

**PUBLIC AND INDIAN HOUSING
CHOICE NEIGHBORHOODS
2016 Summary Statement and Initiatives
(Dollars in Thousands)**

CHOICE NEIGHBORHOODS	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>obligations</u>	<u>Outlays</u>
2014 Appropriation	\$90,000	\$116,595	...	\$206,595	\$125,511	\$10,361
2015 Appropriation/Request	80,000	81,084	...	161,084	116,000	60,000
2016 Request	<u>250,000^a</u>	<u>45,084</u>	...	<u>295,084^a</u>	<u>250,000</u>	<u>88,000</u>
Program Improvements/Offsets	+170,000	-36,000	...	+134,000	+134,000	+28,000

a/ Includes an estimated transfer to the Transformation Initiative (TI) account of \$1.9 million of Budget Authority.

1. What is this request?

The Department requests \$250 million for the Choice Neighborhoods program for fiscal year 2016, which is \$170 million more than the 2015 enacted level. Choice Neighborhoods grants fund the transformation, rehabilitation and replacement of distressed public and/or HUD-assisted housing and support communities working to revitalize neighborhoods of concentrated poverty. Grants are targeted to assist neighborhoods where there are both concentrations of poverty or households with extremely low-income and severely distressed public and/or HUD-assisted housing.

This request will allow the Department to fund:

- Five to 8 Implementation Grants of up to \$30 million each.
- Approximately 5-10 Planning Grants, which may include a new "Planning and Action" Grant option (please see description provided on page 5).

As an investment that leverages significant funds and fosters partnerships, Choice Neighborhoods gives communities the ability to address persistent violent crime, create connections to job opportunities, and improve schools in order to actually change the trajectories of families living in those neighborhoods. The fiscal years 2010-2013 Choice Neighborhoods Implementation Grants leveraged more than \$2.65 billion of investments in those neighborhoods, over 7.1 times the total HUD investment of nearly \$351 million. HUD will use the requested funding to continue to make a real nationwide impact in high-poverty areas, and to model, learn lessons from, and promote this type of effective policy and resource approach across the country.

Choice Neighborhoods supports the Administration's Promise Zones initiative, which is creating partnerships between the federal government, local communities and businesses to create jobs, increase economic activity, reduce violence and expand educational

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opportunities. The President announced the first 5 Promise Zones in January 2014 and will designate an additional 15 Promise Zones. The fiscal year 2016 Budget request includes companion investments in the Department of Education's Promise Neighborhoods program and the Department of Justice's Byrne Criminal Justice Innovation Grants program, as well as tax incentives to promote investment and economic growth in the Promise Zones.

Key outcomes of Choice Neighborhoods include:

- Transform distressed public and/or assisted-housing units into physically and financially viable housing for the long-term;
- Support positive health, safety, employment, mobility and education outcomes for residents in the target development(s) and the surrounding neighborhoods;
- Create viable, mixed-income neighborhoods that have access to well-functioning services, high quality public schools and education programs, public assets, public transportation, and improved access to jobs; and
- Attract significant financial investments by the public and private sectors to high poverty neighborhoods.

2. What is this program?

Building on the success of the HOPE VI program, Choice Neighborhoods funds competitive grants to transform neighborhoods of concentrated poverty into sustainable mixed-income communities, with a focus on improved housing, successful residents, and vibrant neighborhoods. Choice Neighborhoods helps transform a distressed neighborhood into a neighborhood with the assets and opportunities necessary for children and families to prosper. Grantees include local governments, assisted housing owners, community development corporations, non-profits and for-profit entities as well as public housing agencies (PHAs). Through HOPE VI, we learned that focusing only on the distressed housing site (public or HUD-assisted) does not yield the desired transformative impact on the surrounding neighborhood. Choice Neighborhoods provides two kinds of grants: planning grants, which support the development of comprehensive transformation strategies, and implementation grants, which allow communities to put their plans for neighborhood revitalization into effect.

Implementation Grants

Thus, Choice Neighborhoods Implementation Grants provide funding to address distressed public and/or HUD-assisted housing sites while simultaneously executing a comprehensive plan that addresses other aspects of neighborhood distress, such as violent crime, failing schools, and capital disinvestment. Grantees are required to identify local strengths and challenges, propose feasible solutions and establish strong collaborative partnerships to address affordable housing, employment, education, health, safety, transportation, economic development and other key areas. These grantees must work with stakeholders and partners, including developers and local agencies, as well as non-profit and private enterprises administering grant components, services or other key programs, to develop and implement a transformation plan for the neighborhood. In addition to improvements to the public and assisted housing

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stock, these funds can be used (with leveraged other funding) for improvements to the surrounding community, including economic development; remedies to vacant, foreclosed or other blighted properties; public facilities and assets.

Choice Neighborhoods communities feature a mixed-income approach, with public and/or HUD-assisted housing integrated with other affordable housing and market rate housing. In most circumstances, the public and/or HUD-assisted housing will be replaced on a one-for-one basis. Choice Neighborhoods ensures that children growing up in poorer neighborhoods will have access to high-quality educational opportunities for early learning and schools. Local communities are required to include an education component in their transformation plan, such as early childhood education, school improvements and other education-related services. Links to local education efforts aimed at producing high-quality, full service community schools that leverage additional neighborhood investments and will be at the center of the development model. In addition, HUD has been working closely with the Department of Education to align Choice Neighborhoods' educational outcomes and funding investments with those of the Department of Education's Promise Neighborhoods program, which implements innovative strategies to improve academic achievement and life outcomes in high-poverty areas. Currently, Atlanta, Baltimore, Boston, Little Rock, Los Angeles, Meriden (CT), San Antonio, Tulsa, and Washington, DC have both a Choice Neighborhoods grant and a Promise Neighborhoods grant that target overlapping areas.

Other eligible activities include:

- Providing supportive services for residents, primarily focused on case management and service coordination to access programs from other key agencies and local service providers, with two goals in mind: 1) moving affected residents along the spectrum of self-sufficiency; and 2) promoting health, safety and education;
- Relocation assistance costs, including mobility/relocation counseling over multiple years, vouchers, reasonable moving costs, and security deposits. Previous efforts have shown that families relocating from high poverty neighborhoods need well-designed relocation plans with mobility counseling and relocation cost coverage to maximize their relocation opportunities;
- Critical community improvements based on challenges identified during the planning process to enhance the neighborhood outcomes. Such projects include economic development activities (construction cost write-downs for commercial business such as a grocery store; loan and grant programs for existing commercial businesses; façade improvements; revolving loan funds for business attraction and retention), programs to improve housing in the surrounding neighborhood (loans or grants to existing homeowners for property repair), and open space and community parks (acquisition of underutilized land for new parks, community gardens or community facilities and expansion of existing facilities to better serve the community);
- Endowments, reserves or revolving loan funds for ongoing operating and capital needs and for resident services; and
- Rehabilitation, redevelopment or development of affordable housing, including foreclosed or vacant properties.

With fiscal years' 2010-2013 Choice Neighborhoods funding, the Department awarded 13 Implementation Grants in the amount of \$350.95 million. As grantees continue to implement their multi-year transformation plans, they have already established partnerships and secured other funding. One recent highlight includes a fiscal year 2013 Implementation Grant awarded to co-grantees the Housing Authority of the City of Pittsburgh (HACP) and the City of Pittsburgh to revitalize the Hamilton-Larimer public

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housing complex and East Liberty Gardens, a HUD-assisted housing complex. They are replacing all 155 original units and building an additional 97 market rate and 82 Low Income Housing Tax Credit (LIHTC) units on adjacent vacant land and in the core of the neighborhood where there is a need for smaller, in-fill development. All funding for the first phase of development has been committed to the project, including \$56 million from other public and private resources.

The Larimer/East Liberty neighborhood is located in the heart of the East End of Pittsburgh, three miles from downtown. The neighborhood is adjacent to emerging businesses and development, including the revitalized East Liberty business district - a hub for IT businesses including Google. Through strategic acquisition of properties, HACP, the City and their partners will draw this economic activity from the edges into the core of the neighborhood along a central corridor. These economic development activities will create at least 10 new business start-ups and expansions and 20 permanent jobs, leveraging new mixed-use development that will bring more than 1,200 new jobs to the area and 400,000 square feet of new office space as well as a transit oriented development project that is renovating and expanding the public transit center in the neighborhood. The restoration of the neighborhood is a priority for a wide range of stakeholders, including the City, the Urban Redevelopment Authority, Carnegie Mellon University, the University of Pittsburgh and other key partners, demonstrated by over \$117 million in leverage.

Planning Grants

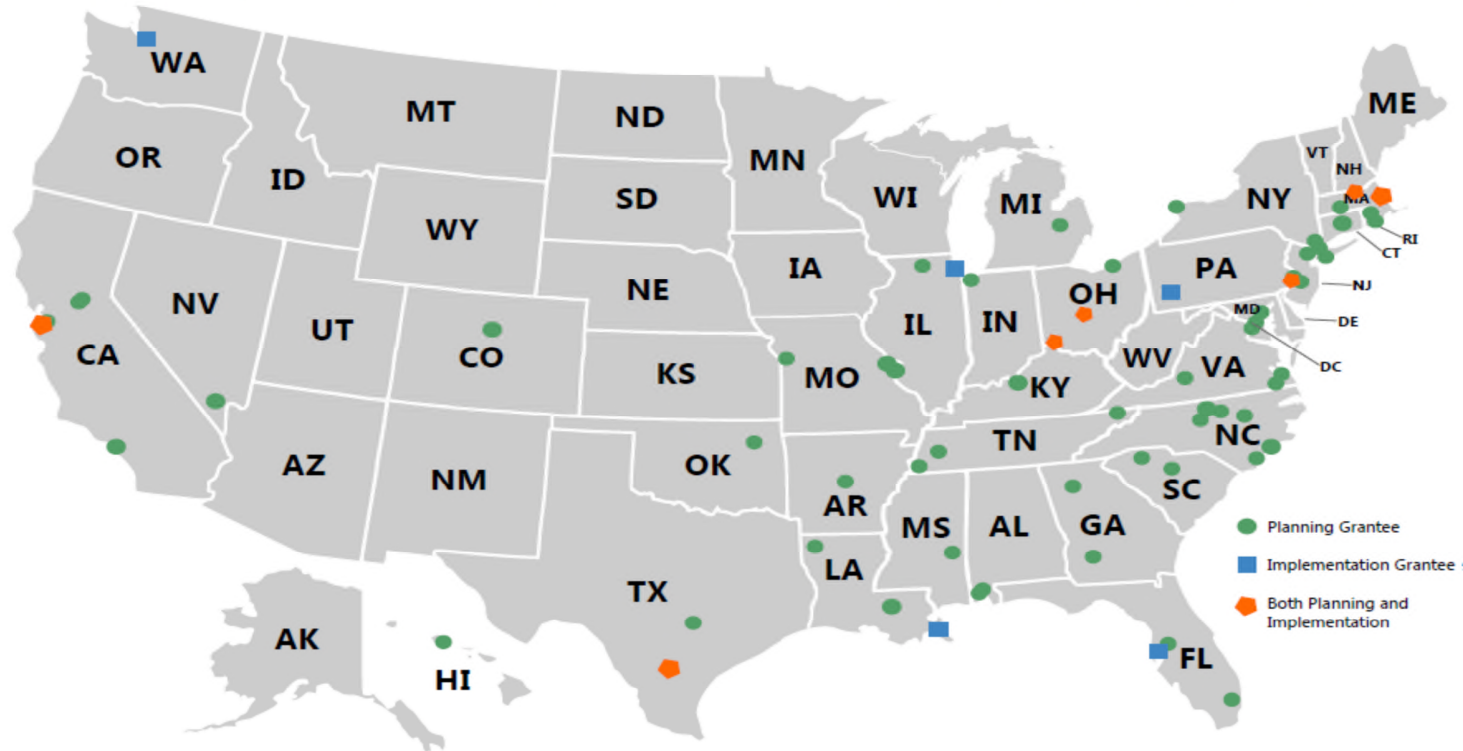
Planning Grants assist communities in identifying needs and then developing neighborhood transformation plans intended to meet those needs. Importantly, funds enable grantees to build the support structure necessary for implementation, in part by increasing grantee capacity to undertake a comprehensive planning process that incorporates a broad base of community stakeholders. From fiscal year 2010 through fiscal year 2014, the Department awarded 63 Planning Grants totaling \$20.1 million.

The assessment of local conditions and options, which is central to the comprehensive community planning process, leads directly to partnerships focused on particular community needs. This approach allows Planning Grants to generate immediate action in addition to paving the way for the successful implementation of large-scale neighborhood transformation plans. For example, the City of Columbus, Columbus Metropolitan Housing Authority, and The Ohio State University, through their dynamic partnership "Partners Achieving Community Transformation (PACT)" received a fiscal year 2011 Planning Grant that has led to several significant successes. The Planning Grant positioned the Housing Authority to successfully compete for a Choice Neighborhoods Implementation Grant. The Housing Authority was awarded a fiscal year 2013 Implementation Grant to realize their plan, which includes the development of 449 mixed-income housing units. The planning and implementation efforts have leveraged more than \$180 million in public and private sources – including a \$34.5 million commitment from the City of Columbus to be invested in homeownership finance programs, significant infrastructure improvements, streetscape and façade improvements, small business loan programs, and the construction of a new state-of-the-art aquatic center. This planning effort has also led to a \$10 million commitment from The Ohio State University that will establish a new adult education center to provide 130 participants annually with training and certification opportunities in various medical health professions.

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For fiscal year 2016, the Department will structure the planning grants announcement to allow planning grantees the option of accomplishing additional tasks with a "Planning and Action" Grant. These would be larger grants (up to \$3 million) that would enable recipients to better bridge the transition from planning to implementation. The current Planning Grants are dedicated to planning activities and are not used for any services, programs, or physical improvements. Planning and Action Grants, however, would allow grantees to not only plan but to tackle some 'early start' projects in the neighborhood to establish momentum.

Choice Neighborhoods | FY2010-2013 Implementation Grantees & FY2010-2014 Planning Grantees



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3. Why is this program necessary and what will we get for the funds?

The spatial concentration of poverty remains a serious challenge for poor families and children in accessing opportunities and moving up the economic ladder. Where a poor family lives dramatically affects their life opportunities. For example, concentrated poverty exacerbates the housing-jobs imbalance through which residents of poor neighborhoods are isolated from opportunities for employment and advancement because of distance or poor access to transportation.

The HOPE VI, Homeownership Zone, and Empowerment Zone programs revealed that coordinated area-wide employment of federal resources with local planning and decision-making can transform and improve entire neighborhoods and communities. Choice Neighborhoods builds on this knowledge and brings together resources in a way no other federal program does. Existing programs do not provide sufficient funding to redevelop severely distressed public and HUD-assisted housing, while also directing attention to the people and broader neighborhood. The Choice Neighborhoods approach links multiple HUD program efforts and multi-Departmental efforts that will provide a comprehensive framework, build on existing successes, provide strong positive outcomes for families and communities, and reduce related program costs.

According to the 2008-2012 American Community Survey (ACS) data, 13.6 million people live in "extreme poverty" census tracts, where the poverty rate exceeded 40 percent. Neighborhoods of extreme poverty differ dramatically across multiple factors, including the economic health and vitality of the broader metropolitan economy; the proximity of the community to areas of employment (e.g., downtowns) or transportation infrastructure; and the scale and condition of subsidized housing. Moreover, the concentration of poverty has a consistent negative effect on the residents of the community. The Pew Charitable Trusts' Economic Mobility Project research shows that one of the most important factors in determining whether children will do better financially than their parents is not their family's economic status, but whether or not they grow up in a high-poverty neighborhood. Further, it is possible to predict health, economic, and educational outcomes of children, not on their talents, abilities or how hard they work, but on where they live. Choice Neighborhoods is designed to change these outcomes and allow residents of these communities to reengage in the economy.

The Department estimates that approximately 105,000 units (81,910 public housing and 22,275 HUD-assisted housing units) are severely distressed and located in distressed neighborhoods. This number considers the age, size and physical condition of the public and HUD-assisted housing projects and includes distressed units that are located in neighborhoods of concentrated poverty. In order to reach these units, the Choice Neighborhoods program spurs large-scale projects that leverage millions of dollars in additional private and public investment as part of comprehensive, locally determined neighborhood transformation plans, rebuilding not just the housing, but the neighborhoods that have suffered due to the deteriorated housing.

Without Choice Neighborhoods, communities across the country will be substantially hindered in their ability to implement transformative changes. As seen in the HOPE VI program, this funding provides a starting point to bring in significant amounts of

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leveraged funds. Over the course of the HOPE VI program, HOPE VI provided \$6.1 billion in federal funds to sites all over the country, which will ultimately leverage an additional \$13.5 billion.

The Department commissioned a Capital Needs Assessment (CNA) study to update the data on the estimated needs of public housing units. The 2010 CNA study estimated the level of immediate needs and needs over a 20-year period accrued annually based upon assessment of a statistically valid sample of public housing developments. The study places the existing need, or backlog, at up to \$26 billion and annual accrual need at \$3.4 billion. Choice Neighborhoods is one of the only programs in the federal government that provides funding for the transformation of distressed housing in high-poverty neighborhoods. As demonstrated through the fiscal year 2013 Choice Neighborhoods application process, where 96 applications were submitted for the \$113.7 million of fiscal year 2013 funding available, there is a great demand for this type of federal assistance.

Promise Zones Initiative

The Choice Neighborhoods program contributes to the President's Promise Zones initiative, which will help revitalize 20 of America's highest-poverty communities by creating jobs, attracting private investment, increasing economic activity, expanding educational opportunity, and reducing violent crime. For children, growing up in high-poverty neighborhoods is a stronger predictor of downward economic mobility than parental occupation, education, labor force participation, and other family characteristics combined. The research suggests that the negative consequences of growing up in a low-income family are compounded when growing up in a neighborhood of concentrated poverty. The Departments of HUD, Justice, Education, Treasury, Health and Human Services, and other federal agencies work together closely under the Ladders of Opportunity and Promise Zones initiatives, co-investing, and pooling their expertise to support local communities in developing and obtaining the tools they need to revitalize neighborhoods of concentrated poverty into neighborhoods of opportunity. One immediate achievement has been to align federal resources to target neighborhoods where the funding can have the most impact. In conjunction with the Department of Justice, their public safety plan to reduce violent crime, illegal drugs and gang activity in the neighborhood. HUD and the Department of Education have already coordinated Notice of Funding Availability (NOFA) language to ensure that Choice Neighborhoods and Promise Neighborhoods contain mutual incentives for localities to focus on the entirety of interconnected needs in target HUD is providing the first class of Choice Neighborhoods Implementation Grantees with additional funding to focus on enhancing communities, and ease the burden of gaining access to resources necessary to carry out comprehensive efforts. The Department of Health and Human Services has also provided bonus points in some of its grant competitions to communities that have received a Choice Neighborhoods grant to further advance improvements to resident health. To date, three Choice Neighborhoods are included in areas designated as a Promise Zone and three more are in areas named as finalists. Also, nine of the communities funded by a Choice Neighborhoods grant have received a Promise Neighborhoods grant from the Department of Education, and eight of the communities have also received a Byrne Criminal Justice Innovation grant from the Department of Justice.

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4. How do we know this program works?

HOPE VI, the predecessor program to Choice Neighborhoods, is one of the most analyzed federal housing programs, with studies examining issues ranging from development conditions, property values and neighborhood effects to resident outcomes in employment and health. HUD's Office of Policy Development and Research created a 2003 report, "Interim Assessment of the HOPE VI Program Cross-Site Report," which found that after 10 years, the first round of HOPE VI grants resulted in sites that had been redeveloped from 100 percent public housing to mixed-income neighborhoods. The program resulted overall in: a substantial improvement in housing quality; better site management (as evidenced by well-maintained common areas and substantially lower vacancy and turnover rates); a reduction in crime; and increased availability of supportive services and community facilities (including childcare, Boys and Girls Club programs, medical clinics, and office space for case managers and supportive services providers).

A study by the Urban Institute estimated that transforming a 700-unit project with new mixed-income housing, and using vouchers to help some residents relocate elsewhere, could save an estimated \$3.9 million a year in federal housing subsidies while serving the same number of very low-income families¹. The same redeveloped project could also boost surrounding home values and generate local tax revenues of \$6.5 million over a 20-year period. These estimated savings could be generated because HOPE VI projects are less expensive to operate (through physical improvements, reductions in vandalism, and increases in occupancy rates). Additionally, HOPE VI redevelopment resulted in improved physical conditions (lower vacancy rates, reduced crime, and lower operating and capital costs); better quality of life for residents for both those relocated and those living in redeveloped properties (increased needed services, improved health, higher rates of employment and earnings); and surrounding neighborhood improvements (increased property values leading to increased local property tax revenue).

Leveraging

The dollars, expertise, and other resources leveraged under Choice Neighborhoods demonstrate the transformative impact of the program. Grantees leverage funds from state, local and private sources as well as other HUD and federal programs, including the Low-Income Housing Tax Credit (LIHTC) program, New Markets Tax Credits, Promise Neighborhoods, HOME Investment Partnerships (HOME) program, and the Community Development Block Grant (CDBG) program. The fiscal years' 2010-2013 Choice Neighborhoods grants leveraged \$2.65 billion of investments in those neighborhoods. For every \$1 in Choice Neighborhoods Implementation funding, an additional \$7.15 is leveraged. As we have seen with our existing grantees, they continue to attract leverage even after the Choice Neighborhoods grant has been awarded. For example:

- The Seattle Housing Authority, an Implementation Grant recipient, received funding from both the Gates Foundation and JP Morgan Chase to further enhance implementation of their plan. The grant from the Gates Foundation expands the

¹ Estimating the Public Costs and Benefits of HOPE VI Investments: Methodological Report (June 2007)

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partnership with Seattle University to improve education initiatives for the children that attend the nearby elementary school, which historically has been a low-performing school. The funding from JP Morgan Chase, combined with Choice grant funding and support from the City of Seattle, is building a much-needed “hill climb” to connect the public housing site with the Little Saigon business district located nearby, down a steep hill.

- In New Orleans, HUD’s initial investment of \$4,500,000 into the People Component of the Transformation Plan will support the provision of a comprehensive service strategy and will be further supported by an additional \$14.6 million in new and existing services to provide families with pathways to self-sufficiency and economic mobility for the long-term. The leveraged dollars represent an array of local partners that have committed to providing job training and placement opportunities, enrichment activities for children and youth, adult education, physical and mental health services, and other critical programs necessary for families to succeed. Key partners include: City of New Orleans Job One, Total Community Head Start, YMCA, Home Builders Institute, Good Work Network, Tulane Health Center, Partners for Youth Development, the arts community, and many others. New commitments received since the grant award include \$120,000 from the W.K. Kellogg Foundation and \$60,000 from J.P. Morgan Chase for critical programs supporting children and youth and has served as an advisor on youth engagement and education strategies.

Some early outcomes include:

- 708 of 887 residents receiving case management resulting in direct access to local resources and tailored individual and family intervention
- 43 youth participating in youth development activities in 2014 resulting in readiness for college and career opportunities
- 23 residents hired into Section 3 positions
- 21 residents completed job training in 2014, including 9 that completed core training in carpentry or electrical work through the National Center for Construction Education and Research
- Graduation rate increased to 85 from 79 percent the previous year
- Students at or above Grade Level according to state mathematics assessments – increased from 34.3 to 60.0 percent
- Students at or above Grade Level according to state reading or language arts assessments - increased from 40.7 to 74.0 percent.

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Partners and Stakeholders

By expanding the pool of eligible grant applicants to include local governments, PHAs, assisted housing owners, designated Community Development Corporations (CDCs), and other for-profit and nonprofit entities and by linking other federal, state, and local funds to Choice Neighborhoods grantees, the spectrum of stakeholders working to improve outcomes as part of Choice Neighborhoods has increased. In engaging other federal partners and additional applicants, Choice Neighborhoods has tapped new constituencies needed to successfully execute comprehensive neighborhood transformation including non-profit and for profit housing developers, financing sources, foundations, human service and community development organizations across the country with proven capacity and the demonstrated ability to lead and support needed public-private partnerships. In addition, over 35 major public and assisted housing organizations joined together to form the Choice Neighborhoods Coalition in early 2011 to support authorizing legislation for the program. To date the Choice Neighborhoods program has been authorized through annual appropriations under the HOPE VI statute (section 24 of the U.S. Housing Act of 1937, as amended). As such, the Department continues to seek authorizing legislation to formally establish the program.

Current Evaluations and Research

HUD is currently conducting an implementation evaluation for the first five Choice Neighborhoods Implementation Grantees through a contract with the Urban Institute. This project is also establishing baseline conditions in these five sites to support a more in-depth follow-up evaluation from 2017-2020. The 2013 interim report "Developing Choice Neighborhoods" describes the implementation efforts across each site, analyzing the development of each Transformation Plan. The Urban Institute's preliminary analysis suggests that Choice Neighborhoods has played an important role beyond the funding that it provides, stating that Choice Neighborhoods appears to be broadening the groups of stakeholders involved in redevelopment. The report not only highlights the significant level of coordination needed across a diverse set of stakeholders, but also acknowledges that grantees with high levels of local government involvement (particularly when a local government serves as a grantee or implementation partner) are better positioned for success. Finally, this report acknowledges the contextual differences between each implementation site, noting that outcomes will subsequently be unique to each locally driven implementation effort.

In fiscal year 2016, the HUD's Office of Policy Development and Research (PD&R) office is requesting \$2.4 million for the next phase of the evaluation.

In addition, HUD has awarded four small research grants for aspects of Choice Neighborhoods not fully addressed by the Urban Institute project. For example, these grants support case studies of Choice Neighborhoods Planning Grants and the development of sophisticated databases to demonstrate implementation grant outcomes. HUD, working with other agencies across the Federal government, is also exploring ways to strengthen data capacity and conduct rigorous evaluations to understand the impacts of Promise Zones and other important cross-sector initiatives designed to improve outcomes for high-poverty communities and

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individuals living in those communities. A key focus will be on utilizing reliable administrative data sources at the Federal, State, and local level for measuring common outcomes across multiple sites, an approach that can enhance the quality of the evaluations while minimizing their costs.

5. Proposals in the Budget

- Continued use of prior year funds. The Budget proposes allowing prior year Choice and HOPE VI funds to continue to be available notwithstanding HOPE VI sunset date (Sec. 239).
- Optional Main Street Housing Grants funding. This provision amends permanent law in Section 24(n) of the Housing Act of 1937 and Section 403 of the HOPE VI Program Reauthorization and Small Community Mainstreet Rejuvenation and Housing Act of 2003, and makes directing up to 5 percent of funding in this account to the Main Street Housing Grants program optional, not required (Sec. 258).
- HOPE VI recaptures for Choice Neighborhoods purposes. The Department requests authority to re-purpose no-year HOPE VI funds that have been recaptured through the grant close out process to make Choice Neighborhoods awards since no new grants are being awarded under the HOPE VI program (account language).

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**PUBLIC AND INDIAN HOUSING
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Summary of Resources by Program
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2014 Budget Authority</u>	<u>2013 Carryover Into 2014</u>	<u>2014 Total Resources</u>	<u>2014 Obligations</u>	<u>2015 Budget Authority/ Request</u>	<u>2014 Carryover Into 2015</u>	<u>2015 Total Resources</u>	<u>2016 Request</u>
Choice Neighborhoods								
Grants	\$90,000	\$116,595	\$206,595	\$125,511	\$80,000	\$81,084	\$161,084	\$250,000
Technical Assistance ..	...	...	...	...	...	...	...	...
Transformation Initiative (transfer)	...	...	...	...	...	...	...	[1,900]
Total	90,000	116,595	206,595	125,511	80,000	81,084	161,084	250,000

**PUBLIC AND INDIAN HOUSING
CHOICE NEIGHBORHOODS
Appropriations Language**

The fiscal year 2016 Budget includes proposed changes in the appropriation language listed and explained below. The language proposed in fiscal year 2016 is italicized and underlined, and language proposed for deletion is bracketed.

For competitive grants [under the Choice Neighborhoods Initiative (subject to section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v), unless otherwise specified under this heading),] for transformation, rehabilitation, and replacement housing needs of both public and HUD-assisted housing and to transform neighborhoods of poverty into functioning, sustainable mixed income neighborhoods with appropriate services, schools, public assets, transportation and access to jobs, [~~\$80,000,000~~] *\$250,000,000*, to remain available until September 30, [2017] *2018: Provided*, That grant funds may be used for resident and community services, community development, and affordable housing needs in the community, and for conversion of vacant or foreclosed properties to affordable housing: [*Provided further*, That the use of funds made available under this heading shall not be deemed to be public housing notwithstanding section 3(b)(1) of such Act:] *Provided further*, That grantees shall commit to an additional period of affordability determined by the Secretary of not fewer than 20 years: *Provided further*, That grantees shall undertake comprehensive local planning with input from residents and the community, and that grantees shall provide a match in State, local, other Federal or private funds: *Provided further*, That grantees may include local governments, tribal entities, public housing authorities, and nonprofits: *Provided further*, That for-profit developers may apply jointly with a public entity: *Provided further*, That for purposes of environmental review, a grantee shall be treated as a public housing agency under section 26 of the United States Housing Act of 1937 (42 U.S.C. 1437x), and grants under this heading shall be subject to the regulations issued by the Secretary to implement such section: [*Provided further*, That of the amount provided, not less than \$50,000,000 shall be awarded to public housing authorities:] *Provided further*, That such grantees shall create partnerships with other local organizations including assisted housing owners, service agencies, and resident organizations: *Provided further*, That the Secretary shall consult with the Secretaries of Education, Labor, Transportation, Health and Human Services, Agriculture, and Commerce, the Attorney General, and the Administrator of the Environmental Protection Agency to coordinate and leverage other appropriate Federal resources: [*Provided further*, That no more than \$5,000,000 of funds made available under this heading may be provided to assist communities in developing comprehensive strategies for implementing this program or implementing other revitalization efforts in conjunction with community notice and input: *Provided further*, That the Secretary shall develop and publish guidelines for the use of such competitive funds, including but not limited to eligible activities, program requirements, and performance metrics:] *Provided further*, That unobligated balances, including recaptures, remaining from funds appropriated under the heading "Revitalization of Severely Distressed Public Housing (HOPE VI)" in fiscal year 2011 and prior fiscal years may be used for purposes under this heading, notwithstanding the purposes for which such amounts were appropriated. (*Department of Housing and Urban Development Appropriations Act, 2015.*)