



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Revised June 21, 2006

H.R. 5347 **HOPE VI Reauthorization Act of 2006**

*As ordered reported by the House Committee on Financial Services
on May 24, 2006*

SUMMARY

H.R. 5347 would reauthorize the HOPE VI Revitalization for Severely Distressed Public Housing Program and would authorize the appropriation of \$574 million for that program for each of the fiscal years 2007 through 2011.

CBO estimates that the bill would authorize total appropriations of \$2.9 billion over the 2007-2011 period, and that appropriation of those amounts would result in additional outlays of \$712 million over that period. Enacting H.R. 5347 would not affect direct spending or revenues.

H.R. 5347 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 5347 is shown in the following table. The costs of this legislation fall within budget function 600 (income security).

	By Fiscal Year, in Millions of Dollars					
	2006	2007	2008	2009	2010	2011
SPENDING SUBJECT TO APPROPRIATION						
HOPE VI Spending Under Current Law						
Budget Authority ^a	99	0	0	0	0	0
Estimated Outlays	650	621	531	344	148	48
Proposed Changes:						
Estimated Authorization Level	0	574	574	574	574	574
Estimated Outlays	0	1	36	110	225	340
HOPE VI Spending Under H.R. 5347						
Estimated Authorization Level ^a	99	574	574	574	574	574
Estimated Outlays	650	622	567	454	373	388

a. The 2006 level is the amount appropriated for that year for the HOPE VI program.

BASIS OF ESTIMATE

H.R. 5347 would authorize the appropriation of \$574 million for the HOPE VI program for each of fiscal years 2007 through 2011. In 2006, \$99 million was appropriated for this program. Assuming appropriation of the authorized amounts and based on historical spending patterns, CBO estimates that implementing this bill would cost \$712 million through 2011. Spending on the HOPE VI program has historically been slow due to the time it takes to award grants and complete revitalization projects.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 5347 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

The estimate supersedes the cost estimate for H.R. 5347 that CBO transmitted on June 6, 2006. The bill would extend the most recent authorization for the HOPE VI program. That authorization was for \$574 million for fiscal year 2003; CBO had incorrectly referenced the 2002 authorization, which was for “such sums as may be necessary.”

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