

# Union Calendar No. 82

108TH CONGRESS  
1ST SESSION

# H. R. 1614

[Report No. 108–165]

To reauthorize the HOPE VI program for revitalization of severely distressed public housing and to provide financial assistance under such program for main street revitalization or redevelopment projects in smaller communities to support the development of affordable housing for low-income families in connection with such projects, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 3, 2003

Mr. LEACH (for himself, Mr. WATT, Mr. DAVIS of Alabama, and Ms. HARRIS) introduced the following bill; which was referred to the Committee on Financial Services

JUNE 19, 2003

Additional sponsors: Mr. SCOTT of Georgia, Mr. SHAYS, Mr. SIMMONS, Mr. GREEN of Texas, Mr. FROST, Ms. KAPTUR, Mr. MCGOVERN, Mr. CASTLE, Mr. DAVIS of Illinois, Mr. MCHUGH, Mr. ENGEL, and Mrs. JONES of Ohio

JUNE 19, 2003

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on April 3, 2003]

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## A BILL

To reauthorize the HOPE VI program for revitalization of severely distressed public housing and to provide finan-

cial assistance under such program for main street revitalization or redevelopment projects in smaller communities to support the development of affordable housing for low-income families in connection with such projects, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
 2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       *This Act may be cited as the “HOPE VI Program Re-*  
 5       *authorization and Small Community Mainstreet Rejuvena-*  
 6       *tion and Housing Act of 2003”.*

7       **SEC. 2. HOPE VI PROGRAM REAUTHORIZATION.**

8       (a) *SELECTION CRITERIA.*—Section 24(e)(2) of the  
 9       *United States Housing Act of 1937 (42 U.S.C. 1437v(e)(2))*  
 10       *is amended—*

11               (1) *by striking the matter preceding subpara-*  
 12       *graph (A) and inserting the following:*

13               “(2) *SELECTION CRITERIA.*—*The Secretary shall*  
 14       *establish criteria for the award of grants under this*  
 15       *section and shall include among the factors—”;*

16               (2) *in subparagraph (B), by striking “large-*  
 17       *scale”;*

18               (3) *in subparagraph (D)—*

19                       (A) *by inserting “and ongoing implementa-*  
 20       *tion” after “development”; and*

1           (B) by inserting “, except that the Secretary  
2           may not award a grant under this section unless  
3           the applicant has involved affected public hous-  
4           ing residents at the beginning and during the  
5           planning process for the revitalization program,  
6           prior to submission of an application” before the  
7           semicolon at the end;

8           (4) in subparagraph (H), by striking “and” at  
9           the end;

10          (5) by redesignating subparagraph (I) as sub-  
11          paragraph (M); and

12          (6) by inserting after subparagraph (H) the fol-  
13          lowing new subparagraphs:

14               “(I) the extent to which the applicant can  
15               commence and complete the revitalization plan  
16               expeditiously;

17               “(J) the extent to which the plan minimizes  
18               temporary or permanent displacement of current  
19               residents of the public housing site who wish to  
20               remain in or return to the revitalized commu-  
21               nity and provides for community and supportive  
22               services to residents prior to any relocation;

23               “(K) the extent to which the plan sustains  
24               or creates more project-based housing units  
25               available to persons eligible for public housing in

1           *markets where there is demand for the mainte-*  
 2           *nance or creation of such units;*

3           *“(L) the extent to which the plan gives to*  
 4           *existing residents priority for occupancy in*  
 5           *dwelling units in the revitalized community;*  
 6           *and”.*

7           *(b) DEFINITION OF SEVERELY DISTRESSED PUBLIC*  
 8           *HOUSING.—Section 24(j)(2)(A)(iii) of the United States*  
 9           *Housing Act of 1937 (42 U.S.C. 1437v(j)(2)(A)(iii)) is*  
 10          *amended—*

11           *(1) in subclause (I)—*

12                   *(A) by inserting “or very low-income elderly*  
 13                   *or non-elderly disabled persons” before the first*  
 14                   *comma; and*

15                   *(B) by striking “or” at the end;*

16           *(2) in subclause (II), by inserting “or” after the*  
 17           *semicolon at the end; and*

18           *(3) by inserting at the end the following new*  
 19           *subclause:*

20                   *“(III) is lacking in sufficient appro-*  
 21                   *priate transportation, supportive services,*  
 22                   *economic opportunity, schools, civic and re-*  
 23                   *ligious institutions, and public services, re-*  
 24                   *sulting in severe social distress in the*  
 25                   *project;”.*

1       (c) *AUTHORIZATION OF APPROPRIATIONS.*—Para-  
 2       graph (1) of section 24(m) of the United States Housing  
 3       Act of 1937 (42 U.S.C. 1437v(m)(1)) is amended by insert-  
 4       ing before the period at the end the following: “and such  
 5       sums as may be necessary for each of fiscal years 2004 and  
 6       2005”.

7       (d) *EXTENSION OF PROGRAM.*—Section 24(n) of the  
 8       United States Housing Act of 1937 (42 U.S.C. 1437v(n))  
 9       is amended by striking “September 30, 2004” and inserting  
 10      “September 30, 2005”.

11   **SEC. 3. HOPE VI GRANTS FOR ASSISTING AFFORDABLE**  
 12                   **HOUSING THROUGH MAIN STREET**  
 13                   **PROJECTS.**

14       (a) *PURPOSES.*—Section 24(a) of the United States  
 15       Housing Act of 1937 (42 U.S.C. 1437v(a)) is amended by  
 16       adding after and below paragraph (4) the following:  
 17       “It is also the purpose of this section to provide assistance  
 18       to smaller communities for the purpose of facilitating the  
 19       development of affordable housing for low-income families  
 20       that is undertaken in connection with a main street revital-  
 21       ization or redevelopment project in such communities.”.

22       (b) *GRANTS FOR ASSISTING AFFORDABLE HOUSING*  
 23       *DEVELOPED THROUGH MAIN STREET PROJECTS IN*  
 24       *SMALLER COMMUNITIES.*—Section 24 of the United States  
 25       Housing Act of 1937 (42 U.S.C. 1437v) is amended—

1           (1) *by redesignating subsection (n) as subsection*  
 2           *(o); and*

3           (2) *by inserting after subsection (m) the fol-*  
 4           *lowing new subsection:*

5           “(n) *GRANTS FOR ASSISTING AFFORDABLE HOUSING*  
 6           *DEVELOPED THROUGH MAIN STREET PROJECTS IN*  
 7           *SMALLER COMMUNITIES.—*

8           “(1) *AUTHORITY AND USE OF GRANT*  
 9           *AMOUNTS.—The Secretary may make grants under*  
 10           *this subsection to smaller communities. Such grant*  
 11           *amounts shall be used by smaller communities only to*  
 12           *provide assistance to carry out eligible affordable*  
 13           *housing activities under paragraph (3) in connection*  
 14           *with an eligible project under paragraph (2).*

15           “(2) *ELIGIBLE PROJECT.—For purposes of this*  
 16           *subsection, the term ‘eligible project’ means a project*  
 17           *that—*

18                   “(A) *the Secretary determines, under the*  
 19                   *criteria established pursuant to paragraph (3), is*  
 20                   *a main street project;*

21                   “(B) *is carried out within the jurisdiction*  
 22                   *of smaller community receiving the grant; and*

23                   “(C) *involves the development of affordable*  
 24                   *housing that is located in the commercial area*  
 25                   *that is the subject of the project.*

1           “(3) *MAIN STREET PROJECTS.*—*The Secretary*  
2           *shall establish requirements for a project to be con-*  
3           *sider a main street project for purposes of this section,*  
4           *which shall require that the project—*

5                     “(A) *has as its purpose the revitalization or*  
6                     *redevelopment of a historic or traditional com-*  
7                     *mercial area;*

8                     “(B) *involves investment, or other partici-*  
9                     *pation, by the government for, and private enti-*  
10                    *ties in, the community in which the project is*  
11                    *carried out; and*

12                    “(C) *complies with such historic preserva-*  
13                    *tion guidelines or principles as the Secretary*  
14                    *shall identify to preserve significant historic or*  
15                    *traditional architectural and design features in*  
16                    *the structures or area involved in the project.*

17           “(4) *ELIGIBLE AFFORDABLE HOUSING ACTIVI-*  
18           *TIES.*—*For purposes of this subsection, the activities*  
19           *described in subsection (d)(1) shall be considered eli-*  
20           *gible affordable housing activities, except that—*

21                     “(A) *such activities shall be conducted with*  
22                     *respect to affordable housing rather than with re-*  
23                     *spect to severely distressed public housing*  
24                     *projects; and*

1           “(B) eligible affordable housing activities  
 2           under this subsection shall not include the activi-  
 3           ties described in subparagraphs (B) through (F)  
 4           or (J) through (L) of subsection (d)(1).

5           “(5) MAXIMUM GRANT AMOUNT.—A grant under  
 6           this subsection for a fiscal year for a single smaller  
 7           community may not exceed \$1,000,000.

8           “(6) CONTRIBUTION REQUIREMENT.—A smaller  
 9           community applying for a grant under this sub-  
 10          section shall be considered an applicant for purposes  
 11          of subsection (c) (relating to contributions by appli-  
 12          cants), except that—

13               “(A) such supplemental amounts shall be  
 14               used only for carrying out eligible affordable  
 15               housing activities; and

16               “(B) paragraphs (1)(B) and (3) shall not  
 17               apply to grants under this subsection.

18          “(7) APPLICATIONS AND SELECTION.—

19               “(A) APPLICATION.—Pursuant to subsection  
 20               (e)(1), the Secretary shall provide for smaller  
 21               communities to apply for grants under this sub-  
 22               section, except that the Secretary may establish  
 23               such separate or additional criteria for applica-  
 24               tions for such grants as may be appropriate to  
 25               carry out this subsection.



1           “(B) *SELECTION CRITERIA.*—*The Secretary*  
2           *shall establish selection criteria for the award of*  
3           *grants under this subsection, which shall be*  
4           *based on the selection criteria established pursu-*  
5           *ant to subsection (e)(2), with such changes as*  
6           *may be appropriate to carry out the purposes of*  
7           *this subsection.*

8           “(8) *COST LIMITS.*—*The cost limits established*  
9           *pursuant to subsection (f) shall apply to eligible af-*  
10          *fordable housing activities assisted with grant*  
11          *amounts under this subsection.*

12          “(9) *INAPPLICABILITY OF OTHER PROVISIONS.*—  
13          *The provisions of subsections (g) (relating to disposi-*  
14          *tion and replacement of severely distressed public*  
15          *housing), (h) (relating to administration of grants by*  
16          *other entities), and (i) (relating to withdrawal of*  
17          *funding) shall not apply to grants under this sub-*  
18          *section.*

19          “(10) *REPORTING.*—*The Secretary shall require*  
20          *each smaller community receiving a grant under this*  
21          *subsection to submit a report regarding the use of all*  
22          *amounts provided under the grant.*

23          “(11) *DEFINITIONS.*—*For purposes of this sub-*  
24          *section, the following definitions shall apply:*

1           “(A) *AFFORDABLE HOUSING.*—The term ‘af-  
2           *fordable housing*’ means rental or homeownership  
3           *dwelling units that—*

4                   “(i) *are made available for initial oc-*  
5                   *cupancy subject to the same rules regarding*  
6                   *level of income and income mix as dwelling*  
7                   *units in public housing projects assisted*  
8                   *with a grant under this section; and*

9                   “(ii) *are subject to the same rules re-*  
10                   *garding occupant contribution toward rent*  
11                   *or purchase and terms of rental or purchase*  
12                   *as dwelling units in public housing projects*  
13                   *assisted with a grant under this section.*

14           “(B) *SMALLER COMMUNITY.*—The term  
15           ‘*smaller community*’ means a unit of general  
16           local government (as such term is defined in sec-  
17           tion 102 of the Housing and Community Devel-  
18           opment Act of 1974 (42 U.S.C. 5302)) that—

19                   “(i) *has a population of 30,000 or*  
20                   *fewer; and*

21                   “(ii)(I) *is not served by a public hous-*  
22                   *ing agency; or*

23                   “(II) *is served by a single public hous-*  
24                   *ing agency, which agency administers 100*  
25                   *or fewer public housing dwelling units.”.*

1       (c) *ANNUAL REPORT*.—Section 24(l) of the United  
 2       States Housing Act of 1937 (42 U.S.C. 1437v(l)) is amend-  
 3       ed—

4               (1) in paragraph (3), by striking “; and” and  
 5       inserting “, including a specification of the amount  
 6       and type of assistance provided under subsection  
 7       (n);”;

8               (2) by redesignating paragraph (4) as para-  
 9       graph (5); and

10              (3) by inserting after paragraph (3) the fol-  
 11       lowing new paragraph:

12              “(4) the types of projects funded, and number of  
 13       affordable housing dwelling units developed with,  
 14       grants under subsection (n); and”.

15       (d) *FUNDING*.—Section 24(m) of the United States  
 16       Housing Act of 1937 (42 U.S.C. 1437v(m)) is amended by  
 17       adding at the end the following new paragraph:

18              “(3) *SET-ASIDE FOR MAIN STREET HOUSING*  
 19       *GRANTS*.—Of the amount appropriated pursuant to  
 20       paragraph (1) for any fiscal year, the Secretary shall  
 21       provide up to 5 percent for use only for grants under  
 22       subsection (n).”.

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