

PUBLIC AND INDIAN HOUSING
REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)
2011 Summary Statement and Initiatives
(Dollars in Thousands)

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2009 Appropriation	\$120,000	\$1,224	...	\$121,224	\$2,973	\$316,616
2010 Appropriation/Request	200,000 ^{a/}	118,251	...	318,251	128,251	289,000
2011 Request .....	...	<u>188,000</u>	...	<u>188,000</u>	<u>123,000</u>	<u>262,000</u>
Program Improvements/Offsets	-200,000	+69,749	...	-130,251	-5,251	-27,000

a/ The fiscal year 2010 Appropriation includes a \$2 million non-expenditure transfer to the Transformation Initiative. These amounts are excluded from carryover, obligations and outlays in this account but reflected in the Transformation Initiative account.

Summary Statement

No additional funds are requested for the Revitalization of Severely Distressed Public Housing (HOPE VI) program in fiscal year 2011. Instead, the Department will continue to build on the success of the HOPE VI program through the continued implementation of its Choice Neighborhoods Initiative. This initiative supports a range of interventions in neighborhoods of extreme poverty; particularly those neighborhoods characterized by a substantial presence of HUD public and assisted housing. The initiative challenges public, private and non-profit partners to identify the intervention (public or assisted housing transformation, bulk purchase and renovation of vacant privately owned stock, provision of vouchers, support for neighborhood retail and business expansion) that would have the largest return on Federal investment in what are essentially Federal enclaves of concentrated poverty.

As provided in Public Law 111-117, \$65 million of the fiscal year 2010 HOPE VI appropriation may be available for a demonstration of the Choice Neighborhoods Initiative. Thus, the Department will issue separate NOFAs and run separate competitions for the HOPE VI program and Choice Neighborhoods Initiative demonstration in fiscal year 2010. Choice Neighborhood grants will fund the transformation, rehabilitation and replacement of both public housing and HUD-assisted housing and transform neighborhoods of poverty into functioning, sustainable mixed-income neighborhoods.

The Department will continue to focus on the efficient completion of the existing pipeline of HOPE VI grants. To meet the expenditure deadline requirement, the Department will continue to award expediter contracts and provide technical assistance to HOPE VI grantees that face significant challenges in implementing their Revitalization Plans. In addition, the Department reinstated and continues to enhance the HOPE VI Grants Management system, enabling the Department to provide detailed status reports for each of the HOPE VI grantees.

Initiatives

No funding is requested for the existing HOPE VI program in fiscal year 2011.

Revitalization of Severely Distressed Public Housing

PUBLIC AND INDIAN HOUSING
REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)
Summary of Resources by Program
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2009 Budget Authority</u>	<u>2008 Carryover Into 2009</u>	<u>2009 Total Resources</u>	<u>2009 Obligations</u>	<u>2010 Budget Authority/ Request</u>	<u>2009 Carryover Into 2010</u>	<u>2010 Total Resources</u>	<u>2011 Request</u>
Revitalization Grants .	\$117,600	\$473	\$118,073	...	\$123,000	\$118,073	\$241,073	...
Choice Neighborhoods Initiative .....	...	...	...	...	65,000	...	65,000	...
Technical Assistance ..	2,400	751	3,151	\$2,973	10,000	178	10,178	...
Transformation Initiative .....	...	...	...	...	<u>2,000</u>	...	<u>2,000</u>	...
Total	120,000	1,224	121,224	2,973	200,000	118,251	318,251	...
<u>FTE</u>	<u>2009 Actual</u>	<u>2010 Estimate</u>	<u>2011 Estimate</u>					
Headquarters	42	28	21					
Field	<u>21</u>	<u>16</u>	<u>12</u>					
Total	63	44	33					

**PUBLIC AND INDIAN HOUSING
REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING
Program Offsets
(Dollars in Thousands)**

Revitalization Grants	<u>Amount</u>
2009 Appropriation	\$117,600
2010 Appropriation/Request	123,000
2011 Request	<u>---</u>
Program Improvements/Offsets	-123,000

Proposed Actions

No budget authority is requested for the HOPE VI program for fiscal year 2011. The fiscal year 2011 goals for this program are to be accomplished with previously awarded grants that are in the implementation stage. Though the Department is not requesting additional funds for this program, it is focused on continuing the progress of current projects and maximizing the effective use of program resources. For example, fiscal years 2004 and 2005 funding have Public Housing Authority (PHA) expenditure deadlines of September 30, 2010 and September 30, 2011, respectively. Thus, the Department will work closely with affected grantees to ensure they meet the expenditure deadline. The Department will also continue to provide technical assistance to grantees facing significant obstacles in implementing their Revitalization Plan.

As a result of this program and other initiatives, the Department's goals for demolition of the worst public housing have been met. As of September 30, 2009, the balance of unexpended HOPE VI grant funds was approximately \$750 million; 107 projects had completed all construction under the HOPE VI Revitalization Plan; and 141 projects are still in progress. In addition, HOPE VI grantees had relocated 72,718 households; demolished 94,367 public housing units; completed 80,130 units and occupied 78,347 units as of September 30, 2009.

The following chart provides information on the grants awarded to PHAs from fiscal years 2004 to 2008.

Average HOPE VI Grants Awarded		
Fiscal Year	No. of Grants	Amount
FY 2004	7	\$126,884,932
FY 2005	8	\$156,895,528
FY 2006	4	\$71,900,000
FY 2007	5	\$88,855,000
FY 2008	6	\$97,246,691
Total awarded	30	\$541,782,151
Average award		\$18,059,405

*** This chart excludes Main Street Grant awards.*

PUBLIC AND INDIAN HOUSING
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Program Offsets
(Dollars in Thousands)

Choice Neighborhoods Initiative	<u>Amount</u>
2009 Appropriation .....	...
2010 Appropriation/Request	\$65,000
2011 Request	<u>...</u>
Program Improvements/Offsets	-65,000

a/ The Department is requesting \$250 million for Choice Neighborhoods in a separate account.

Proposed Actions

The Department is proposing a separate account for the Choice Neighborhoods Initiative in fiscal year 2011. Choice Neighborhood grants will fund the transformation, rehabilitation and replacement of both public housing and HUD-assisted housing and to transform neighborhoods of poverty into functioning, sustainable mixed-income neighborhoods.

**PUBLIC AND INDIAN HOUSING
REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING
Program Offsets
(Dollars in Thousands)**

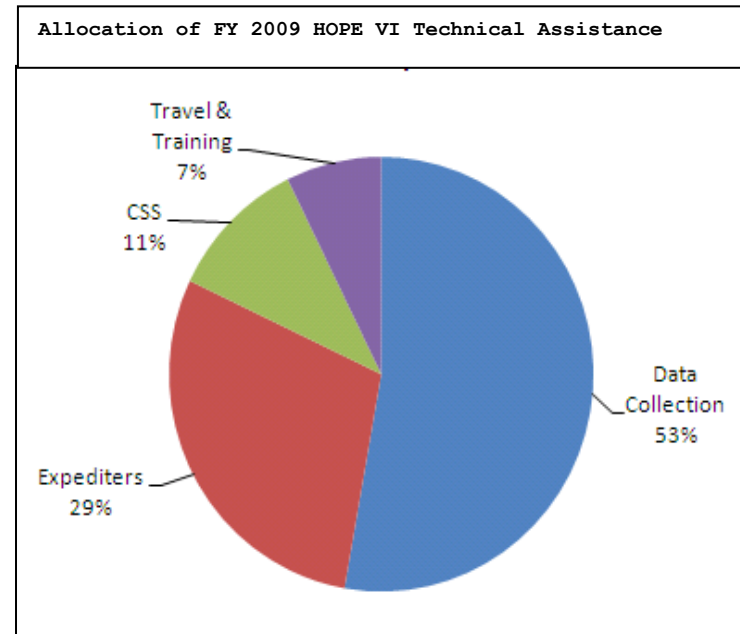
Technical Assistance	Amount
2009 Appropriation	\$2,400
2010 Appropriation/Request	10,000
2011 Request .....	...
Program Improvements/Offsets	-10,000

Proposed Actions

No budget authority is requested for the HOPE VI program for fiscal year 2011. Instead, HOPE VI program goals will be accomplished through the utilization of other Departmental resources and in particular the Choice Neighborhoods Initiative. Technical assistance activities include the acquisition of contract expertise, training, oversight, monitoring, and travel. The accompanying chart summarizes technical assistance uses in fiscal year 2009.

HOPE VI technical activities have included Data Collection and Quarterly Reporting; Troubled Grantees and Program Support (Expediters); and funds for Community and Supportive Services (CSS) activities. Data Collection and Quarterly Reporting assistance is used to create and maintain a reporting process whereby HOPE VI grantees can submit performance data on a quarterly basis for review and analysis by HUD staff of possible troubled grantees. Identifying troubled grantees and providing program support aids in bringing grantees into full compliance with their grant agreements could also include assistance in accounting and financial management; construction management; reporting; procurement; and information systems. Funds have been used for CSS activities such as CSS Plan development and implementation, sustainability conferences, and CSS budgeting and accounting.

For fiscal year 2010, the \$10 million in technical assistance may be spent on data collection for HOPE VI and Choice Neighborhoods, green initiatives as well as efforts dedicated to implementing and evaluating the Choice Neighborhoods demonstration.



**PUBLIC AND INDIAN HOUSING
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Program Offsets
(Dollars in Thousands)**

Transformation Initiative	<u>Amount</u>
2009 Appropriation .....	...
2010 Appropriation/Request	\$2,000
2011 Request	<u>...</u>
Program Improvements/Offsets	-2,000

Proposed Actions

The Transformation Initiative allows the Secretary the necessary flexibility to undertake an integrated and balanced effort to improve program performance and test innovative ideas. One percent of the funds appropriated for the Revitalization of Severely Distressed Public Housing account in 2010 will be transferred to the Transformation Initiative account to undertake research, demonstrations, technical assistance, and technology improvements.

Revitalization of Severely Distressed Public Housing

PUBLIC AND INDIAN HOUSING
REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)
Justification of Proposed Changes in Appropriations Language

The 2011 President's Budget does not request additional funds. Therefore, no language is proposed.

Revitalization of Severely Distressed Public Housing

PUBLIC AND INDIAN HOUSING
REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)
Crosswalk of 2009 Availability
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2009 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2009 Resources</u>
Revitalization Grants	\$117,600	...	...	...	\$473	\$118,073
Choice Neighborhoods Initiative .....	...	...	...	...	...	...
Technical Assistance	2,400	...	...	...	751	3,151
Transformation Initiative .....	...	...	...	...	...	...
Total	120,000	...	...	...	1,224	121,224

Revitalization of Severely Distressed Public Housing

PUBLIC AND INDIAN HOUSING
REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)
Crosswalk of 2010 Changes
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2010 President's Budget Request</u>	<u>Congressional Appropriations Action on 2010 Request</u>	<u>2010 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2010 Resources</u>
Revitalization Grants	\$123,000	...	...	\$118,073	\$241,073
Choice Neighborhoods Initiative	65,000	...	...	...	65,000
Technical Assistance	10,000	...	...	178	10,178
Transformation Initiative	<u>...</u>	<u>2,000</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>2,000</u>
Total	200,000	...	...	118,251	318,251