvements; demolition of severely distressed public housing; management improvements; planning and technical assistance; and self-sufficiency programs for residents. FY 1993 - 1995 grantees must also implement a community service program.

## Program Authority

HOPE VI was created by the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993 (Pub.L. 102-389), approved on October 6, 1992 (the 1993 Appropriations Act), and was originally known as the Urban Revitalization Demonstration (URD). HOPE VI has been funded by appropriation in FY 1993 - 1999. The FY 1999 appropriation also included the authorization of HOPE VI as Section 24 of the U.S. Housing Act of 1937. Grants are governed by each Fiscal Year's Notice of Funding Availability (NOFA), as published in the Federal Register, and the Grant Agreement executed between each recipient and HUD.

## Funding History

Since the inception of the program, funds have been awarded to a total of 119 Housing Authorities in 32 states, the District of Columbia, Puerto Rico, and the Virgin Islands.

35 Planning Grants totalling	\$ 14,752,081
131 Revitalization Grants totalling	3,541,195,771
<u>108 Demolition-Only Grants totalling</u>	<u>168,349,558</u>
274 Total Grants totalling	\$3,724,297,410

## Program Outcomes

The awards for FYs 1993-1999 will fund demolition of over 82,000 severely distressed public housing units, and will produce over 51,000 revitalized dwellings.

## GLOSSARY OF TERMS

**Accessibility:** All new construction of covered multifamily buildings must include certain features of accessible and adaptable design. Units covered are all those in buildings with four or more units and one or more elevators, and all ground floor units in buildings without elevators. The accessible design requirements are:

- A. Accessible entrance on an accessible route
- B. Accessible public and common use areas
- C. Accessible doorways
- D. Accessible routes into and through the unit
- E. Accessible light switches, electrical outlets, and environmental controls
- F. Reinforced walls in bathrooms
- G. Usable kitchens and bathrooms

HUD encourages accessibility in for-sale units (5 percent for mobility impaired and 2 percent for hearing or vision disabilities) as well as multifamily rental units. More information on accessibility, adaptability, and visitability may be obtained by calling HUD on (202) 708-2333 or the TTY telephone number, 1-800-877 8339 (Federal Information Relay Service). The website is [www.hud.gov/fairhsg1.html](http://www.hud.gov/fairhsg1.html)

**Adaptability:** As defined by 24 CFR 8.3, the ability of certain elements of a dwelling unit, such as kitchen counters, sinks, and grab bars, to be added to, raised, lowered, or otherwise altered, to accommodate the needs of persons with or without handicaps, or to accommodate the needs of persons with different types or degrees of disability. For example, in a unit adaptable for a hearing-impaired person, the wiring for visible emergency alarms may be installed so that the unit can be made ready for occupancy by a hearing-impaired person. More information on accessibility, adaptability, and visitability may be obtained by calling HUD on (202) 708-2333 or the TTY telephone number, 1-800-877 8339 (Federal Information Relay Service). The website is [www.hud.gov/fairhsg1.html](http://www.hud.gov/fairhsg1.html)

**Administrative and Audit requirements** applicable to HOPE VI Grantee PHAs, their contractors and subcontractors, are as follows. These documents are available through HUDCLIPS at [www.hudclips.gov](http://www.hudclips.gov).

### Government Entities:

Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments: 24 CFR part 85

Cost Principles for State, Local and Indian Tribal Governments: OMB Circular A-87

Audit requirements: 24 CFR 85.26

Non-Profit Entities:

Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations: 24 CFR part 84

Cost Principles for Non-Profit Organizations: OMB Circular A-122

Audit requirements: 24 CFR 84.26

For Profit Entities:

Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations: 24 CFR part 84

Contract cost principles and procedures: 48 CFR part 31

Audit requirements: 24 CFR 84.26

**Annual Contributions Contract (ACC):** A contract (in the form prescribed by HUD) for loans and contributions, which may be in the form of grants, whereby HUD agrees to provide financial assistance and the PHA agrees to comply with HUD requirements for the development and operation of a public housing project.

**Acquisition Proposal:** To acquire land or land with improvements to be demolished, the Grantee must submit a Site Acquisition proposal that meets the requirements of 24 CFR 941.303 and HUD must approve the proposal before HOPE VI funds may be drawn down for the acquisition. To acquire land with improvements which will not be demolished, the Grantee must submit a Development Proposal in accordance with 24 CFR 941.303 (conventional development) or 24 CFR 941.606 (mixed-finance development).

**The Act:** The United States Housing Act of 1937.

**CDBG funds:** Community Development Block Grant funds. Funds awarded by HUD by formula to units of general local government and to states, which may then award a grant or loan to a PHA, partnership, or other entity for revitalization activities. CDBG funds may be granted to a non-profit and then loaned to a project's for-profit partnership. Information about the CDBG Program can be accessed at [www.hud.gov/cpd/cpdhome.html](http://www.hud.gov/cpd/cpdhome.html)

**CFDA:** The Catalog of Federal Domestic Assistance is a government-wide compendium of Federal programs, projects, services, and activities which provide assistance or benefits to the public. HOPE VI's CFDA number is 14.866. More information on the CFDA is available at [www.gsa.gov/fdac/](http://www.gsa.gov/fdac/)

**CIAP:** The Comprehensive Improvement Assistance Program, which provided HUD funds to PHAs with less than 250 units for rehabilitation of housing projects.

**CGP:** The Comprehensive Grant (Comp Grant) Program, which provided HUD funds to PHAs with 250 or more units for rehabilitation of housing projects. CIAP and CGP are also referred to as Modernization funds.

**Conversion Plan:** A plan to remove a public housing project that is subject to the requirements of Section 202 of the FY 1996 HUD appropriation act. Applicable projects must be on the same or contiguous sites, contain more than 300 units, and have at least a 10 percent vacancy rate. See the Demolition Grants chapter of this Guidebook for more information. Applicable regulations are at 24 CFR part 971, available through the HOPE VI Home Page.

**(HOPE VI) Coordinator:** The HOPE VI Coordinator is the contact person for the HUD Grant Manager.

**Development Funds:** Funds awarded by HUD to PHAs under the Public Housing Development Program consistent with Regulations at 24 CFR part 941.

**Development Partner:** A third party entity with which the PHA enters into a partnership or other contractual arrangement to provide for the mixed-finance development of public housing units. The Development Partner has primary responsibility with the PHA for the development of the housing units and/or non-residential structures under the terms of the approved proposal. You must procure development partners in accordance with 24 CFR 941 subpart F, which allows for procurement based on qualifications, where price may be negotiated separately.

**Elderly Designation Plan:** A plan to designate projects for elderly families only, disabled families only, or elderly and disabled families. The Plan must be submitted to HUD's Special Applications Center for approval and follow the requirements of Notice PIH 98-24 (HA), available through the HOPE VI Home Page.

**Environmental Assessment:** All HOPE VI grants are subject to the environmental assessment regulations at 24 CFR part 58. Refer HUD Notice PIH 97-8, available through HUDCLIPS at [www.hudclips.gov](http://www.hudclips.gov).

**Extraordinary Site Costs:** With respect to site costs, HUD has determined that there may be costs that exceed the level of expenditure anticipated in the TDC limits. These are referred to as "extraordinary site costs" and are outside the TDC limit. **Extraordinary site costs must be justified and verified by an independent certified engineer** and approved by HUD. Extraordinary site costs may be incurred in the remediation and demolition of existing property, as well as in the development of new and rehabilitated units. Examples of such costs include, but are not limited to, removal or replacement of extensive underground utility systems, extensive rock and/or soil removal and replacement, construction of extensive streets and other public improvements, dealing with unusual site conditions such as slopes, terraces, water catchments, lakes, etc., and dealing with flood plain and other environmental remediation issues.

**FHA Mixed-Income Housing Initiative:** Underwriting Guidelines for using FHA-insured loans in HOPE VI mixed-income projects can be found in HUD Notice FHA 97-12 (as extended), available through HUDCLIPS at [www.hudclips.gov](http://www.hudclips.gov).

**Healthy Homes.** HUD's Healthy Homes Initiative was developed by the White House Task Force on Environmental Health Risks and Safety Risks to Children that was established under Executive Order 13045 ("Protection of Children from Environmental Health Risks and Safety Risks"). HUD encourages activities that promote healthy homes, or that promote education on what is a healthy home. The Healthy Homes web address is [www.hud.gov/hhchild.html](http://www.hud.gov/hhchild.html). Healthy Homes activities may include, but are not limited to the following:

1. educating homeowners or renters about the need to protect children in their home from dangers that can arise from items such as curtain cords, electrical outlets, hot water, poisons, fire, and sharp table edges, among others;
2. incorporating child safety measures in the construction, rehabilitation or maintenance of housing, which include but are not limited to: child safety latches on cabinets, hot water protection devices, properly ventilated windows to protect from mold, window guards to protect children from falling, proper pest management to prevent cockroaches which can cause asthma, and activities directed to control of lead-based paint hazards. The National Lead Information Hotline is 1-800-424-5323.

**Homeownership Proposal:** A Grantee that wishes to include homeownership units in its revitalization plan submits a Homeownership Proposal to HUD that describes how it plans to provide for replacement homeownership units. See the Homeownership Chapter of this Guidebook for details of the Homeownership Proposal.

**HOPE VI Home Page:** The Chapters of the HOPE VI Grant Administration Guidebook and various pertinent Notices and Regulations can be accessed through the HOPE VI Home Page, located at [www.hud.gov/pih/programs/ph/hope6/hope6.html](http://www.hud.gov/pih/programs/ph/hope6/hope6.html).

**Housing Authority Funds:** Funds under the control of the Housing Authority such as Section 8 earned administrative fees and non-HUD resources.

**HOME funds:** Housing funds distributed from HUD to units of general local governments and States for new construction, rehabilitation, acquisition of standard housing, assistance to homebuyers, and tenant-based rental assistance. HOME funds may be mixed with HOPE VI funds in accordance with guidance in HUD Notice CPD 97-08, which is available through HUDCLIPS at [www.huclips.gov](http://www.huclips.gov). General information about the HOME Program can be found at [www.hud.gov/cpd/home/homeweb.html](http://www.hud.gov/cpd/home/homeweb.html)

**LIHTC equity funds:** Private funds raised as equity from the sale of Low-Income Housing Tax Credits.

**Low-income:** Households with income that do not exceed 80 percent of HUD's published area median income standards, as adjusted for household size.

**Market Rate units:** Units which may be rented or sold without any income restrictions imposed on the prospective renters or purchasers and which do not receive public housing assistance.

**Mixed-Finance:** The combined use of multiple public and/or private sources of funds for the development of public housing units in accordance with 24 CFR 941 subpart F.

**Mixed-Income:** Projects that contain a variety of public housing, tax credit, or market rate units, each of which is restricted as to occupancy by residents within a specified range of income.

**Modernization funds:** HUD funds provided under section 14 of the Act, including the Comprehensive Grant Program (for PHAs with 250 or more units) or the CIAP Program (for PHAs with less than 250 units), which PHAs use for rehabilitation of housing projects. Modernization Regulations at 24 CFR Part 968 can be found on the HOPE VI Home Page.

**MROP funds:** Major Reconstruction of Obsolete Project funds awarded by HUD to PHAs for rehabilitation of public housing projects. MROP funds may be used in mixed-finance projects provided such use has been approved by HUD.

**NOFA:** Notice of Funding Availability, published in the Federal Register to announce available funds and application requirements.

**Public housing unit:** A unit that is eligible to receive operating subsidy pursuant to section 9 of the Act (42 U.S.C. 1437g).

100 percent Public Housing Units: Dwelling units where 100 percent of the rehabilitation or new construction is financed with PH funds (HOPE VI, Development, CGP, CIAP, and/or MROP funds) only. These units are under ACC and receive operating subsidy, must serve persons who are public housing eligible, and must comply with public housing regulations.

Public Housing/Low-Income Housing Tax Credit Units: Units that are funded with PH funds (HOPE VI, Development, CGP, CIAP, and/or MROP funds) and with equity from the Low-Income Housing Tax Credits (LIHTC). These units are under ACC and receive operating subsidy; however, they also must comply with requirements of the LIHTC program.

**Replacement Units:** Public housing units, funded with or without other sources of funds, on- or off-site, that will be placed under ACC, or that will be sold to homeowners under section 32, Nehemiah, HOPE I, II, or III, or other eligible homeownership programs. The number of replacement public housing units may not exceed the number of original units in the project.

**Reconfiguration:** Altering the physical structure of a unit during the course of rehabilitation. (e.g., creating 5 2-bedroom units from 10 1-bedroom units or converting dwelling units to non-dwelling units.)

**Section 3:** Section 3 of the Housing and Urban Development Act of 1968. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal State, and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons. Program regulations are at 24 CFR part 135.

**Special Application Center (SAC):** Located in Chicago, the HUD SAC is a centralized office that accepts, reviews, and approves applications for demolition, disposition, designated housing plans, and other types of applications. Click on "Demolition/Disposition" on the HOPE VI Home Page to access information on the SAC and its functions.

**Total Development Cost Limits (TDC):** A limit on the use of HUD funds for the total cost of development, including relocation costs. TDCs are limited by the HUD-published TDC Cost Tables, which are issued for each fiscal year for the building type and bedroom distribution for the public housing replacement units. HOPE VI Grantees may use any non-HUD funds to supplement HUD funds for any project cost. The costs of Community and Supportive Services, demolition and remediation of unreplaced on-site units, and extraordinary site costs are not included in the TDC calculation. See the TDC Chapter of this Guidebook for details.

**Very Low Income:** Households with income that does not exceed 50 percent of HUD's published area median income standards, as adjusted for household size.

**Visitability:** You are encouraged to incorporate visitability standards where feasible in new construction and substantial rehabilitation projects, both rental and for-sale. Visitability standards allow a person with mobility impairments access into the home, but do not require that all features be made accessible. The two standards of visitability are:

1. at least one entrance to the home is at grade (no steps), approached by an accessible route such as a sidewalk; and
2. the entrance door and all interior passage doors are at least 2 feet 10 inches wide, allowing 32 inches of clear passage space.

Allowing use of 2'10" doors is consistent with the Fair Housing Act (at least for the interior doors), and may be more acceptable than requiring the 3 foot doors that are required in fully accessible areas under the Uniform Federal Accessibility Standards (UFAS) for a small percentage of units. A visitable home also serves persons without disabilities, such as a mother pushing a stroller, or a person delivering a large appliance. Copies of the UFAS are available from the Office of Fair Housing and Equal Opportunity, U.S. Department of Housing and Urban Development, Room 5230, 451 Seventh Street, SW, Washington, DC 20410. More information on accessibility, adaptability, and visitability may be obtained by calling HUD on (202) 708-2333 or the TTY telephone number, 1-800-877-8339 (Federal Information Relay Service). The website is [www.hud.gov/fairhsg1.html](http://www.hud.gov/fairhsg1.html)



## HUD HOPE VI PROGRAM AUTHORITY AND FUNDING HISTORY

HOPE VI was a direct result of the report of the National Commission on Severely Distressed Public Housing, submitted to Congress on August 10, 1992. In their "NATIONAL ACTION PLAN," the Commission determined that about 6 percent of the 1.4 million existing public housing dwellings (about 86,000 units) was in "severely distressed" condition, and recommended that this small portion of the total inventory be eradicated by the year 2000. The Commission estimated the cost of removing and replacing the 86,000 units at \$7.5 billion in 1992 dollars, and recommended that Congress fund a 10-year program at approximately \$750 million per year.

Congress responded immediately to the Commission's report, and on October 6, 1992, appropriated the first \$300 million for what was originally called the "Urban Revitalization Demonstration" and which is now known as HOPE VI. Whereas most programs are both authorized and appropriated by Congress, HOPE VI has operated through appropriations only. Accordingly, HUD administered those grants not by program regulation but by each Fiscal Year's Notice of Funding Availability (NOFA), as published in the Federal Register, and the Grant Agreement executed between each recipient and HUD.

HOPE VI was authorized for the first time in FY 1999, when the Quality Housing and Work Responsibility Act of 1998 (Public Housing Reform Act) amended section 24 of the 1937 Act. The provisions of the Public Housing Reform Act were incorporated into the FY 1999 NOFA.

### HOPE VI GRANT FUNDING

	DOLLAR AMOUNT	NUMBER OF GRANTS
Planning	\$ 14,752,081	35
Revitalization	3,541,195,771	131
Demolition-Only	168,349,558	108
<b>TOTAL</b>	<b>\$3,724,297,410</b>	<b>274</b>

## FY 1993 and FY 1994

The Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993 (Pub.L. 102-389) (the 1993 Appropriations Act) made \$300 million available for Planning and Implementation grants to PHAs in the 40 most populous cities in the U.S., or in any city whose PHA was on HUD's current troubled housing authority list. A NOFA was published on January 4, 1993 and revised and restated on March 29, 1993. On May 4, 1993 the deadline was extended to May 26, 1993. 41 applications were received by HUD: 31 requested \$1,211,209,603 for Implementation and 10 requested \$4,465,472 for Planning. On August 26, 1993, 2 Planning and 6 Implementation applications received full funding and 7 Implementation applications received partial funding.

The FY 1994 Appropriations Act (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Bill, 1994, Pub.L. 103-124, approved on October 28, 1993) provided an additional \$778.24 for HOPE VI. Of that amount, \$2.5 million was allocated for technical assistance, and \$20 million was allocated for the Youthbuild program, leaving \$755.74 million available to fund new HOPE VI grants. The appropriation required that all FY 1994 funds be used to be made available only to fund applications submitted for the FY 1993 competition. On November 19, 1993, the 7 partially-funded applications from FY 1993 were fully funded, and 6 new Planning and 13 new Implementation grants were fully funded from the FY 1994 appropriation. A total of 13 Implementation grants totalling \$543,836,418 and 2 Planning grants totalling \$1 million were awarded as FY 1993 grants. 13 Implementation grants totalling \$507,838,089 and 6 Planning grants totalling \$2,725,472 were awarded as FY 1994 grants. 34 grants totalling \$1,055,399,979 were awarded in FY 1993 and FY 1994.

## FY 1995

The FY 1995 Appropriations Act (Public Law 103-327, approved September 28, 1994) provided \$500 million for HOPE VI. Of that amount, \$2.5 million was allocated for technical assistance, leaving \$497.5 available for HOPE VI Planning and Implementation grants. In all, 40 grants totalling \$496,877,472 were awarded in FY 1995.

### **First Round Implementation Grants**

A letter from HUD dated January 9, 1995 invited the 8 Planning grantees from FY 1993 and 1994 to apply for Implementation grants. Those first round Implementation grants, totalling \$349,999,018, were awarded on January 19, 1995.

### **Planning Grants**

A letter from HUD dated February 3, 1995 invited all eligible PHAs to apply for new Planning and Implementation grants. Applications for Planning grants were due to HUD on February 28, 1995. On May 22, 1995, \$10,726,609 was awarded on a non-competitive basis to 27 PHAs for Planning grants of \$400,000 apiece.

## Second Round Implementation Grants

Applications for Implementation grants were due to HUD on April 17, 1995. Six finalists were invited to submit revised submissions by August 30, 1995. On September 28, 1996, 5 PHAs were awarded second round Implementation grants totalling \$103,257,000.

## Amendment Funds

In addition, \$32,894,845 in amendment funds were awarded to 10 current grantees. Of this amount, \$1 million was awarded to each of 5 Implementation Grantees on May 24, 1995 to implement Campus of Learners programs.

## FY 1996

The FY 1996 Appropriations Act (The Omnibus Consolidated Rescissions and Appropriation Act of 1996, Pub.L. 104-134, approved April 26, 1996) allocated \$480 million for HOPE VI. Of that amount, \$3,216,000 was allocated for technical assistance, leaving \$476,784,000 available for HOPE VI grants. A NOFA was issued on July 22, 1996. 138 applications were received on the September 10, 1996 due date. 44 grants totalling \$476,784,000 were awarded on October 8, 1996.

## Implementation

20 grants totalling \$403,313,070 were awarded for the demolition of 9,007 units of obsolete public housing and the revitalization of 9,051 new or rehabilitated mixed-income units.

## Demolition

24 grants totalling \$73,470,930 were awarded for the demolition of obsolete public housing units. These HOPE VI grants were contingent on the approval of demolition applications that were submitted with the HOPE VI applications. Two of the demolition applications were not subsequently approved, and the two corresponding HOPE VI Demolition grants were recaptured, leaving a total of 22 grants that funded the demolition of 7,588 units. The final amount awarded after the recapture of the two grants and a reduction in another was \$69,571,850.

## FY 1997

The FY 1997 Appropriations Act (The Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Pub.L. 104-204, approved September 26, 1996) allocated \$550 million under the heading "Revitalization of Severely Distressed Public Housing." \$2.5 million was allocated for Technical Assistance. The total amount awarded for HOPE VI grants in FY 1997 was \$498,310,108.

### **Revitalization**

The NOFA announcing HOPE VI Revitalization funding was published on April 14, 1997, and 127 applications requesting over \$2 billion were received on the July 18, 1997 due date. 23 Revitalization grants were awarded on October 3 (Florida grants) and October 10, 1997, totalling \$497,355,108.

### **Demolition-only**

The NOFA announcing the \$30 million in Demolition-only funding was published on June 3, 1997, and a clarification was published on July 31. 21 applications requesting \$2.5 million were received on the August 4 due date. The four Demolition-only grants awarded on October 10, totalled \$955,000 and funded the demolition of 191 units of obsolete public housing

## FY 1998

The FY 1998 Appropriations Act (The Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act, 1998, Pub.L. 105-65, approved October 27, 1997) allocated \$550 million under the heading "Revitalization of Severely Distressed Public Housing (HOPE VI)." \$10 million was allocated for technical assistance and contract expertise. The appropriation also allocated \$26,000,000, including up to \$10,000,000 for Heritage House in Kansas City, Missouri, for the demolition of obsolete elderly public housing projects and the replacement, where appropriate, and the revitalization of the elderly public housing as new communities for the elderly designed to meet the special needs and physical requirements of the elderly.

### **Revitalization**

The HOPE VI NOFA was published on March 31, 1998, in tandem with the first of three SuperNOFAs issued by the Department in FY 1998. 101 applications requesting \$1.9 billion were received by the June 29, 1998 due date. 20 HOPE VI Revitalization grants were announced on August 24, 1998, totalling \$507 million.

### **Elderly Revitalization**

\$26 million was announced in the Revitalization NOFA for grants to revitalize elderly developments. Although 8 applications requesting \$32,805,961 were received, none were awarded. Two did not meet threshold, and the others did not propose demolition. HUD interpreted the statutory language to require demolition as a component of elderly housing revitalization.

The FY 1999 HOPE VI appropriation included a clarification from Congress that demolition was not required for HOPE VI Elderly Revitalization grants, and directed HUD to review applications without regard to any proposed demolition. HUD did so, and on February 3, 1999, awarded five Elderly Revitalization grants totalling \$21,135,722.

The FY 1998 appropriation had earmarked \$10 million for the Heritage House development in Kansas City. The project had already been funded for \$6,570,500 from FY 1997 HOPE VI funds. The additional \$3,429,500 was awarded from the FY 1998 Elderly setaside in July 1999.

### **Demolition-only**

Approximately \$60 million was announced in a separate NOFA published on March 31, 1998. Funds were to be distributed on a first-come, first-served basis, with each application assigned an Ordinal corresponding to the date received. The NOFA categorized eligible applicants into three Priority Groups.

The application deadline was September 3, 1998. 74 applications requesting \$101.9 million were received. 19 qualified in Priority Group 1, 16 in Priority Group 2, and 22 in Priority Group 3. 15 other applications were deemed ineligible. On November 24, 1998, \$57,426,656 was awarded to 32 housing authorities for 50 grants. All of the eligible applications in Priorities 1 and 2 were funded, and all but the last 7 applications in Priority 3 were funded. The grant funds were earmarked for the demolition of approximately 11,100 units of severely distressed public housing.

## FY 1999

On October 21, 1998, the Appropriations Act for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies, 1999 was signed into law. The funding for HOPE VI Revitalization and Demolition grants was provided under the heading "Revitalization of Severely Distressed Public Housing (HOPE VI)." A total of \$625 million was appropriated for HOPE VI, including amounts for Revitalization grants, Demolition grants, technical assistance, and section 8.

Attached to the Appropriations Act was the Quality Housing and Work Responsibility Act of 1998 (Public Housing Reform Act) (Pub.L. 105-276, 112 Stat. 2461. Section 535 of the Public Housing Reform Act amended section 24 of the 1937 Act, creating an authorization of the HOPE VI Program.

A NOFA announcing the availability of \$583,050,000 (\$523,050,000 for Revitalization grants and \$60 million for Demolition grants) was published as part of HUD's SuperNOFA on February 26, 1999. The NOFA implemented the requirements of section 24 that Congress specified to be for immediate effect.

### **Revitalization**

80 applications for Revitalization grants requesting \$1.78 billion were received by the May 27, 1999 deadline. 21 grants totalling \$571,287,001 were awarded in September 1999. The grants will allow housing authorities to demolish 9,815 units of severely distressed public housing, rehabilitate 408 units, and create 3,720 new units of public housing and 1,359 units of homeownership housing.

### **Demolition**

The original deadline of May 6, 1999 was extended to July 29, 1999 in a Notice published in the Federal Register on April 27. The reason for the extension was that the Housing Reform Act required that in order for a demolition application to be approved after October 28, 1999, the effective date of the law, a PHA must have "specifically authorized the demolition or disposition in the public housing agency plan. . ." Prior to the submission of a PHA Plan, which is due in the year 2000, a PHA was given the option of submitting an Interim Plan for Demolition. The regulation also requires that a PHA hold a public meeting on the PHA Plan or Interim Demolition Plan to obtain public comment. The public must be notified no later than 45 days prior to the hearing that the public meeting is to take place. Because of the extended time required to prepare an Interim Plan, hold a public hearing and obtain HUD Field Office approval of the Plan, it was determined that a PHA would not have sufficient time to get a new demolition application approved given the original due date.

52 applications requesting \$64,878,987 were received by the July 29 deadline. Although the funds were announced to be distributed on a first-come, first-served basis by Priority Group, all 32 eligible applications were funded at a total of \$40,738,389. The grants will enable 27 housing authorities to demolish 6,788 units of obsolete public housing. Of the remainder, \$18,950,861 was reallocated for HOPE VI Revitalization grants, as provided for in the NOFA. The FY 99 Demolition grants were awarded in September 1999.

## HOPE VI FUNDING HISTORY

FY	Planning	#	Implementation/ Revitalization	#	Demo Only	#	Total	#
1993	1,000,000	2	299,000,000	6			300,000,000	8
1994	2,725,472	6	752,674,507	20			755,399,979	26
1995	10,726,609	27	349,999,018 (1st round)	8			496,877,472	40
1995	300,000 (amendment)		103,257,000 (2nd round)	5				
1995			32,594,845 (amendments)					
1996			403,463,070	20	69,571,850	22	473,034,920	42
1997			497,355,108	23	955,000	4	498,310,108	27
1998			507,000,000	22	57,084,319	50	564,084,319	72
1998			24,565,222 (elderly)	6			24,565,222	6
1999			571,287,001	21	40,738,389	32	612,025,390	53
TOTAL	14,752,081	35	3,541,195,771	131	168,349,558	108	3,724,297,410	274

Note on FY 93 and 94 Grants: 2 Planning grants and 6 Implementation grants were fully funded, and 7 Implementation grants were partially funded with FY 93 funds. In accordance with the FY 94 appropriation, the 7 partially-funded FY 93 grants received FY 94 funds to fully fund them. 4 Planning grants and 13 Implementation grants were fully funded from FY 94 funds.

Note on FY 95 Grants: 1st Round HOPE VI Implementation grants were automatically awarded to the 8 previous HOPE VI Planning grantees. 2nd Round HOPE VI Implementation grants were awarded by competition.

Note on FY 98 Grants: Congress included a setaside of \$26 million for HOPE VI grants to revitalize severely distressed projects that serve the elderly.



## HOPE VI APPROPRIATIONS

### FY 1993 APROPRIATION ACT

H.R. 5679, Public Law 102-389, Approved on October 6, 1992

TITLE II  
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
Housing Programs

HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE  
GRANTS (HOPE GRANTS)

Furthermore, \$300,000,000 shall be for grants to carry out an urban revitalization demonstration program involving major reconstruction of severely distressed or obsolete public housing projects, to be administered by local public housing agencies:

**Provided,** That such funding shall be made available to up to 15 cities selected from either the 40 most populous United States cities or, from any city whose housing authority was considered to have been on the Department's troubled housing authorities list as of March 31, 1992:

**Provided further,** That no more than \$50,000,000 shall be provided to each participating municipality:

**Provided further,** That no more than 500 units shall be funded for each participating city and such units shall be located in up to 3 separately defined areas containing the community's most severely distressed projects, including family high-rise projects:

**Provided further,** That at least 80 per centum of the funding provided to each participating public housing agency shall be used for the capital costs of major reconstruction, rehabilitation and other physical improvements, for the capital costs of replacement units and for certificates under section 8(b) used for replacement and for management improvements for the reconstructed project and for planning and technical assistance purposes and not more than 20 per centum shall be used for community service programs (as defined by the Commission on National and Community Service) and for supportive services, including, but not limited to, literacy training, job training, day care, youth activities, administrative expenses, and the permissive and mandatory services authorized under the Gateway Program established in the Family Support Centers demonstration program, provided for in 42 U.S.C. 11485e-f:

**Provided further,** That each participating city shall make contributions for supportive services in an amount equal to 15 per centum of the funding provided for supportive services pursuant to the immediately preceding proviso:

**Provided further,** That all such contributions from participating jurisdictions for supportive services shall be derived from non-Federal sources:

**Provided further,** That each participating community shall submit a plan for program implementation which is consistent with the local comprehensive housing affordability strategy prepared pursuant to section 105 of the Cranston-Gonzalez National Affordable Housing Act and which has the approval of the local governing body:

**Provided further,** That each plan shall include a community services component, but no funds are to be disbursed pursuant to this paragraph until such community services program has been approved by the Commission on National and Community Service:

**Provided further,** That funds made available pursuant to this paragraph may be used in conjunction with, but not in lieu of, funding provided under the head "Modernization of Low-Income Housing Projects" for the modernization of existing public housing projects pursuant to section 14 of the Act (42 U.S.C. 14371); for construction or major reconstruction of obsolete public housing, other than for Indian families; for the replacement of public housing units pursuant to section 18 of the Act; and for the HOPE for Public and Indian Housing Homeownership program as authorized under title III of the Act:

**Provided further,** That notwithstanding the provisions of section 18(b)(3) of the Act, units demolished, disposed of or otherwise eliminated under this demonstration may be replaced as follows: one-third by certificates under section 8(b) and the balance by any combination of conventional public housing and units acquired or otherwise provided for homeownership under section 5(h) of the Act, housing made available through housing opportunity programs of construction or substantial rehabilitation of homes meeting essentially the same eligibility requirements as those established pursuant to sections 603-607 of the Housing and Community Development Act of 1987 (Public Law 100-242), or under the HOPE II or III programs, as established under sections 421 and 441 of the Cranston-Gonzalez National Affordable Housing Act; persons displaced by the reconstruction activities provided for herein shall be eligible for these replacement units:

**Provided further,** That, in order to be eligible for funding under this paragraph, applications for funding must be received within 180 days from the date the Notice of Funds Availability is published in the Federal Register:

**Provided further,** That the Secretary of the Department of Housing and Urban Development shall issue a notice of funds availability within 90 days of enactment of this paragraph:

**Provided further,** That the Secretary shall determine which cities have been selected to participate in the program within 90 days of the timely receipt of the last eligible application:

**Provided further,** That housing authorities, in submitting their application for funds under this paragraph, shall identify all severely distressed public housing developments, using the criteria set forth by the National Commission on Severely Distressed Public Housing:

**Provided further,** That nothing in this paragraph shall prohibit the Secretary from conforming the program standards and criteria set forth herein, with subsequent authorization legislation that may be enacted into law:

**Provided further,** That the authority in the immediately preceding proviso shall not apply to any legislation that excludes or otherwise limits self-sufficiency or community service activities set forth in this paragraph, or authorize reallocation of amounts available for obligation which are included in this paragraph:

**Provided further,** That any troubled housing authority that applies for funds under this paragraph, shall not be eligible if the Secretary certifies to the Congress that they are not making substantial progress to eliminate their troubled status in accordance with section 6(j) of the Housing Act of 1937, as amended:

**Provided further,** That in the event that communities applying for funding under this paragraph also request funding under any other HOPE program authorized under title III or title IV of the Cranston-Gonzalez National Affordable Housing Act, the Secretary shall process such applications concurrently and in an expeditious manner:

**Provided further,** That, in the event that any application received from the cities initially selected to participate in this program is determined to be unacceptable, the Secretary shall select another city from the 40 most populous United States cities to receive funding under this paragraph:

**Provided further,** That, in the event that communities selected to receive funding do not proceed in a manner consistent with the plan approved for that community, the Secretary may withdraw any unobligated balances of funding made available pursuant to this paragraph and distribute such funds to other eligible communities.

## FY 1994 APPROPRIATION ACT

H.R. 2491, Public Law 103-124, Approved on October 28, 1993

### SEVERELY DISTRESSED PUBLIC HOUSING PROJECTS

For the urban revitalization demonstration program under the third paragraph under the head "Homeownership and Opportunity for People Everywhere grants (HOPE grants)" in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993, Public Law 102-389, 106 Stat. 1571, 1579, \$778,240,000, to remain available until expended:

**Provided**, That notwithstanding the first proviso in such third paragraph, the Secretary shall have discretion to approve funding for more than fifteen applicants:

**Provided further**, That no part of the foregoing amount that is used for the urban revitalization demonstration program shall be made available for an application that was not submitted to the Secretary by May 26, 1993:

**Provided further**, That of the foregoing \$778,240,000, the Secretary may use up to \$2,500,000 for technical assistance under such urban revitalization demonstration, to be made available directly, or indirectly under contracts or grants, as appropriate:

**Provided further**, That nothing in this paragraph shall prohibit the Secretary from conforming the program's standards and criteria set forth herein, with subsequent authorization legislation that may be enacted into law:

**Provided further**, That of the \$778,240,000 made available under this heading, \$20,000,000 shall be made to eligible grantees under the urban revitalization demonstration program, to implement programs authorized under subtitle D of title IV, and of which, \$10,000,000 shall be made for youth apprenticeship training activities for joint labor-management organizations pursuant to section 3(c)(2)(B) of the Housing and Urban Development Act of 1968, as amended.

## FY 1995 APPROPRIATION ACT

H.R. 4626, Public Law 103-327, Approved on September 28, 1994

### SEVERELY DISTRESSED PUBLIC HOUSING

For the HOPE VI/urban revitalization demonstration program under the third paragraph under the head "Homeownership and Opportunity for People Everywhere grants (HOPE grants)" in the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993, Public Law 102-389, 106 Stat. 1571, 1579, \$500,000,000, to remain available until expended:

**Provided**, That notwithstanding the first proviso of such third paragraph, the Secretary shall have discretion to approve funding for more than fifteen applicants:

**Provided further**, That notwithstanding the third proviso of such third paragraph, the Secretary may provide funds for more than 500 units for each participating city:

**Provided further**, That in selecting HOPE VI implementation grants recipients in fiscal year 1995, the Secretary must first award such grants to those cities or jurisdictions which have received HOPE VI planning grants in fiscal year 1993 or fiscal year 1994:

**Provided further**, That the requirement of the immediately preceding proviso shall not limit the Secretary's discretion to limit funding to amounts he deems appropriate, nor shall it prevent the Secretary from guaranteeing that all implementation grant recipients conform with the requirements of the HOPE VI/ urban revitalization demonstration program:

**Provided further**, That of the foregoing \$500,000,000, the Secretary may use up to \$2,500,000 for technical assistance under such urban revitalization demonstration, to be made available directly, or indirectly, under contracts or grants, as appropriate:

**Provided further**, That nothing in this paragraph shall prohibit the Secretary from conforming the program standards and criteria set forth herein, with subsequent authorization legislation that may be enacted into law.

## FY 1996 APPROPRIATION ACT

Public Law 104-134, Approved on April 26, 1995

Omnibus Consolidated Rescissions and Appropriation Act of 1996

### PUBLIC HOUSING DEMOLITION, SITE REVITALIZATION, AND REPLACEMENT HOUSING GRANTS

For grants to public housing agencies for the proposes of enabling the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentration of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937 for the purpose of providing replacement housing and assisting tenants to be displaced by the demolition, \$480,000,000, to remain available until expended;

**Provided**, That the Secretary of Housing and Urban Development shall award such funds to public housing agencies based upon, among other relevant criteria, the local and national impact of the proposed demolition and revitalization activities and the extent to which the public housing agency could undertake such activities without the additional assistance to be provided hereunder;

**Provided further**, That eligible expenditures hereunder shall be those expenditures eligible under section 9 and section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437f and I);

**Provided further**, That the Secretary may impose such conditions and requirements as the Secretary deems appropriate to effectuate the proposes of this paragraph;

**Provided further**, That the Secretary may require and agency selected to receive funding to make arrangements satisfactory to the Secretary for use of an entity other than the agency to carry out this program where the Secretary determines that such action will help to effectuate the propose of this paragraph;

**Provided further**, That in the event an agency selected to receive funding does not proceed expeditiously as determined by the Secretary, the Secretary shall withdraw andy funding made available pursuant to this paragraph that has not been obligated by the agency and distribute such funds to one or more other eligible agencies, or to other entities capable of proceeding expeditiously in the same locality with the original program;

**Provided further**, That of the foregoing \$480,0000, the Secretary may use up to .67 per centum for technical assistance, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents;

**Provided further**, That any replacement housing provided with assistance under this head shall be subject to section 1809 of the United States Housing Act of 1937, as amended by section 201(b(2) of this Act.

## FY 1997 APPROPRIATION ACT

H.R. 3666, Public Law 104-204, Approved on September 26, 1996

Department of Veterans Affairs and  
Housing and Urban Development and Independent Agencies  
Appropriation Act, 1997

### REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING

For grants to public housing agencies for assisting in the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937; and for providing replacement housing and assisting tenants to be displaced by the demolition, \$550,000,000, to remain available until expended, of which the Secretary may use up to \$2,500,000 for technical assistance, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents;

**Provided**, That no funds appropriated in this title shall be used for any purpose that is not provided for herein, in the Housing Act of 1937, in the Appropriations Acts for Veterans Affairs, Housing and Urban Development, and Independent Agencies for the fiscal years 1993, 1994, and 1995, and the Omnibus Consolidated Rescissions and Appropriations Act of 1996;

**Provided further**, That none of such funds shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein;

**Provided further**, That, notwithstanding any other provision of law, the funds made available to the Housing Authority of, under HOPE VI for purposes of Desire Homes, shall not be obligated or expended for on-site construction until an independent third party has determined whether the site is appropriate.

## FY 1998 APPROPRIATION ACT

Public Law 105-65, Approved on October 27, 1997  
H.R. 2158, 111 Stat 1344

Departments of Veterans Affairs and  
Housing and Urban Development, and Independent Agencies  
Appropriation Act, 1998

### REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

For grants to public housing agencies for assisting in the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937; and for providing replacement housing and assisting tenants displaced by the demolition, \$550,000,000, to remain available until expended, of which the Secretary may use up to \$10,000,000 for technical assistance and contract expertise, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents;

**Provided,** That of the amount made available under this heading, \$26,000,000 shall be made available, including up to \$10,000,000 for Heritage House in Kansas City, Missouri, for the demolition of obsolete elderly public housing projects and the replacement, where appropriate, and the revitalization of the elderly public housing as new communities for the elderly designed to meet the special needs and physical requirements of the elderly;

**Provided further,** That no funds appropriated in this heading shall be used for any purpose that is not provided for herein, in the Housing Act of 1937, in the Appropriations Acts for Veterans Affairs, Housing and Urban Development, and Independent Agencies, for the fiscal years 1993, 1994, 1995, and 1997, and the Omnibus Consolidated Rescissions and Appropriations Act of 1996;

**Provided further,** That none of such funds shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein.

## FY 1999 APPROPRIATION ACT

H.R. 4194, Public Law 105-276, Approved on October 21, 1998

Departments of Veterans Affairs and  
Housing and Urban Development, and Independent Agencies  
Appropriation Act, 1999

### TITLE II - DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

#### Public and Indian Housing

#### REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

For grants to public housing agencies for assisting in the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937; and for providing replacement housing and assisting tenants displaced by the demolition (including appropriate homeownership down payment assistance for displaced tenants), \$625,000,000, to remain available until expended, of which the Secretary may use up to \$15,000,000 for technical assistance and contract expertise, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents;

**Provided,** That no funds appropriated in this heading shall be used for any purpose that is not provided for herein, in the Housing Act of 1937, in the Appropriations Acts for Veterans Affairs, Housing and Urban Development, and Independent Agencies, for the fiscal years 1993, 1994, 1995, 1997, and 1998, and the Omnibus Consolidated Rescissions and Appropriations Act of 1996;

**Provided further,** That for purposes of environmental review pursuant to the National Environmental Policy Act of 1969, a grant under this heading or under prior appropriations shall be treated as assistance under title I of the United States Housing Act of 1937 and shall be subject to the regulations issued by the Secretary to implement section 26 of such Act;

**Provided further,** That none of such funds shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein.

