



HOPE VI

Sponsors:

HOUSE -- HOPE VI re-authorization legislation is expected to be re-introduced by Congresswoman Maxine Waters (D-CA), Chair of the House Financial Services Subcommittee on Housing and Community Opportunity.

SENATE – HOPE VI re-authorization legislation is expected to be re-introduced by Senator Barbara Mikulski (D-MD)

Bill Preview:

HOUSE – Chairwoman Waters seems to be adhering to a public housing reform agenda established by tenant advocacy groups.



Rep. Maxine Waters

Some groups have coalesced around a “housing justice movement” that has a list of demands likely to influence the House version of HOPE VI legislation. Those demands include: a moratorium on public housing demolitions, dispositions, and conversions; and a comprehensive public housing reform bill in the 111th Congress that includes one-for-one replacement, “unilateral” right to return, improved resident participation and the right of tenants to organize. Congresswoman Waters has promised to introduce comprehensive public housing reform this session, so HOPE VI may well be included as part of that bill. If the new HOPE VI bill language is similar to the legislation offered last year, it would seem to meet the requirements of the advocacy com-

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munity. That bill language, however, would mark a sharp departure in the way the HOPE VI program has been implemented in recent years. At question -- will wholesale changes to the HOPE VI program that satisfies the advocacy community spell the end to a program that has changed the “face” of public housing over the

last 15 years, garnered local, state and federal support for this new public housing and remade urban neighborhoods in the process?

PHADA is concerned that significant changes proposed in new authorizing language could render HOPE VI “unbankable” for the developers, investors and lenders -- partners needed to successfully leverage the grant awards and produce attractive mixed-income neighborhoods. To this point, the Association wonders if debt and equity lenders familiar with the current HOPE VI program requirements will be willing to test new requirements in deals that would produce more uncertainty and risks – risks that must be mitigated. The reluctance of lenders and developers to “relearn” HOPE VI is tempered by the current problems in the private credit and equity markets, the collapse of the Low Income Housing Tax Credit program and fewer and smaller HOPE VI grants. These conditions cast a pall over the HOPE VI program.

SENATE – Senator Mikulski is expected to re-introduce the Senate version of HOPE VI. The Senator does not significantly



Sen. Barbara Mikulski

recast the way HOPE VI projects would be underwritten as does the House version. Instead, the Senator focuses almost exclusively on the educational achievement of children and adult residents in HOPE VI communities. She places significant responsibility on housing authorities to work closely with local school systems to improve and monitor educational outcomes in those communities, and at schools, that serve HOPE VI residents. Her expectation is to both “transform neighborhoods and transform lives.” The Senator also calls for more sensitive care and resources for HOPE VI residents temporarily or permanently

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relocated as a result of a HOPE VI project. PHADA thinks adding responsibility for educational outcomes to the already long list of federal mandates is inappropriate and beyond the expertise of most housing authorities. Housing authorities are very well equipped to develop (or redevelop), manage and maintain decent and safe homes for their communities’ neediest families. However, housing authorities would have limited leverage and influence to propose or monitor changes in local school systems about specific curricula, schools and student results. ■