

**PUBLIC AND INDIAN HOUSING
REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)
2012 Summary Statement and Initiatives
(Dollars in Thousands)**

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2010 Appropriation	\$200,000 ^a	\$121,167	...	\$321,167	\$120,456	\$185,023
2011 CR	200,000	198,711	...	398,711	198,711	204,864
2012 Request .....	...	135,000 ^b	...	135,000	135,000	245,552
Program Improvements/Offsets	-200,000	-63,711	...	-263,711	-63,711	+40,688

a/ The 2010 appropriation includes transfer of \$2 million to the Transformation Initiative. These amounts are excluded from carryover, obligations and outlays in this account, but reflected in the Transformation Initiative account.

b/ The 2012 carryover excludes transfer of \$65 million to the Choice Neighborhoods Initiative.

Summary Statement

No funds are requested for the Revitalization of Severely Distressed Public Housing (HOPE VI) program in fiscal year 2012. Instead, the Department will continue to build on the success of the HOPE VI program through the implementation of Choice Neighborhoods, (discussed in a separate justification). Choice Neighborhoods supports a range of interventions in neighborhoods of extreme poverty by challenging public, private, and non-profit partners to identify the interventions (e.g., 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 enclaves of concentrated poverty.

Prior fiscal year HOPE VI appropriations support HUD's Strategic Plan for fiscal years 2010 – 2015 as well as High Priority Performance Sub-Goal #2B: Expand the supply of affordable rental homes where most needed and High Priority Performance Sub-Goal #4B: Promote energy-efficient buildings and location-efficient communities that are healthy, affordable and diverse.

As provided in Public Law 111-117, \$65 million of the fiscal year 2010 HOPE VI appropriation was set aside for a demonstration of the Choice Neighborhoods Initiative. The Department is running separate competitions for the HOPE VI program and Choice Neighborhoods Initiative demonstration, with separate Notices of Funding availability issued in August of 2010. An additional \$250 million was requested for Choice Neighborhoods in fiscal year 2011. Choice Neighborhood grants will fund the transformation, rehabilitation, and replacement of both public housing and HUD-assisted housing and will 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 2012.

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>2010 Budget Authority</u>	<u>2009 Carryover Into 2010</u>	<u>2010 Total Resources</u>	<u>2010 Obligations</u>	<u>2011 CR</u>	<u>2010 Carryover Into 2011</u>	<u>2011 Total Resources</u>	<u>2012 Request</u>
Revitalization Grants .	\$123,000	\$120,989	\$243,989	\$119,097	\$125,000	\$124,892	\$249,892	...
Choice Neighborhoods Initiative	65,000	...	65,000	...	65,000	65,000	130,000	...
Technical Assistance ..	10,000	178	10,178	1,359	10,000	8,819	18,819	...
Transformation Initiative	<u>2,000</u>	<u>...</u>	<u>2,000</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>
Total	200,000	121,167	321,167	120,456	200,000	198,711	398,711	...

<u>FTE</u>	<u>2010 Actual</u>	<u>2011 Estimate</u>	<u>2012 Estimate</u>
Headquarters	51	46	...
Field	<u>21</u>	<u>23</u>	<u>...</u>
Total	72	69	...

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

Revitalization Grants	Amount
2010 Appropriation	\$123,000
2011 CR	125,000
2012 Request	<u>...</u>
Program Improvements/offsets	-125,000

Proposed Actions

No budget authority is requested for the HOPE VI program for fiscal year 2012. The fiscal year 2012 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 year 2005 funding has a Public Housing Authority (PHA) expenditure deadline of September 30, 2011. 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 Plans.

As a result of this program and other initiatives, the Department’s goal to demolish the worst public housing has been met. As of January 2011, the balance of unexpended awarded HOPE VI grant funds was approximately \$519 million. In addition, at the end of fiscal year 2010, HOPE VI grantees had relocated 73,167 households; demolished 96,017 public housing units; completed 83,951 units; and occupied 82,425 units.

The following chart provides information on the grants awarded to PHAs from fiscal years 2004 to 2009.

Average HOPE VI Grants Awarded		
Fiscal Year	No. of Grants	Amount
2004	7	\$126,884,932
2005	8	\$156,895,528
2006	4	\$71,900,000
2007	5	\$88,855,000
2008	6	\$97,246,691
2009	6	\$113,600,000
Total awarded	36	\$655,382,151
Average award		\$18,205,060

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

Choice Neighborhoods Initiative	<u>Amount</u>
2010 Appropriation	\$65,000
2011 CR	65,000
2012 Request	<u>...</u>
Program Improvements/Offsets	-65,000

Proposed Actions

The Department is proposing a separate account for the Choice Neighborhoods Initiative in fiscal year 2012. Choice Neighborhoods grants will fund the transformation, rehabilitation, and replacement of both public housing and HUD-assisted housing and transform neighborhoods of poverty into functioning, sustainable, and mixed-income neighborhoods.

Revitalization of Severely Distressed Public Housing

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Program Offsets
(Dollars in Thousands)

Technical Assistance	Amount
2010 Appropriation	\$10,000
2011 CR	10,000
2012 Request	<u> </u>
Program Improvements/Offsets	-10,000

Proposed Actions

No budget authority is requested for the HOPE VI program for fiscal year 2012. 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.

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

Transformation Initiative	<u>Amount</u>
2010 Appropriation	\$2,000
2011 CR .....	...
2012 Request .....	...
Program Improvements/Offsets .....	...

Proposed Actions

In fiscal year 2012, the Department renews its request for the Transformation Initiative, which provides the Secretary the flexibility to undertake an integrated and balanced effort to improve program performance and test innovative ideas. Up to 0.5 percent of the funds appropriated for this account may be transferred to the Transformation Initiative Fund account for the following purposes: research, evaluations, and program metrics; program demonstrations; and technical assistance and capacity building. Departmentwide, no more than \$120 million will be transferred to the Transformation Initiative fund account in fiscal year 2012. More details on the overall Transformation Initiative and these projects are provided in the justification for the Transformation Initiative Fund account.

Revitalization of Severely Distressed Public Housing

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

<u>Budget Activity</u>	<u>2010 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2010 Resources</u>
Revitalization Grants	\$123,000	...	...	...	\$120,989	\$243,989
Choice Neighborhoods Initiative	65,000	...	...	...	...	65,000
Technical Assistance	10,000	...	...	...	178	10,178
Transformation Initiative	<u>2,000</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>2,000</u>
Total	200,000	...	...	...	121,167	321,167

Revitalization of Severely Distressed Public Housing

PUBLIC AND INDIAN HOUSING
REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)
Crosswalk of 2011 Changes
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2011 President's Budget Request</u>	<u>2011 CR</u>	<u>2011 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2011 Resources</u>
Revitalization Grants	\$125,000	...	...	\$124,892	\$249,892
Choice Neighborhoods Initiative	65,000	...	...	65,000	130,000
Technical Assistance	10,000	...	...	8,819	18,819
Transformation Initiative
Total	200,000	...	...	198,711	398,711