



# House Committee on Financial Services

Michael G. Oxley (OH), Chairman



News

## Opening Statement Chairman Michael G. Oxley Committee on Financial Services Subcommittee on Housing and Community Opportunity

**Strengthening and Rejuvenating Our Nation's Communities and the HOPE VI Program  
April 29, 2003**

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Today's hearing entitled "Strengthening and Rejuvenating Our Nation's Communities and the HOPE VI Program," will focus on a program which was designed to rehabilitate, demolish and reconstruct severely distressed public housing.

On August 10, 1992, the National Commission on Severely Distressed Public Housing submitted a report to Congress finding that approximately 6 percent of the 1.4 million existing public housing apartments – 86,000 units – were severely distressed and recommended that they be demolished. The HOPE VI program was established to provide assistance to public housing authorities through planning, implementation, and demolition grants. Goals of this program include changing the physical characteristics of public housing from high-rise tenements to attractive, marketable units that blend in with the surrounding neighborhood and help residents to attain self-sufficiency. These grants play a vital role in a community's redevelopment and revitalization by providing the funds necessary to rebuild deteriorating public housing complexes.

While the success of the HOPE VI program is impressive, there is general agreement that it is in need of reform and review. In fact, last year this Committee approved legislation that included several changes to the program designed to expand eligibility for small public housing authorities and make accountability and management improvements.

The Administration's FY 2004 budget does not include additional funding for HOPE VI. HUD maintains that the program has resulted in the demolition of only 55,000 of the 140,000 public housing units that have been approved under HOPE VI. In addition, because progress is often slow under the program, billions of dollars in HOPE VI funds remain in the pipeline. Of the \$4.5 billion awarded as of December 1, 2002, only \$2.1 billion, or 47 percent of awarded funds, have actually been expended. Of the 156 revitalization grants awarded, only 15 projects had been completed as of December of last year.

Congressmen Jim Leach and Mel Watt were instrumental in the work this Committee did last year to reform HOPE VI, and I want to thank them for their continued efforts to make the HOPE VI program a more effective and efficient one. Both Congressmen Leach and Watt have again introduced HOPE VI legislation in this Congress and I look forward to working with them and Housing Subcommittee Chairman Bob Ney on this bill.

I thank the witnesses before us and look forward to today's testimony.