

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

PROGRAM PERFORMANCE

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004
Strategic Goal A: Promote decent affordable housing.			
Discretionary BA (Dollars in Thousands)	\$573,735	\$574,000	\$0
FTE			
Headquarters	58	62	62
Field	110	110	110
Subtotal	168	172	172
S&E Cost (Dollars in Thousands)			
Personal Services	\$14,919	\$15,728	\$16,152
Travel	434	300	300
Rent, Communications & Utilities	0	0	0
Printing	76	83	84
Supplies	10	9	9
Subtotal	15,439	16,120	16,545
Strategic Objective A.2: Improve the physical quality and management accountability of public and assisted housing.			
Indicator: The HOPE VI Revitalization Development program for public housing relocates 3,300 families, demolishes 4,000 units, completes 6,900 new and rehabilitated units, and occupies 6,200 units. (also appears as 4.2.c)	4,986; 8,787; 6,583; 6,123	3,160; 3,905; 6,821; 6,201	3,300; 4,000; 6,900; 6,200
Indicator: As part of the effort to eliminate 100,000 units of the worst public housing, demolish 10,000 units during fiscal year 2004.	15,065	13,000	10,000

EXPLANATION OF PERFORMANCE

Performance/Means and Strategies

The Revitalization of Severely Distressed Public Housing (HOPE VI) program is the primary funding source for the demolition and revitalization of severely distressed public housing. HOPE VI was launched as part of an effort to demolish 100,000 of the most distressed public housing units.

No budget authority is requested for the HOPE VI Program for fiscal year 2004 although \$16.5 million in S&E is request to support ongoing activities related to previous rounds of funding. The fiscal year 2004 goals for this program are to be accomplished with fiscal year 2003 grant awards and prior year funding.

Revitalization of Severely Distressed Public Housing

Strategic Objective A.2: Improve the Physical Quality and Management Accountability of Public and Assisted Housing.

Programmatic Output Indicator: The HOPE VI Revitalization program for public housing relocates 3,300 households, demolishes 4,000 units, completes 6,900 new and rehabilitated units, and occupies 6,200 units.

The primary goal of the HOPE VI program is to eliminate the worst public housing by demolishing unsustainable developments and rebuilding communities in accordance with community-sensitive principles. This indicator tracks the implementation of HOPE VI redevelopment plans in terms of four key outputs: households relocated to permit redevelopment, units demolished, new and rehabilitated units completed, and units occupied. The goals reflect planned achievements based on HOPE VI plans submitted to HUD by PHAs.

In fiscal year 2002, the HOPE VI Revitalization program for public housing exceeded its redevelopment plans in three of the four key outputs. The HOPE VI Revitalization program relocated an additional 237 families, a 5 percent increase from its targeted goal, resulting in the relocation of 4,986 families to permit redevelopment. An additional 1,098 new and rehabilitated units were completed, a 20 percent increase from its targeted goal, resulting in a total of 6,583 new and rehabilitated units. An additional 1,136 units were occupied, a 23 percent increase from the 2002 goal, resulting in a total of 6,123 units occupied. Though the HOPE VI Revitalization program demolished nearly a quarter fewer units than projected, 8,787 units were demolished.

The HOPE VI program is a highly complex and ambitious program. Much of the program's success originates from the use of a mixed finance approach to development, though this approach can be a challenge for PHAs to coordinate. Because the projected performance goals are determined two years in advance, the projections often do not reflect any significant changes or set-backs experienced by a PHA in the intervening years, such as unanticipated delays in the extensive planning and partnering process, unforeseen environmental conditions, and lawsuits. Such influencing factors can contribute to a delay in the number of demolitions completed. Despite such influencing factors, the PHAs' and program office's ability to manage and monitor these projects has improved continuously over the life of the program.

The HOPE VI program continues to emphasize timeliness and accountability in the implementation of HOPE VI grants. The primary tools for achieving these objectives include vigilant management and monitoring of grants by grant managers, holding PHAs accountable to following their program schedule, extensive use of the Quarterly Progress Reporting System in the all aspects of the HOPE VI program, risk assessment of grantees, trainings and workshops for grantees, and a range of program and policy guidance. At the end of fiscal year 2002, a cumulative total of 44,744 families had been relocated; 55,614 units had been demolished; 21,022 units (new and rehabilitated) had been completed; and 19,742 completed units had been occupied.

Programmatic Output Indicator: As part of the effort to eliminate 100,000 units of the worst public housing, demolish 10,000 units during fiscal year 2004.

By the end of fiscal year 2004, HUD intends to demolish 100,000 units of severely distressed public housing, including 15,065 units already demolished in fiscal year 2002. The demolition of distressed housing stock often serves as a prerequisite for the reconstruction and the relocation of families to safer and a more humane environment. Otherwise, families may occupy troubled stock that is physically uninhabitable with severe maintenance problems. Additionally, these ill-designed developments attract crime and drain valuable housing authority resources because of costly operations. In fiscal year 2002, HUD exceeded its annual goal by 16 percent by demolishing 15,065 units instead of 13,000 units. This rate represents a 6.5 percent increase from fiscal year 2001 in which 14,144 units were demolished. Through fiscal year 2002, a cumulative 88,922 units of the targeted 100,000 units have been demolished.

Data for this indicator do not strictly represent the number of units demolished during the fiscal year because PHAs regularly provide updates that identify demolished units that had not been recorded previously, even from a prior fiscal year. Therefore, the data represents the change in the cumulative units that are reported as demolished as of the end of the current fiscal year. The measurement captures reporting as of October 14, 2002, for the period ending September 30, 2002.

Resource Management Information

No additional budget authority is requested in fiscal year 2004 for this program. No change in FTEs from fiscal year 2003 levels is requested.