DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PART ASSESSMENTS[1]

[1] For each program that has been assessed using the PART, this document contains details of the most recent assessment. These details are presented in their original form; some programs have revised performance targets and developed or replaced performance measures since the original assessment. The PART summaries published with the 2006 Budget (in February 2005) provide current information on follow-up to recommendations and other updates.

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PART Performance Measurements

Program: Community Development Block Grant (Formula)
Agency: Department of Housing and Urban Development
Bureau: Community Planning and Development
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Ineffective
0%	38%	67%	27%	

1.1 Is the program purpose clear? Answer: NO Question Weight20%

Explanation: The program does not have a clear and unambiguous mission. Both the definition of "community development" and the role CDBG plays in that field are not well defined.

Evidence: Throughout CDBG's legislative history there has been ambiguity between flexible, steady funding given to localities and the requirements to benefit low- and moderate-income individuals and neighborhoods. The program's statute cites multiple purposes, but the primary objective of the program is stated as "the development of viable urban communities." In describing the means to achieve this end, the statute includes, "providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income." Another purpose was "consolidating a number of complex and overlapping programs of financial assistance to communities of varying sizes and needs." HUD will attempt to operationalize a definition or definitions for what represents a "viable urban community."

1.2 Does the program address a specific and existing problem, interest or need? Answer: NO Question Weight20%

Explanation: The need to revitalize distressed urban communities certainly exists; however, the CDBG is unable to demonstrate its effectiveness in addressing this problem.

Evidence: CDBG is not well designed to achieve its stated purpose. The program's targeting requirements allow grantees to spread resources thinly, thereby minimizing the ability of the funds to have an impact on its mission of developing communities.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: NO Question Weight20%

Explanation: Federal, state, and local programs as well as other for-profit and non-profits address similar objectives. Although CDBG pulls together several funding sources into one program, the funding mechanisms or beneficiaries of CDBG are often served by other programs.

Evidence: CDBG funds are rarely the only resource for the community development activities of public agencies or nonprofits. CDBG is the only place-based community and economic development program in the Federal government that provides a steady stream of funding to local governments; however, several activities duplicate other local and Federal activities. Funds are typically delegated to local agencies or nonprofits to supplement projects. Other Federal agencies also fund similar activities while targeting funds to low- and moderate-income persons or areas include (HOME; Economic Development Administration; Community Services Block Grant).

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: NO Question Weight20%

Explanation: The model of providing flexible annual block grants to State and local governments is a strength of the program. However, the lack of standards and evidence of targeting funds limits the programs effectiveness and efficiency.

Evidence: Concentrating CDBG dollars in specific areas represents a more effective use of these resources compared with communities that spread funds more thinly; however, the program provides few incentives (and no measures) for communities to target most funding to a specific neighborhood. The CDBG formula does not effectively target funds to the most needy communities and insufficient information exists regarding leveraging of private funds or cost effectiveness of the program's activities.

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1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: NO Question Weight 20%

Explanation: CDBG funds can be targeted in two ways -- 1) by the CDBG formula to States and localities and 2) by grantees to benefit neighborhoods or households. The CDBG formula has become less targeted to community need over time. Further, the two main types of activities -- direct benefit and area benefit -- do not require maximum benefits for low- and moderate-income persons or areas.

Evidence: Formula Targeting -- As new Census data was included in 1980, 1990, and 2000, the effect each time has been a weakening of the formula's targeting to needy communities. The formula does give more funding per capita to communities with greater need; however, the share going to the two hundred communities with the highest poverty rates has decreased from 50 to 40 percent of the total since their first year of funding (this represents a decrease of about $300 million each year). The 200 communities with the highest poverty rates receive 35 percent less CDBG funds for each poor resident than 200 communities with the lowest poverty rates. Grantee Targeting -- Requirements allow grantees to thinly spread resources across different specific neighborhoods. CDBG does not commit to a performance measure that encourage or track the extent to which grantees target funds (current measure tracks amount of funds spent on low- and moderate-income activities, not the targeting of funds to benefit low-income neighborhoods). For an activity that benefits individuals directly, only 51 percent of the beneficiaries must be low- or moderate-income. For a single family housing rehabilitation activity, however, this standard can only be meet if each dwelling unit is occupied by a low- or moderate-income household. Also, CDBG law allows nearly 40 percent of their grantees to fund activities that serve areas below the standard of 51 percent low and moderate income required of most grantees (however, only 13 percent of entitlement grantees used this exception for activities that amount to less than 2 percent of all CDBG expenditures).

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: NO Question Weight 12%

Explanation: The measurable long-term goals CDBG identifies in their strategic plan and annual performance plan/report have a weak connection to the program purpose and do not focus on outcomes. CDBG has not to developed a quantifiable measure that corresponds to its primary objective -- the development of viable urban communities -- or corresponding to the nine specific statutory program objectives.

Evidence: CDBG, one of the Department's largest programs, is one of the only HUD programs unable to identify itself with any of the approximately 20 quantifiable long-term outcome goals included in HUD's strategic plan. The HUD Strategic Plan objective to "Strengthen Communities," includes: 1) provide capital and resources to improve economic conditions in distressed communities; and 2) help organizations access resources they need to make communities more livable. The outcome measure, "neighborhoods in which significant CDBG investments have been made will demonstrate increases in measures of neighborhood health" represents an start; however, the indicator has not yet been quantified.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: NO Question Weight 12%

Explanation: The long-term outcome goal of increasing neighborhood quality has not yet been quantified. Therefore, it can have no targets or timeframes.

Evidence: Measures in strategic plan and annual performance plans do not focus on long-term outcomes or have not yet been quantified.

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2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: NO Question Weight 12%

Explanation: CDBG's GPRA measures fall short of demonstrating progress toward achievement of the program purpose or strategic goals. CDBG is a flexible program that allows grantees to set their own program priorities, however, the program has not established a procedure to measure the extent to which grantees meet their own goals or the degree to which they meet the objectives of the program.

Evidence: HUD reports CDBG accomplishments as two measures: number of households receiving housing assistance and number of jobs created. The number of households assisted with housing assistance does not contributes to our understanding of the program's contribution to the community or the person assisted (e.g., number assisted versus increase in home value or amount of annual energy savings). Likewise, the Annual Performance Plan measure, "the share of funds for activities that pincipally benefit low-and moderate-income persons" does not reflect grantee performance. Instead, the measure represents the percentage of funds spent on that national objective. The CDBG program does not have a targeting, leveraging, or efficiency measure.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: NO Question Weight 12%

Explanation: Annual measures fail to inform about program's purpose (see 2.3).

Evidence: See 2.3, but of the measures HUD reports, the goals for both jobs created and households assisted with housing assistance in 2003 are below 2002 actual. Furthermore, goals for 2004 are below the 2003 goal.

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: NO Question Weight 12%

Explanation: Grantees do not currently commit to national program goals.

Evidence: The program does not take steps to influence grantee funding decisions according to program goals. HUD will begin to work with stakeholders and grantees to identify common objectives and goals of local CDBG programs.

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight 12%

Explanation: There have been several independent evaluations of the CDBG program.

Evidence: The most comprehensive was the 1995 study by the Urban Institute, " "Federal Funds, Local choices: An Evaluation of the Community Development Block Grant Program." As a result of this study, the Department created a concept for the CDBG program called "neighborhood revitalization strategy areas" (NRSAs) in to provide regulatory benefits to CDBG grantees who concentrated their CDBG expenditures in neighborhoods. In 2002 "The Impact of CDBG Spending on Urban Neighborhoods," conducted by the Urban Institute for HUD, provides some empirical evidence larger CDBG investments are linked to improvements in neighborhood quality. HUD is working to operatioinalize this study into measures of performance.

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2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight 12%

Explanation: HUD budget submissions link performance information and budget requests.

Evidence: The program will develop better performance measures to document how the budget request directly supports achieving the performance goals of the Department. See the Department's FY 2005 Congressional Justifications regarding the link between budget requests and accomplishments of performance goals.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight 12%

Explanation: HUD has taken several meaningful steps to address their lack perforamnce measures and improving timeliness among grantees.

Evidence: HUD has taken the following steps to develop new performance indicators: 1) issued CPD notice 03-09 on performance measurement on September 3, 2003 to encourage and survey the extent of State and local performance measurement systems; 2) contracted with National Academy for Public Administration (NAPA) to recommend a performance measurement framework and potential indicators; 3) operationalize results of recent Urban Institute Study; 4) work with Council for State Community Development Agencies (COSCDA) to develop a outcome-oriented framework for measuresing State's accomplishments; 5) improve IDIS; and 6) testing pilots that make the Consolidated Planning process more results oriented and useful to communities.

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: NO Question Weight 11%

Explanation: CDBG collects a considerable amount of information from grantees; however, very little is organized and disseminated in a way that is useful for HUD and grantees to manage the program and improve performance.

Evidence: According to a 1999 GAO report, "IDIS does not produce the complete, accurate, and timely information that the Department should obtain from a computerized database to effectively manage and monitor almost $6 billion in block grants. IDIS has major design flaws that make it difficult for grantees to enter information accurately and for field office officials and grantees to use the information to monitor performance." Grantees report to HUD over 800 data fields (300 unique to CDBG program); however, this program data is not organized and made publically available in a way that encourages grantees to use CDBG funds in the most effective and efficient way. HUD has also begun to take steps to define the data system needs of CPD.

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3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight 11%

Explanation: HUD managers are rated for performance based upon the Performance Accountability and Communication System (PACS) and the Leadership Development and Recognition System (LDRS) and have been for the last several years.

Evidence: Under this system, the elements used to rate a manager's performance are linked to the Department's GPRA goals. Ratings, promotions and monetary awards are appropriate to the manager's accomplishments, or lack thereof. HUD has anecdotal evidence that suggest its aggressive policy regarding timely expenditure of CDBG funds resulted in the loss of some local Department heads jobs.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight 11%

Explanation: CDBG's unobligated balances are significant, but largely result from conflicts between the fiscal and program year of grantees. CDBG is not able to compare actual expenditures with intended use of funds, as required by the CDBG statute. HUD plans to develop a more rigorous mechanism for comparing actual expenditures against their intended use.

Evidence: FY 2003 unobligated balances for CDBG were $1,104 million. From 1998 through May of 2003, HUD's IG issues 61 CDBG grantee audits and identified $28 million in findings or questioned costs and raised 638 concerns. There were approximately $5.2 million in sanctions in which grantees repaid their program accounts from non-Federal sources. Grantees submit annual action (spending) plans and at the end of the year HUD generates Consolidated Annual Performance and Evaluation Reports for each grantee, which details expenditures and accomplishment data.

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: NO Question Weight 11%

Explanation: The program does not have procedures in place to encourage the most efficient use of each dollar; however, staff are beginning to take some steps to improve program execution.

Evidence: The program does not have efficiency measures and targets. According to a 1999 GAO report, "CPD has not established standard criteria for determining the level of performance grantees achieve, which means that CPD has no assurance that the grantees most at risk of failing to meet program requirements are consistently being identified for more intensive review." CPD will work to demonstrate how IDIS improvements will improve the productivity and efficiency of the program. HUD efforts have been successful at decreasing the number of grantees with more than 1.5 times their CDBG funds unspent. CPD has reduced the number of grantees failing to met this standard from a high of 330 to fewer than 40. Current policy requires any grantee that fails to meet the standard to do so within 12 months or risk losing funds. HUD dropped this performance goal because it no longer serves management purpose.

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3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight 11%

Explanation: Because of CDBG's broad flexibility, localities often use CDBG to fill programmatic gaps not covered by other Federal, State, or local programs. For example, homeless programs may provide funds for operation, but CDBG can provide funds for the facility.

Evidence: In a sample survey of CDBG communities, about 39 percent of funds were channeled through nonprofits. Another recent study showed that 43 percent of all economic development spending was allocated to so-called "sub-recipient" agencies. Seventy-five percent of CDBG public service spending is carried out by non-governmental organizations. CDBG will work with other Federal community and economic development programs to improve coordination and focus on results.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight 11%

Explanation: All participating units of general local government are required to have adequate financial accounting systems. Grantees, subgrantees and subrecipients are covered by OMB Circular A-133 governing periodic audits. HUD OIG staff audits selected grantees and HUD Field Office staff monitors approximately 400 grantees annually - such reviews include examination of appropriate source documentation.

Evidence: HUD's OIG audits grantees and the program as a whole for existence of proper financial management systems, financial information that is timely and accurate, and whether grantees have financial statements and no material internal control weaknesses. From 1998 through May of 2003, HUD's IG issued 61 CDBG grantee audits and identified approximately $28 million in findings or questioned costs. In addition, HUD's Grants Management Program tracks all monitoring findings and corrective actions and resolutions to such findings. During FY 2002, HUD Field Office staff conducted 448 program monitoring visits of CDBG grantees and reviewed over 607 areas of financial program requirements with 294 findings, 234 areas of concern, 45 areas that have resulted in sanctions on over $3 million in funds returned to the program. Grantees, subgrantees and subrecipients are also required to have A-133 audits conducted.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight 11%

Explanation: HUD has identified deficiencies in program management and performance and taken several steps to improve the planning and reporting processes.

Evidence: The CPD Grants Management Program resulted from a series of deficiencies GAO identified. The system supports annual grantee reviews, risk analysis, monitoring workload identification, monitoring trips, results, and tracking of findings, concerns, corrective actions, sanctions, and dollars recovered. CDBG program took a series of management actions to significantly reduce the number of "untimely" grantees from over 300 to less than 50. The Department, as part of the President's Management Agenda, has taken steps to streamline the Consolidated Plan process and make it more results oriented. CDBG has procured funds to give the public an easily understood summary of grantee performance and use of funds. Program staff attempted to undertake extensive data clean-up to address the problems of over 100,000 incomplete and erroneous data entries; however, the effort only reduced the number to 70,000. The Department must determine the ability of IDIS, even with improvements, to continue to meet the needs of CPD to demonstrate performance accomplishments. CPD has posted individual expenditure and accomplishment data for its grantees.

PART Performance Measurements

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Type(s): Block/Formula Grant

Section Scores				Rating
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0%	38%	67%	27%	

3.BF1 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight 11%

Explanation: The CDBG program has several levels of oversight that provide information about grantee activities.

Evidence: HUD's IDIS system is a real-time disbursement system that collects detailed funded activity information with each draw made. In 1998 only 38 of the 85 grantees HUD had originally designated for on-site monitoring were determined to be among the lowest performing grantees. The Inspector General and an independent study performed in 1998 of six field offices and 11 grantees also reported that CPD's monitoring is inadequate. According to representatives of an independent accounting firm that reviewed CPD's actions to correct material weaknesses in CDBG, CPD headquarters' oversight of the field offices is almost nonexistent. HUD has taken several steps since to correct these deficiencies. In response, CPD developed a Grants Management Program to determine the relative risk to the Department that each grantee and its program pose. During FY 2002 HUD Field Office program staff monitored 448 CDBG grantees (roughly a 45 percent of all grantees) and identified 772 findings, 638 concerns and have taken 130 sanctions. Voluntary repayment to CDBG program accounts totaled approximately $5.2 million.

3.BF2 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: NO Question Weight 11%

Explanation: HUD collects a significant amount of data from CDBG communities, but has struggled to use this information in a meaningful way. CDBG staff are in the process of taking steps to make this information more accessible and useful to grantees.

Evidence: According a 1999 GAO report, "IDIS does not require grantees to enter performance information before it releases grant funds to them. Grantees can obtain all funds for an activity without entering any performance information about it." Grantees are not currently required to report actual accomplishment data for all activities before it is listed as "completed" in IDIS. HUD staff have taken an initial step by posting on the Internet each grantee's CDBG expenditure data for over 90 different categories. The public can evaluate any grantee's use of funds expenditures at: http://www.hud.gov/offices/cpd/communitydevelopment/budget/disbursementreports/index.cfm HUD plans to contract the development of individual grantee performance summaries that will allow manipulation of program and performance data by the public. Results are expected during FY 2004. Some grantee accomplishment data is also available at http://www.hud.gov/offices/cpd/communitydevelopment/library/accomplishments/index.cfm.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight 20%

Explanation: Since CDBG received a No in Question 2.1, they must also receive a no for this question.

Evidence: HUD has begun to develop measures of neighborhood revitalization and other outcomes that relate to the program's purpose.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: NO Question Weight 20%

Explanation: Since CDBG received a No in Question 2.1, they must also receive a no for this question.

Evidence: While some types of activities do not easily correspond to performance indicators (e.g., public improvements), HUD will work to develop annual measures (e.g., number of units rehabilitated) as well as measures that demonstrates the targeting of CDBG funds by grantees to low-income neighborhoods.

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Bureau: Community Planning and Development
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Ineffective
0%	38%	67%	27%	

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: SMALL EXTENT Question Weight20%

Explanation: CDBG is not able to compare cost per unit or other efficiency information over time in a systematic way. Most CDBG activities are subject to competitive pricing under OMB's Circulars; however, the program does not have performance or efficiency targets it attempts to achieve.

Evidence: Analysis is difficult given lack of reliable reporting data and limited measures used. Grantees are not currently required to report actual accomplishment data for all activities before it is listed as "completed" in IDIS. Actual jobs created data became available only for 2002.

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: SMALL EXTENT Question Weight20%

Explanation: Other programs with similar purposes compare favorably in some ways to CDBG. CDBG is one of the only HUD programs without a long-term outcome measure.

Evidence: HHS' Community Services Block Grant (CSBG) is implementing a performance measurement system called Results Oriented Management and Accountability (ROMA); however, the effectiveness of their approach has not yet been determined. Small Business Administration has a few outcome measures it tracks each year to assess progress (e.g., percent of start-up firms surviving three years after assistance). Although HUD's HOME program has a more defined mission, it excels at using performance information to manage its program, demonstrates annual outputs, and has adopted a long-term outcome measure in the 2005 performance plan focusing on neighborhood change and affordable housing.

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: LARGE EXTENT Question Weight20%

Explanation: CDBG has had two main evaluations to determine its effectiveness at a national level; however, CDBG still lacks an evaluation that compares areas that receive CDBG dollars with those that do not.

Evidence: The 1995 study conducted by the Urban Institute found CDBG made positive contributions to the capacity of cities - both governments and community institutions - to respond to community needs and played a vital role in neighborhood stabilization and revitalization in a number of U.S. cities. The 2002 study found that larger CDBG investments are linked to improvements in neighborhood quality in the 17 cities studied, but was not broad enough to conclusively prove CDBG investments are positively correlated with measurable results. Other studies have focused on other aspects of the CDBG program.

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0%	38%	67%	27%	

Measure: Percent of neighborhoods improving as a result of concentrated CDBG Investment. Measure not yet quantified.

Additional Information: This outcome measure will track the long-term performance of the CDBG program in bringing about positive changes in distressed neighborhood quality of life indices where concentrated investments of CDBG have been made. Baseline is under development

Year	Target	Actual	**Measure Term:** Long-term

Measure: Number of households that receive CDBG housing assistance

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term
2001	181,396	172,889	
2002	183,031	187,423	
2003	180,203		
2004	178,852		

Measure: Number of jobs created or retained through CDBG

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term
2002	90,263	90,263	
2003	87,555	108,684	
2004	84,000		
2005	82,140		

PART Performance Measurements

Program: Fair Housing Assistance Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	89%	50%	

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: The Fair Housing Assistance Program (FHAP) was created under the Federal Fair Housing Act to provide HUD with a means of delegating its enforcement authority to State and local enforcement agencies with State and local fair housing laws that are determined by HUD to be "substantial equivalent" to the Federal Fair Housing Act.

Evidence: The Federal Fair Housing Act (42 U.S.C. 3601 et seq.) provides that whenever a complaint alleges a discriminatory housing practice arising in the jurisdiction of a State or local agency that has been certified by the Secretary under section 810(f) of the Act, HUD shall refer the complaint to that State or local agency. The program regulations at 24 CFR Part 115 and the program's strategic goals state that the goal of the program is to recruit new State and local agencies to participate in the substantially equivalency program, thus increasing the number of agencies with laws that have been deemed to be substantially equivalent to the federal Fair Housing Act that can take in and investigate complaints and enforce the Fair Housing Act.

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight20%

Explanation: The State and local agencies participating in the FHAP program address individual complaints of housing discrimination in their jurisdictions against any of the seven protected classes of the Federal Fair Housing Act (which prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, disability, and familial status) as well as additional protected classes as authorized by the State or local substantially equivalent law.

Evidence: HUD's Housing Discrimination Study, which has been conducted in 1977, 1989, and 2000, demonstrates that national rates of discrimination remain consistently high. In 1996, HUD conducted a study of public awareness of fair housing laws, "How Much Do We Know?", and determined that in a national survey, approximately 14 percent of the general American public (about 28 million people) have experienced discrimination in their lifetime. Of that 14 percent, only 17 percent of those discriminated against took action, including 3 percent who sought help from a government agency.

Program: Fair Housing Assistance Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	89%	50%	

1.3 **Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight20%

Explanation: The Department of Justice also is authorized by the Fair Housing Act bring lawsuits to address discriminatory policies or "patterns and practices" and to create a mechanism by which individuals may file a complaint with the Department of Housing and Urban Development (HUD). Through this authority, the Department of Justice may chose to bring housing discrimination lawsuits to Federal Court. The Department of Justice's Civil Rights Division has a Housing and Civil Enforcement section that enforces DOJ's fair housing authorities through activities focused on exposing systemic discriminatory practices. The important difference between the Department of Justice's Fair Housing Act authorities and HUD's Fair Housing Act authorities is that HUD is authorized to investigate individual cases of discrimination, whereas Justice is authorized to investigate systemic discrimination patterns or practices, such as cases of ensuring reasonable accommodation or accessible design and fair lending practices. However, if an individual complainant chooses to pursue a civil action suit, the Secretary of HUD is authorized by the Fair Housing Act to refer such individual cases to the Attorney General to begin civil proceedings in Federal district court.

Evidence: HUD and the Department of Justice are partners in investigation and enforcement of the Fair Housing Act. Through a Memorandum of Understanding (MOU), DOJ attorneys and HUD attorneys work closely together on individual cases that are referred from HUD as well as on DOJ-led cases on systemic practices and patterns in housing discrimination.However, the majority of cases filed with HUD are conciliated through HUD's administrative law judges (ALJs), rather than being referred to the Department of Justice to be entered as a civil action in Federal district court. Research of data in HUD's TEAPOTS by Michael Schill of the NYU Law School notes that the number of charged cases where complainants elected to enter a civil action in Federal district court has decreased in the last ten years. Schill also noted that in cases where settlement was reached, that HUD ALJs settled in less time than cases that settled in Federal District Court. However, cases that settled in Federal district court often resulted in higher penalties for respondents and higher satisfaction levels for complainants.

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight20%

Explanation: The program and its regulations require specific procedures of the state and local equivalent agencies, including requiring all complaints received by FHAP agencies to be dual filed with HUD, which allows for performance tracking. HUD Hub field offices review, at least annually, agency performance using the performance criteria contained in 24 CFR, Part 115. An agency must receive a rating of "Excellent" or "Fair" to qualify as a substantially equivalent agency. Agencies that violate any of the performance criteria outlined in the regulations may be placed on a performance improvement plan (PIP), and funding may be suspended until improvement is demonstrated

Evidence: The broad range of rights to individuals provided under the Federal Fair Housing Act allows for a complex process for individual complainants in term of which path they chose to pursue conciliation/settlement of their case. After an investigation is conducted and a cause finding has been determined, complainants may elect to conciliate the case through HUD's administrative law judges (ALJs), or through Federal district court (through the Department of Justice). However, a complainant may also elect mediation at any point in the process. However, some state's fair housing laws may also present other options for a complainant to chose, which may make case tracking difficult to reconcile in HUD's case tracking systems. For example, the state of Louisiana does not have an administrative law judge, but the complainants can elect to have their cases hear through a state mediation board (an option which is not often used). In addition, the Louisiana fair housing laws allow the State Attorney General to send housing cases to the state courts, rather than the Federal district court.

PART Performance Measurements

Program: Fair Housing Assistance Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	89%	50%	

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight 20%

Explanation: An important aspect of the FHAP program is that it provides a steady funding stream to State and local agencies that allows decentralized enforcement of both the Federal Fair Housing Act, as well as state and local fair housing laws. FHAP agencies receive annual funding for complaint processing, administrative costs, training, special enforcement funds (for experienced FHAP agencies that meet specific criteria), and for partnerships with faith-based and grassroot organizations. The allocation for each agency is determined by the agency's annual performance rating. For example, HUD allocates approximately $1.5 million annual to FHAP agencies for administrative costs associated with complaint intake and case processing. The allocation is determined by the the number of complaints correctly processed by the agency during the previous fiscal year.

Evidence: The FHAP program also allocates funding to initiatives that support program needs. For example, in the 2004 NOFA, HUD announced $1 million in FHAP funding to law schools at historically Black colleges and universities to develop and operate fair housing law clinics. This initiative establishes partnerships between the local FHAP office and law schools at historically Black colleges and universities to increase the number of law students specializing in fair housing law.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight 13%

Explanation: The program's long-term measures focus on activities that are fundamental to the work of FHEO. The overarching goal of all of FHEO's operations and programs is to reduce housing discrimination. FHEO's long-term measures support the program's strategic objectives, which are: (1) increase access to rental and sales housing through enforcement efforts by FHIPs and FHAP; (2) promote public awareness of fair housing laws; and (3) improve housing accessibility for persons with disabilities. Three studies provide measures which demonstrate reductions in housing discrimination. FHAP agencies contribute to reductions in housing discrimination by providing an enforcement mechanism at the State and local level to increase compliance with the Fair Housing Act and the FHAP's own substantially equivilent state fair housing laws.

Evidence: FHEO has revised their strategic objectives, as outlined in the annual Strategic Plan, the annual Performance Plan, and the annual Management Plan, to support its long-term outcome measure of "Ensuring Equal Opportunity in Housing." Three studies provide baselines for FHEO's long-term measures. The Housing Discrimination Study, which is conducted every ten years, shows a reduction in instances of white-favored treatment over minorities in the rental and sales markets since 1989. The "How Much Do We Know?" study tracks rates of public awareness in fair housing laws. In 2001, 51% of the general public could identify six or more scenarios (out of eight) describing discriminatory conduct as illegal. In 2003, HUD issued a study on "Multifamily Building Conformance with the Fair Housing Accessibility Guidelines," which examines the percentage of existing multifamily housing units and architectual plans of multifamily units under development which meet the Fair Housing Act's standards for accessibility for persons with disabilities. The study concluded that 88% of existing multifamily units meet the Act's accessibility standards.

PART Performance Measurements

Program: Fair Housing Assistance Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	89%	50%	

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight 13%

Explanation: The baselines for the annual strategic measures are established through studies conducted every 5 to 10 years. Discrimination is a difficult phenonmenon to meausure, and studies must rely on testing or surveys to demonstrate reduced instances of discrimination. Discrimination cannot be adequetely measured through controlled trials. The baselines for FHEO's measures the level of housing discrimination through reductions in the number of instances where one group (whites) are favored over other groups (as shown in HDS 2000) as well as increased awareness by the general public of situations which violate fair housing laws (as shown in the "How Much Do We Know?" study). FHEO is able to demonstrated steady progress, given the methodological difficulties in capturing discrimination.

Evidence: The major long-term indicator is a reduction in housing discrimination. Change in the levels of incidents of discriminatory behavior has been measured through the Housing Discrimination Studies. Between 1977 and 1989, HUD found no significant difference in the rates of white-favored treatment over minorities in the rental and housing markets. The Fair Housing Act was amended in 1988, and the FHAP program was established. Between 1989 and 2000, a reduction of several percentage points occured, with whites being favored in fewer instances over Blacks, Hispanics, or Asians. By 2010, if another national study of housing discrimination is funded, HUD's goal is a further reduction in white favoritism over minorities in both rental and sales from the 2000 levels. The next study to measure the public's awareness of fair housing through the "How Much Do We Know?" study will be in 2005, and HUD's goal is to see an increase in a "high" level of awareness from 51% in 2001 to 60% in 2005.

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight 13%

Explanation: The program's annual output measures focus on reducing the number of aged HUD and Fair Housing Assistance Program fair housing complaints and monitoring FHIP grants and FHAP cooperative agreements to ensure proper use of funds. The program's output measures show progress in meeting annual targets and supporting the strategic goals of the program.

Evidence: HUD's Annual Performance Plan does not include annual target numbers; only the annual Management Plan provides this information.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight 13%

Explanation: The program's annual measures seek to meet an annual target number. However, these targets are not particularly ambitious, and FHEO should continue to develop multiyear baselines for their output measures. For example, one of the primary annual measures for the FHAP program is the reduction of aged cases (cases that have been open for 100 days or more) in both the FHAP and the HUD inventories, as required by the Fair Housing Act. It is not clear if the program is seeking to completely eliminate its inventory of aged cases, or to reach an acceptable percentage of aged cases in the inventory. FHEO's annual strategic planning and performance metrics should allow FHEO to determine the appropriate target percentage necessary to keep the aged case inventory from increasing, while also allowing FHEO to continue efforts to resolve outstanding aged cases already in the inventory system. An efficiency measure based on the percentage of all cases which become aged cases would allow FHEO to set a more realistic goal for reducing its current backlog while maintaining a low level of new aged cases in the TEAPOTS system.

Evidence: HUD Annual Performance Plan, 2004

Program: Fair Housing Assistance Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	89%	50%	

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight 13%

Explanation: All of the partners are committed to the overall goal of fighting and reducing housing discrimination. The partners contribute to meeting the annual output goals and FHAP agencies receive payment for their activities based upon their performance in meeting annual measures.

Evidence: Advocates, such as the National Fair Housing Alliance, have stated in publications and studies that HUD's performance goals and targets do not demonstrate program progress because they focus on measures that show management improvement, but not progress towards reducing the number of incidences of discriminatory behaviors. Advocates have suggested performance measures that track the number of tests conducted, or the results of a conciliation/settlement agreement, such as the number of units that become available on the market because of the resolution of a discrimination case, rather than the number of aged cases in the TEAPOTS system (National Fair Housing Alliance 2004 Fair Housing Trends report). In addition, a recent General Accountability Office study on the FHAP program's performance in reducing its aged caseload (GAO-04-463, "Fair Housing: Opportunities to Improve HUD's Oversight and Management of the Enforcement Process," April 21, 2004) notes in its findings that partner agencies have difficulties demonstrating that they have a direct connection or interest in meeting the program's long-term strategic objectives.

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: NO Question Weight 13%

Explanation: No independent evaluations exist that are of sufficient scope and quality.

Evidence: While the General Accountability Office (GAO) has conducted several studies on the HUD and FHAP aged cases inventories, these studies focus on particular aspects of the program's activities. No one has conducted an independent evaluation of the FHAP program to that evaluate program processes, impact, or cost efficiencies. It is recommended that FHEO work with HUD's Office of Policy Development and Research (PD&R) to conduct an independent evaluation for this program

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight 13%

Explanation: Budget requests are tied to annual output and outcome measures and supports the administrative enforcement and the education and outreach activities of FHAP agencies. The program's strategic objectives under the Fair Housing Act are achieved through the establishment of new substantially equivalent agencies under the Fair Housing Act, increasing the number of fair housing conciliation/settlement agreements processed and decreasing aged fair housing complaints in HUD and FHAP inventories, as well as the establishment of a Fair Housing Training Academy.

Evidence: However, partners have raised concerns with the reduction in some program resources, such as the special enforcement funds, which are an reward for agencies who maintain 3 years of quality enforcement efforts. The FHAP agencies have traditionally relied heavily on the availability of these funds, which have been reduced to a flat amount of $16,500 in 2004 by to budget constraints. Previously, FHAP agencies received between $60,000 and $100,000 for special enforcement work in complex or long term investigations or cases.

PART Performance Measurements

Program: Fair Housing Assistance Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	89%	50%	

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight 13%

Explanation: The program continues to work towards improving their process and efficiency, primarily by focusing on increasing the availability of training for FHAP agency staff and HUD fair housing staff through the National Fair Housing Training Academy.

Evidence: National Fair Housing Training Academy materials, 2004 Management Plan

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight 11%

Explanation: Field Offices review, at least annually, fully certified FHAP agency performance using the performance criteria contained in 24 CFR, part 115. Agencies under an interim agreement are reviewed at least once within the capacity building period (up to 3 years).

Evidence: Annual performance assessment reports are conducted by the FHEO Government Technical Representative (GTR) of each HUD regional offices. FHAP agencies are rated "Excellent," "Fair," or "Poor." The Assistant Secretary is authorized by program regulations (24 CFR Part 115) to remove "Poor" performing FHAP agencies from the list of substantially equivalent agencies. For example, while the state of Nevada's fair housing laws have been determined to be substantially equivalent to the Federal Fair Housing Act, the state of Nevada has not been able to support a well-performing FHAP agency.

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight 11%

Explanation: All of FHEO's program partners are required to adhere to the performance measures established in the Performance Assessment Review. For purposes of ensuring that grantees are held accountable for cost, schedules and performance results, grantees submit a report and payment requests on a quarterly basis. FHAP agencies are reimbursed the costs of case processing and grants are made to experienced FHAP agencies to conduct special enforcement projects, such as lengthy investigations into predatory lending cases or steerage in communities. In 2004, HUD issued new regulations that change the process of reimbursing the cost of case processing to a "sliding scale," where FHAPs can qualify for $1800 - $2300 in cost reimbursement. The level of reimbursement is dependent on HUD staff review of each case against performance metrics for timeliness (resolution of cases in 100 days or less) and quality (complete and through investigations). FHAP agencies also receive other incentives. Agencies that process more than 100 cases receive bonus payments under the Administrative Cost category. Agencies can also receive monetary incentives, under the Special Enforcement Efforts category. However, FHAP agency directors have also seen a change in the amount of special enforcement dollars made available to their agencies. In the new regulations, special enforcement dollars are now capped at $16,500 per agency, whereas previously, many experienced agencies received between $60,000 to $100,000 in additional special enforcement funds a year.

Evidence: FHAP performance is discussed in FHEO's annual Performance and Accountability Report to Congress.

PART Performance Measurements

Program: Fair Housing Assistance Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	89%	50%	

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight 11%

Explanation: FHEO annually prepares a Funds Distribution Plan and provides guidance to HUD Regional offices on the use / obligation of appropriated funds. The HUD Office of the Inspector General (OIG) has not issued audit findings that indicate that FHAP funds have not been spent for its intended purpose.

Evidence: According to HUD's 2001 study on HUD-partner satisfaction levels, "How is HUD Doing? Agency Performance as Judged by its Partners, " 72 percent of FHAP partners are satisfied with the timeliness of grant agreement payments made to their agencies; 41 percent are very satisfied. However, 22 percent and 14 percent report being dissatisfied and very dissatisfied respectively. Historically, FHEO obligates 85 percent of its annual appropriation per fiscal year.

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight 11%

Explanation: FHAP is a formula/block grant type program. HUD provides incentives for FHAP agencies to process complaints timely and of acceptable quality.

Evidence: 2004 Funds Distribution Plan. 2004 Instruction and Guidance for the Allocation of FHAP Funds. 2004 Performance Measures for Complaint Processing.

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight 11%

Explanation: HUD collaborates with the Department of Justice on housing-related civil rights issues. HUD collaborates with the Office of Thrift Supervision. HUD collaborates with State and Local governments.

Evidence: The criteria and process for referrals of cases to the Attorney General are outlined in the Federal Fair Housing Act and in the program regulations, 24 CFR Part 115.

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight 11%

Explanation: FHAP utilizes Departmental financial systems. There were no material weaknesses reported in the Auditor's Report directly relating to the FHAP. FHAP follows HUD Fund Control Procedures.

Evidence: FY 2003 Performance and Accountability Report. FY 2003 Independent Auditor's Report.

PART Performance Measurements

Program: Fair Housing Assistance Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	89%	50%	

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: NO Question Weight 11%

Explanation: As a result of the findings in a recent General Accountability Office study (GAO-04-463, "Fair Housing: Opportunities to Improve HUD's Oversight and Management of the Enforcement Process," April 21, 2004) the Fair Housing and Equal Opportunity office is planning to conduct a business process reengineering; update the Title 8 handbook, which outlines the review procedures and process for complaint management; and work to disseminate best practices across FHAP agencies. FHEO is also planning to find ways to strengthen the relationship between investigators and attorneys, through joint training sessions.HUD has taken the dramatic step of establishing the Fair Housing Training Academy. In addition to certifying current and future FHAP staff, the academy will provide uniform and consistent instruction to FHAPs. The academy will make clear the intake/investigation/adjudication processes, as well as improving the quality of FHAP performance.

Evidence: However, FHAP directors raise concerns about inconsistent guidance from HUD staff, both at Headquarters and at Regional Offices concerning reporting requirements and recent changes to the performance criteria outlined in the FHAP regulations. FHAP directors also noted that the Title VIII handbook, which is scheduled to be revised, needs clearer discussion and definitions of the intake/investigatory/adjudication process, especially when dealing with timelines, reporting requirements, and consistent definitions of required input fields for dual filing of complaints. TEAPOTS data shows that FHAP agencies are responsible for processing approximately 67 percent of complaints made to government agencies annually. Based on their output, FHAP Directors and FHEO officials agree that HUD and FHEO need to consider ways to increase interaction between HUD staff and FHAP staff by disseminating best practices and to ensure more training of HUD staff to allow for standard and consistant guidance from HUD Headquarters and Regional office staff.

3.BF1 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight 11%

Explanation: Regional office FHEO GTRs review FHAP agency performance by reviewing review agency audit reports and noting any findings on annual agency performance assessments. FHEO Regional office GTRs work closely with Headquarters staff on annual Technical Assistance or Performance Assessment Reports. Additionally, Headquarters must be informed immediately whenever there is a reported misuse of FHAP funds.

Evidence: Instructions and Guidance for Allocation of FHAP Funds for FY 2004. Technical Assistance Reports / Performance Assessment Reports. Agency audit reports.

3.BF2 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: YES Question Weight 11%

Explanation: FHEO develops and distributes the Annual Report to Congress. HUD develops and distributes the Accountability and Results Report. FHEO holds the National Fair Housing Training Conference / Housing Policy Summit. However, FHEO needs to increase the amount of information that it makes available through such resources as the FHEO webpage. In addition, HUD should consider making training materials available through the FHEO website, so that FHAP staff who cannot travel to training due to budget restrictions will be able to benefit from training until the National Fair Housing Training Academy can make this information available through its online learning functions.

Evidence: The Annual Report to Congress. The Accountability and Results Report. The National Fair Housing Training Conference / Housing Policy Summit.

PART Performance Measurements

Program: Fair Housing Assistance Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	89%	50%	

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: LARGE EXTENT Question Weight25%

Explanation: FHEO does not have clearly defined long-term goals or targets. Annual output goals demonstrate that progress is occurring; however, FHEO's vague annual strategic goals (with baselines which are updated every 5 to 10 years) cannot demonstrate contributions towards FHEO's overall goal of "Ensuring Equal Opportunity in Housing." There needs to be a clear connection between the strategic objectives of "resolving discrimination complaints on a timely base," "promote public awareness of fair housing laws," and " improve housing accessibility for persons with disabilities," and the ultimate goal of "Ensuring Equal Opportunity in Housing."

Evidence: Given the cost associated with measuring FHEO's annual strategic objectives, the baseline for these objective measures are updated every 5 to 10 years. Studies to measure the level of housing discrimination, such as the Housing Discrimination Study 2000, are done approximately every 10 years. The next study to measure the public's awareness of fair housing will be in 2005, and HUD's goal is to see an increase in a "high" level of awareness from 51% in 2001 to 60% in 2005. By 2010, if another national study of housing discrimination is funded, HUD's goal is a reduction in consistent adverse treatment by 5 percentage points in both rental and sales from the 2000 levels.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: YES Question Weight25%

Explanation: The program routinely meets its annual performance goal targets.

Evidence: 2005 Annual Performance Report, Annual report to Congress

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: SMALL EXTENT Question Weight25%

Explanation: Efficiency measures have recently been developed by FHEO for this program. One new measure tracks the percentage of complaints closed in 100 days or less and the second tracks the training dollars per person allocated to the Training Academy. Data from fiscal years 2002 and 2003 for the first efficiency measure shows that the FHAP has, in fact, improved it performance / efficiency with respect to meeting a performance requirement under the Fair Housing Act. The percentage of cases closed within 100 days improved from 24.8% in 2002 to 33.5% in 2003. Data for the additional efficiency measures will be available as HUD goes forward with the operations of the Academy.

Evidence: FHEO will continue to refine newly developed efficiency measures for this program.

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: NA Question Weight: 0%

Explanation: The program addresses a very serious need, and is the only government program that provides funding to both public (state and local) and private organizations to conduct investigations, perform testing, and increase education and outreach.

Evidence: Annual performance assessment reports, Annual Report to Congress

PART Performance Measurements

Program: Fair Housing Assistance Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	89%	50%	

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: NO Question Weight25%

Explanation: No independent evaluations exist that are of sufficient scope and quality.

Evidence: See question 2.6

PART Performance Measurements

Program: Fair Housing Assistance Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	89%	50%	

Measure: Ensure Equal Opportunity in Housing

Additional Information:

Year	Target	Actual	Measure Term: Long-term

Measure: Percentage of consistently unfair treatment towards minorities (blacks, hispanics, and asians) over whites in paired testing for rental and sales housing markets

Additional Information: This measure supports FHEO's new strategic objective to "increase access to rental and sales housing through enforcement efforts". The baseline for this measure is the Housing Discrimination Study 2000, which tracks the reduction of consistent white-favored treatment over minorities in paired testing for the rental and sales housing markets. NOTE (*): The 2000 and 2010 figures have an adjusted baseline to include treatment towards Asians to reflect changing market conditions.

Year	Target	Actual	Measure Term: Long-term
1989		26.6%	
2000		21.0%	
2010	20.1%		

Measure: Improve the public's confidence in enforcement by reducing by four percentage points, from FY 2004, the number of aged cases in the overall FHAP inventory.

Additional Information: The Fair Housing Act requires HUD and the FHAP agencies to resolve fair housing complaint investigations within a 100 days from dual-filing the complaint with HUD

Year	Target	Actual	Measure Term: Annual
2002		45%	
2003		43%	
2004	41%		
2005	39%		
2006	35%		

PART Performance Measurements

Program: Fair Housing Assistance Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	89%	50%	

Measure: In order to increase the nation's capacity to provide coordinated enforcement of fair housing laws, certify two new substantially equivilent agencies under the Fair Housing Act

Additional Information: State and local agencies must be certified as having fair housing laws that are substantially equivilent to the federal Fair Housing Act

Year	Target	Actual
2002	96	96
2003	98	98
2004	99	100
2005	100	
2006	102	

Measure Term: Annual

Measure: FHAP grantees increase access to sale and rental housing by completing fair housing conciliation/settlement agreements in at least 33 percent of the complaints files in FY 2005

Additional Information: Conciliation/settlement agreements are the result of investigation and adjudication of complaints

Year	Target	Actual
2002		1635
2003		1876
2004	2150	2044
2005	2150	
2006	2150	

Measure Term: Annual

PART Performance Measurements

Program: Fair Housing Assistance Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	89%	50%	

Measure: Increase the percentage of FHAP complaints closed in 100 days or less to 60 percent.

Additional Information:

Year	Target	Actual	Measure Term: Annual
2002		24.8%	
2003		33.5%	
2004	45%		
2005	60%		

Measure: Percentage of the general public who can correctly identify six or more of the eight scenarios describing illegal conduct as unlawful

Additional Information: This measure supports FHEO's strategic objective to "promote public awareness of fair housing laws." The baseline for this measure comes from the findings of HUD's 2001 "How Much Do We Know?" study.

Year	Target	Actual	Measure Term: Long-term
2001		51%	
2006	60%		

Measure: Comparision between the amount of FHAP funding spent on training per person versus the amount of training money allocated per person for training through the National Fair Housing Training Academy.

Additional Information:

Year	Target	Actual	Measure Term: Annual
2001		$4,303	
2002		$4,303	
2003		$5,391	
2004		$2,801	

PART Performance Measurements

Program: Fair Housing Assistance Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	89%	50%	

2005	$1,789

Measure: Average percentage of multifamily projects in the field that conform to the seven design and construction requirements of the Fair Housing Act

Additional Information: This measure supports FHEO's strategic objective to "improve housing accessibility for persons with disabilities." The baseline for this measure comes from the findings of HUD's 2003 study on "Multifamily Building Conformance with the Fair Housing Accessibility Guidelines". The study measured the seven design and construction requirements of the Fair Housing Act as 16 "composite conformance measures," and a score was calculated for each multifamily project in a sample group based on the proportion of individual accessibility items in a conformance measure that met the requirements of the Fair Housing Act

Year	Target	Actual
2003		88.1%
2007		

Measure Term: Long-term

PART Performance Measurements

Program: Fair Housing Initiatives Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
100%	75%	70%	42%	

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: The Fair Housing Initiatives Program (FHIP) was established by the Housing and Community Development Act of 1987 (amended 1992) to provide funding to public and private entities formulating or carrying out programs to prevent or eliminate discriminatory housing practices. FHIP supports projects and activities designed to enhance compliance with the Act and substantially equivalent State and local laws prohibiting housing discrimination. The FHIP program is divided into three initiatives: the Fair Housing Organizations Initiative (FHOI), for qualifying private fair housing groups to sponsor new organizations or to expand their services by opening new offices; the Private Enforcement Initiative (PEI), which provides grants for testing and enforcement to qualifying private fair housing groups; and the Education and Outreach initiative (EOI), which provides grants to organizations to develop, implement, carry-out, or coordinate education and outreach programs designed to inform members of the public of their rights and obligations under the Fair Housing Act.

Evidence: The Fair Housing Initiatives Program is authorized under Section 561 of the Housing and Community Development Act of 1987 (42 U.S.C 3616(a), amended 1992). The purpose of the FHIP is further outlined in the program regulations at 24 CFR, Part 125

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight20%

Explanation: Program seeks to address housing discrimination by administering laws that prohibit discrimination in housing on the basis of race, color, religion, sex, national origin, disability, and familial status

Evidence: HUD's Housing Discrimination Study, which has been conducted in 1977, 1989, and 2000, demonstrates that national rates of discrimination remain consistantly high. In 1996, HUD conducted a study of public awareness of fair housing laws, "How Much Do We Know?", and determined that in a national survey, approximity 14 percent of the general American public (about 28 million people) have experienced discrimination in their lifetime. Of that 14 percent, only 17 percent of those discriminated against took action, including 3 percent who sought help from a government agency.

PART Performance Measurements

Program: Fair Housing Initiatives Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
100%	75%	70%	42%	

1.3 **Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight20%

Explanation: The FHIP program provides necessary base funding for non-profit groups to conduct fair housing activities in the areas of education and outreach, private testing and enforcement, and capacity building to increase the number of eligible groups.Private fair housing groups may also receive additional funding for fair housing activities from Community Development Block Grant (CDBG) funds provided through their State and local governments. In 2003, State and entitlement communities reported approximately $17 million in CDBG dollars used to support fair housing activities in their communities, which is less than 1% of the total reported use of funds by CDBG receipients.The Department of Justice's Civil Rights Division also conducts testing and enforcement for systematic "patterns and practices" through their Fair Housing Testing program under the Housing and Civil Enforcement Section.

Evidence: The program is designed to allow private entities seek funding for activites under the Federal Fair Housing Act through the annual Notice of Funding Availability (NOFA) process. Grant receipients can receive funding to conduct private enforcement, including complaint intake, investigations, and testing, as well as education and outreach activities to increase public awareness of housing discrimination and the Fair Housing Act.Fair housing groups must reapply for grant money every year, regardless of past performance. Fair housing groups are not allowed to apply for multiple funding streams under the program regulations, which limits the efforts of fair housing activities. For example, a fair housing group can receive a PEI grant, however, they cannot also apply for a EOI grant, and only a small portion of the PEI grant may be used for education and outreach activities. Grantees and advocates have raised concerns that this process creates funding instablities which impact the continued quality of fair housing group deliverables, and does not allow for systematic testing or other long-term initiatives to take place.FHEO has proposed rewarding high performing FHIP agencies with 3 year grants under the PEI component to address concerns raised about steady funding streams.

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight20%

Explanation: FHEO has sought to address program flaws through its program regulations and its annual NOFA process. For example, a few years ago, FHEO did not track complaints referred by FHIP agencies. The annual NOFA application now includes a mandatory referral requirement, as well as guidance for a "recommended reporting format" for FHIP reporting of complaint outcomes and results. The TEAPOTS case management system has also been updated to include a field for tracking FHIP referred cases and will soon be able to track referrals by specific FHIP grantees. FHEO uses this information to montior and assess FHIP grantee performance.

Evidence: The design of the FHIP program has several strengths: (1) Single point of contact. The Fair Housing Act is designed to provide both complainants and respondents flexibility on how to handle complaints so both parties feel that the process has been fair. FHIP plays an important role in this process by offering a single point of contact that is free for complainants to understand their rights and choices under the law. The FHIP agency can also help determine which approach, whether filing a complaint with HUD or through a civil action suit makes the most sense in their case. From HUD's standpoint, FHIP agencies can also weed out cases that have no merit. (2) Immediate Testing. By directly taking complaints to a FHIP agency with PEI resources, a FHIP agency may conduct a fair housing test immediately as part of investigating a case, a tool not largely available through complaints filed with HUD or FHAP agencies. An immediate test is the most effective and compelling cooroborative evidence to validate a complaint of discrimination. (3) Accountability. Because FHIP funding resources are limited and HUD places a strong emphasis on past performance when awarding its annual grants through the NOFA process, only the best agencies regularly receive unding, ensuring a high level of effectiveness and efficiency. (4) Included in the 2003-2004 NOFA process the Logic Model will begin to assist HUD in measuring a grantees outcome and output results.

PART Performance Measurements

Program: Fair Housing Initiatives Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
100%	75%	70%	42%	

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight 20%

Explanation: Competitive grants process allows FHIP agencies to receive funding based upon strength and ranking of applications. Criteria include: (a) A description of the practice (or practices) that has affected adversely the achievement of the goal of fair housing, and that will beaddressed by the applicant's proposed activities.(b) A description of the specific activities proposed to be conducted with FHIP funds including the final product(s) and/or any reports to be produced; the cost of each activity proposed; and a schedule for completion of the proposed activities.(c) A description of the applicant's experience in formulating or carrying out programs to prevent or eliminate discriminatory housing practices.(d) An estimate of public or private resources that may be available to assist the proposed activities.(e) A description of the procedures to be used for monitoring conduct and assessing results of the proposed activities.(f) A description of the benefits that successful completion of the project will produce to enhance fair housing, and the indicators bywhich these benefits are to be measured.(g) A description of the expected long term viability of project results.(h) Any additional information that may be required by a Notice of Funding Availability published in the Federal Register.

Evidence: General program criteria are outlined in the program regulations at 24 CFR Part 125. A NOFA for Fair Housing Initiatives Program activities may include requirements for activities that focus on particular groups or needs. For example, the 2003 and 2004 NOFAs included funding opportunities for national media campaigns under the Education and Outreach Initiative (EOI).

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight 13%

Explanation: The program's long-term measures focus on activities that are fundamental to the work of FHEO. The overarching goal of all of FHEO's operations and programs is to reduce housing discrimination. FHEO's long-term measures support the program's strategic objectives, which are: (1) increase access to rental and sales housing through enforcement efforts by FHIPs and FHAP; (2) promote public awareness of fair housing laws; and (3) improve housing accessibility for persons with disabilities. Three studies provide measures which demonstrate reductions in housing discrimination. FHIP grantees support these effort through the private enforcement initiative (PEI), the education and outreach initiative (EOI), and the training of housing professionals in accessibility requirements through the Accessibility FIRST training program.

Evidence: FHEO has revised their strategic objectives, as outlined in the annual Strategic Plan, the annual Performance Plan, and the annual Management Plan, to show stronger and to present program achievement to support its long-term outcome measure of "Ensuring Equal Opportunity in Housing."Three studies provide baselines for FHEO's long-term measures. The Housing Discrimination Study, which is conducted every ten years, shows a reduction in instances of white-favored treatment over minorities in the rental and sales markets since 1989. The "How Much Do We Know?" study tracks rates of public awareness in fair housing laws. In 2001, 51% of the general public could identify six or more scenarios (out of eight) describing discriminatory conduct as illegal. In 2003, HUD issued a study on "Multifamily Building Conformance with the Fair Housing Accessibility Guidelines," which examines the percentage of existing multifamily housing units and architectual plans of multifamily units under development which meet the Fair Housing Act's standards for accessibility for persons with disabilities. The study concluded that 88% of existing multifamily units meet the Act's accessibility standards.

PART Performance Measurements

Program: Fair Housing Initiatives Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
100%	75%	70%	42%	

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight 13%

Explanation: The baselines for the annual strategic measures are established through studies conducted every 5 to 10 years. Discrimination is a difficult phenonmenon to meausure, and studies must rely on testing or surveys to demonstrate reduced instances of discrimination. Discrimination cannot be adequetely measured through controlled trials. The baselines for FHEO's measures the level of housing discrimination through reductions in the number of instances where one group (whites) are favored over other groups (as shown in HDS 2000) as well as increased awareness by the general public of situations which violate fair housing laws (as shown in the "How Much Do We Know?" study). FHEO is able to demonstrated steady progress, given the methodological difficulties in capturing discrimination.

Evidence: The major long-term indicator is a reduction in housing discrimination. Change in the levels of incidents of discriminatory behavior has been measured through the Housing Discrimination Studies. Between 1977 and 1989, HUD found no significant difference in the rates of white-favored treatment over minorities in the rental and housing markets. The Fair Housing Act was amended in 1988, and the FHAP program was established. Between 1989 and 2000, a reduction of several percentage points occured, with whites being favored in fewer instances over Blacks, Hispanics, or Asians. By 2010, if another national study of housing discrimination is funded, HUD's goal is a further reduction in white favoritism over minorities in both rental and sales from the 2000 levels. The next study to measure the public's awareness of fair housing through the "How Much Do We Know?" study will be in 2005, and HUD's goal is to see an increase in a "high" level of awareness from 51% in 2001 to 60% in 2005.

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: NO Question Weight 13%

Explanation: As part of the PART review process, FHEO has developed new output performance measures to fully reflect FHIP grantee contributions to FHEO's annual performance goals. For the past few years, FHEO has tracked a limited number of annual performance measures that focus on FHIP receipient activities as part of its its annual performance measures, although the activities of FHIP grantees support all three strategic objective measures. These new measures add more insight into FHIP grantee contributions to enforcement efforts.As part of the 2003 Notice of Funding Availability (NOFA) for FHIP grants, FHEO required grant applicants to develop outcome and output measures as part of the Department's Logic Model. FHEO should examine ways to use the performance information collected through the Logic Model to further develop its annual output measures for FHIP activities.

Evidence: Advocates, researchers, and FHIP grant receipients have all sought to address the issue of annual performance measures for the FHIP program. Advocates and researchers have noted that the Community Development Block Grant (CDBG) program requires State and entitlement community receipients to track fair housing activities using specific codes. In 2002, CDBG grantees reported $20 million in fair housing activities. FHEO includes a recommended reporting format for FHIP activities as part of the reporting requirements outlined in the NOFA, as well as holding FHIP grantees accountable for outcome and output measures in the Logic Model.FHEO should continue to develop annual measures, including efficiency measures, to determine the impact of such FHIP activities as the number of tests conducted by a FHIP grantee using FHIP funds, and the cost of investigations which used FHIP funding.

PART Performance Measurements

Program: Fair Housing Initiatives Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
100%	75%	70%	42%	

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: NO Question Weight 13%

Explanation: FHEO must continue to develop baselines and target levels for all of its outputs for FHIP activities. FHEO has also recently developed efficiency measures for the FHIP program, and should use these measures to refine annual targets and to make them more ambitious. For example, one output measure seeks to "provide target classes under the Federal Fair Housing Act with increased access to sale and rental housing without discrimination by completing at least 1,200 fair housing conciliation/settlement agreements in FY 2004." However, neither the Department's Strategic or Annual Performance Plans explain why 1,200 conciliations/settlements was chosen as a target number or what impact this measure will have on achiving the program's long-term outcome goals.

Evidence: Advocates, such as the National Fair Housing Alliance, and studies, such as the "Reconstructing Fair Housing" study conducted by the National Council on Disability, recommend different output measures for tracking FHIP grantee performance than FHEO currently uses. For example, both advocates and FHIP grant receipients agree that FHEO should track the number of workshops or classes held on fair housing laws by FHIP grantees, as well as the number of workshop/class attendees. FHEO should continue to develop output measures and efficency measures that fully reflect FHIP grantee performance, contributions, and activities and make more information on FHIP performance available to the public.Some measures reflect Department-wide political priorities more than trend analysis. For example, one distinct measure for FHIPs is actually targeted for those FHIP grant receipients who work with the largely non-English speaking Latino population in the Southwestern United States. The measure seeks to "increase the number of fair housing complaints identified by FHIP partners in the Southweat border region by 5 percent." However, the actual results for this measure show a flat 2% increase in complaints for the past 3 years. While political measures do contribute towards reducing housing discrimination, FHEO must also use trend analysis to determine other groups or issues which should be annually monitored.

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: YES Question Weight 13%

Explanation: FHEO instituted the Logic Model as part of the 2003 NOFA to increase grantee reporting on output and outcome measures. FHEO's revisions to its annual performance measures will also increase awareness of FHIP grantee contributions to all of FHEO's strategic objectives and outcome goals.

Evidence: Given its recent implementation, FHEO has limited data from the Logic Model, and will not be able to identify grantee progress or make program decisions with this information for a few more quarters. FHEO has developed new output measures for FHIP, particularly in the area of FHIP contributions to enforcement, as part of the PART review. FHEO should continue to develop these measures and to use information on grantee performance from the Logic Model to further refine its measures.

PART Performance Measurements

Program: Fair Housing Initiatives Program
Agency: Department of Housing and Urban Development
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Type(s): Competitive Grant

Section Scores				Rating
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100%	75%	70%	42%	

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight 13%

Explanation: A 1994 independent "Evaluation of the FHIP Private Enforcement Initiative Testing Demonstration" provided an intensive study of the 31 fair housing groups and complaints processed by the groups between 4/1/1989 and 3/31/1991, representing 85% of all complaints filed during that time period with private groups. The key finding from the study was that "tests conducted objectively and professionally yield the most credible evidence". The evaluation argues against specific guidelines for testing, finding that "testing practices and procedures are ... largely dicated by the indiosyncrasies of each fair housing complaint situation." The importance of FHIP funding to private fair housing groups was to "significantly increase both the quantity and quality of complaint processing" and enable "grantees to improve their tester recruitment and training processes, to provide increased oversight and monitoring testers' behavior, and to test larger numbers of complaint cases". While the FHIP program continues to do the basic same activities validated by the 1994 study, the program has expanded so FHEO will be requesting a process evaluation by PD&R for its FY 2005 research agenda.

Evidence: General awareness studies, primarily HUD's 2001 study, "How Much Do We Know?" examine the role that the FHIP Education and Outreach program has on general public awareness; presents baselines for public awareness of fair housing laws, and is used to establish baselines for two of FHEO's strategic objectives. However, this evaluation measures general public awareness, rather than trainings or educational opportunities provided by FHIP grantees, and it makes no recommendations for how FHIP program resources should be targeted to address concerns about the limited public awareness of fair housing laws. The National Council on Disability published a study in 2001, "Reconstructing Fair Housing," which examined FHIP grantee activities as they related to oversight of the disability protections of the Federal Fair Housing Act. This study makes recommendations for improving tracking of FHIP grantee performance data. In addition, the National Fair Housing Alliance (an advocate for their member FHIPs) and some academic studies have looked at the larger social-economic aspects of the activities of FHIP grantees, specifically the number of FHIP-referred cases within the HUD TEAPOTS system. However, none of these reports have been used to improve program management or performance.

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight 13%

Explanation: FHIP budget requests are tied to policy initiatives determined by its annual strategic objectives. For example, as a result of the HDS 2000 study, FHEO has made $2 million in grant funding available through the NOFA process for FHIPs to conduct follow-up testing and enforcement based upon HDS 2000 results. For enforcement, there is substantial evidence that fair housing testing is an extremely important tool for identifying cases of discrimination and FHIP is the primary mechanism for HUD to investigate fair housing complaints through testing and the only governmental funding stream that supports fair housing testing in most communities.

Evidence: Budget information for FHIP can be found in the President's Budget.

Program: Fair Housing Initiatives Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
100%	75%	70%	42%	

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight 13%

Explanation: HUD's Office of Policy, Development and Research (PD&R) commissioned a comprehensive study of the impact of the PEI Program on enforcement efforts in 1994. Overwhelmingly, the study documents that testing is one of the most effective means of recording incidents of housing discrimination for purposes of enforcement albeit complaint based or systemic. The findings of that study prove to be valid to date based on the increased number of qualified fair housing groups that receive funding; the reduction in the incidents of discrimination based upon the 2001 HDS study which utilized the results of the 1989 HDS study as a baseline and the increased monetary settlements using FHIP dollars. Additionally, the program is developing efficiency measures to track program improvement on an on-going basis. However, HUD needs to evaluate clearer ways to demonstrate FHIP grantee contributions as being directly responsible for outcomes shown in the HDS 2000 and "How Much Do We Know?" studies.

Evidence: FHIP grantees have raised concerns about the Logic Model and FHEO's methods of tracking FHIP grantee contributions. FHIP grantees are also concerned about the instability of FHIP funding from year to year through the grant process, and have recommended that FHEO consider the use of multi-year funding for all FHIP grants. FHEO is currently considering the use of multi-year funding to reward high performing FHIP PEI grantees. FHEO is also developing a system to track grantee accomplishments of Logic Model performance measures.

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight 10%

Explanation: FHEO conducts annual performance assessments of its FHIP grantees. The assessment is used to determine whether an agency can apply for upcoming FHIP funds and affects the scoring of the application submitted for FHIP funding. The performance assessments provide a score of the grantees ability to exercise quality project management; submit quality and timely project deliverables; and document the projects activities and outcomes in accordance with the approved statement of work.

Evidence: Annual submissions of Grantee Performance Rating Reviews and Risk Assessments from field offices. However, represenatatives from FHAP agencies noted in informal discussions that they do not preceive FHIP agencies as being held to the same accountability standards as FHAP agencies. However, HUD staff state that FHIP agencies who receive grants are evaluated on their performance each year, and only agencies that received an "Excellent" or "Fair" rating are eligible to compete for funding in the next NOFA period. Agencies which receive a rating of "Poor" are not eligible for any funding in the next NOFA competition period.

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight 10%

Explanation: All of FHEO's program partners are required to adhere to the performance measures established in the Performance Assessment Review. For purposes of ensuring that grantees are held accountable for cost, schedules and performance results, HUD requires grantees to submit quarterly reports and payment requests. The Government Technical Representative reviews the quarterly reports to determine if technical assistance is needed and to approve the deliverables for payment. As part of their annual NOFA application, FHIP grantees are required to submit a statement of work with deliverables and timelines, as well as providing measurable outcomes and outputs to determine the success of the project through the submission of a Logic Model, based on the Department's Logic Model.

Evidence: The criteria for FHIP grantees from the program regulations are outlined in Question 1.2, as well as the annual NOFA process.

PART Performance Measurements

Program: Fair Housing Initiatives Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
100%	75%	70%	42%	

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: NO Question Weight10%

Explanation: FHEO's unobligated funds are significant from year to year largely as a result of the division's participation in the SuperNOFA process and timely grantee negotiations. However, there are no audit findings indicating that funds have not been spent for their intended purpose.

Evidence: FY 2004 Funds Distribution Plan and related Guidance Documents. Monthly obligation/expenditure reports.

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: NO Question Weight10%

Explanation: The FHIP Notice of Funding Availability (NOFA) grant application requires applicants to submit Statements of Work (SOWs) that outline grantee deliverables and outcomes. The Logic Model, introduced to the FHIP NOFA process in 2003, is another requirement, where grantees establish annual output and outcome measures and report on their progress in meeting these measures. However, the Logic Model process is new, and FHEO will not have useful data from the Logic Model reports for a few years.

Evidence: FHIP grantee agency directors and advocates have petitioned HUD to institute a national case reporting system, similar to TEAPOTS (which is used by HUD and the FHAP agencies), for the FHIP agencies. A recurring complaint from both FHIP grantees and FHAP agencies is case referrals between FHIP agencies, HUD, and FHAP agencies are problematic because FHIP agencies do not structure their case files in a formate that allows for easy data entry into the TEAPOTS system. Information that a HUD or FHAP investigator may have entered into TEAPOTS may not be included in a FHIP-referral case file. FHIP and FHAP receipients have suggested that HUD institute standard definitions and investigatory reporting processes for both FHIP and FHAP agencies, and that the Title 8 handbook be revised to standardized investigatory and enforcement processes and terms.

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight10%

Explanation: FHEO collaborates with the Department of Justice in cases that involve zoning issues and pattern and practice cases of discrimination. Additionally, FHEO entered into a Memorandum of Understanding with the Office of Thrift Supervision to investigate complaints of discrimination as they relate to National Financial Depositories. On a State and Local level FHEO collaborates with Community Development Block Grant (CDBG) and HOME recipients to ensure that grantees are affirmatively further fair housing.

Evidence: FHIP grantees are encouraged to seek addition sources of funding from other HUD programs, such as CDBG. FHIP grantees work closely with FHAP agencies as well.

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight10%

Explanation: FHIP grantees are required to submit quarterly requests to their GTRs to receive their grant awards. At Headquarters, FHIP utilizes Departmental financial systems. There were no material weaknesses reported in the Auditor's Report directly relating to the FHIP. FHIP follows HUD Fund Control Procedures.

Evidence: FY 2003 Performance and Accountability Report. FY 2003 Independent Auditor's Report.

PART Performance Measurements

Program: Fair Housing Initiatives Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
100%	75%	70%	42%	

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight 10%

Explanation: FHEO officials are working to address general concerns raised by FHIP receipients, such as the need for further training of FHIP grantees, the concerns about a steady source of annual funding, the need for standardized processes and reporting and a national reporting system. There is a need for recent independent evaluations of the FHIP program to examine program progress, particularly given the recent development of performance measures by FHEO to more adequetly track FHIP grantee contributions. Further study and recommendations on areas of program improvement are need to identify management problems with the FHIP program or evaluate concerns raised by FHIP grantees and advocates.

Evidence: FHIP grantees may apply for only one type of funding per year under the NOFA, which leads to a large concentration of newer agencies conducting education and outreach initiatives, with the majority of older, established FHIP grantees pursuing private enforcement grants. However, agencies who receive private enforcement grants are limited to spending no more than 5% of their PEI grant funding on education and outreach initiatives, which limits PEI grantees from performing basic education and outreach activities.

3.CO1 **Are grants awarded based on a clear competitive process that includes a qualified assessment of merit?** Answer: YES Question Weight 10%

Explanation: As mandated by the Community Development Act of 1974, as amended (42 USC 5300-5320), the FHIP program is required to competitively administer its funding to qualified fair housing organizations as defined in 24 CFR 125. Each year FHEO participates in the SuperNOFA process and announces the funds and the guidance for applying for FHIP funds. The threshold for funding in this program is set at 75 points. Applicants eligible for funding are required to adhere to the standards set forth in General and program specific sections of the NOFA.

Evidence: FHIP Program regulations at 24 CFR Part 125

3.CO2 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight 10%

Explanation: Headquarters and Field Offices have Government Technical Representatives (GTR) and Government Technical Monitors (GTM) that monitor and report on the activity of grantees on an annual basis. GTRs are required to review agency audit reports and note any findings, and include their review of the audit in the Technical Assistance or Performance Assessment Reports. Additionally, Headquarters must be informed immediately whenever there is a reported misuse of FHIP funds and or if a grantee is in need of technical assistance. During the term of the grant period, the grantee is required to submit a quarterly report that documents the program's successes, deliverables, and any barriers. These reports are used to determine approval for payment requests during the term of the grant.

Evidence: FHEO is mandated by Congress to provide an Annual Report to Congress on Fair Housing Programs. This report is prepared in accordance with Sections 808(e)(2) and (6) of the Fair Housing Act and Section 561(j) of the Housing and Community Development Act of 1987, as amended. HUD develops and distributes the Accountability and Results Report of which FHEO's management goals and achievements are reported on. Finally, FHEO holds a National Fair Housing Training bi-annually providing FHIP/FHAP agencies with information regarding performance assessments, technical assistance, legal updates and how to more timely and efficiently process fair housing complaints.

PART Performance Measurements

Program: Fair Housing Initiatives Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
100%	75%	70%	42%	

3.CO3 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: NO Question Weight10%

Explanation: FHIP grantees are required to submit quarterly reports to Regional Office Government Technical Representatives (GTRs) detailing grantee activities, performance milestones (as outlined by the FHIP grantee's Statement of Work (SOW) and Logic Model submittions with the NOFA application). Quarter grantee reports are used by GTRs during the grantee's annual performance audit. However, FHEO does not make grantee performance information available to the public, including grantee performance scores or activities.

Evidence: Annual Report to Congress. The Accountability and Results Report. 2003 National Fair Housing Policy Agenda.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: LARGE EXTENT Question Weight25%

Explanation: Given the difficulties in measuring discrimination, and the enormous cost of conducting evaluations and studies demonstrating reductions in housing discrimination, FHEO has made clear progress in achiving its long-term outcome goals of reducing housing discrimination and increasing public awareness of fair housing laws. HUD's 1994 evaluation of the FHIP program shows that the FHIP program has an impact on FHEO achiving its long-term goals.

Evidence: FHEO's long-term measures are established and defined by studies and evaluations which are conducted every 5 to 10 years. FHEO also recognizes that studies such as HDS 2000 and "How Much Do We Know?" do not include or seek to measure the many forms of discrmination that the general public faces each day, including many of the seven protected classes outlined in the Act. Furthermore, FHEO has not considered the need for an interim measure of discrimination that can show progress every few years, rather than every 5 to 10 years (especially given the high cost of conducting massive studies such as HDS 2000 ($16 million)). FHEO may want to consider regular evaluations of the number of complaints it receives concerning each of the seven protected classes, and to track increases or decreases in the number of complaints received for each classes, similar to the way that the National Crime report consolidates regional numbers on broad crime categories.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight25%

Explanation: The FHIP program has recently developed several annual output goals to fully track and reflect FHIP grantee performance. These new measures provide more information about grantee performance that supports FHIP contributions to the long-term outcome goals of reducing housing discrimination and increasing public awareness of fair housing laws. However, FHEO needs to further develop and refine its output measures to include grantee performance as collected through the Logic Model and activities such as paired testing to show the impact of testing on enforcement and education and outreach efforts.

Evidence: See questions 2.3 and 2.4

Program: Fair Housing Initiatives Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
100%	75%	70%	42%	

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: SMALL EXTENT Question Weight25%

Explanation: Efficiency measures have recently been developed by FHEO for this program. Generally, more funding has been provided for establishing new fair housing groups, which provides greater funding stability for 3 years to allow for capacity-building activities. However, other efficiency measures do not demonstrate clear improvement. For example, the amount of PEI funding appropriated necessary to complete a FHIP complainant that has been referred to either a FHAP or HUD averages approximately $17,792 per case over a three year period. Costs may vary based upon the number of tests necessary to investigate the complaint. While cost savings occurred between 2002 and 2003, when case processing costs went from $19,829 a case down to $15,814 a case, the historic data for this measure demonstrates significant variations in case processing costs from year to year.

Evidence: FHEO will continue to refine newly developed efficiency measures for this program.

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals? Answer: NA Question Weight: 0%

Explanation: The program addresses a very serious need, and is the only government program that provides necessary funding to both public (state and local) and private organizations to conduct investigations, perform testing, and increase education and outreach.

Evidence: FHIP grantees have expressed their concerns with program administration, particularly against the annual evaluation process that HUD uses to determine FHIP performance under a grant. FHIP grantees, as well as their advocates, would like to see a standardized process in place that holds the grantee responsible for meeting their delieverables, their own performance measures, with the possibilities for rewarding those grantees which exceed their own statement of work expectations. FHEO's use of the Logic Model process should address these concerns.

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: SMALL EXTENT Question Weight25%

Explanation: While the FHIP program continues to do the basic same activities validated by the 1994 study, the program has expanded; FHEO plans to request a process evaluation by PD&R for its FY 2005 research agenda. FHEO should continue to work with HUD's PD&R to identify opportunities to study the impact and contributions of FHIP grantees upon program outcomes.

Evidence: FHEO should consider additional ways to measure direct contributions of FHIP grantees on program performance measures, particularly in the achievement of long-term outcome measures on a more regular basis.

PART Performance Measurements

Program: Fair Housing Initiatives Program
Agency: Department of Housing and Urban Development
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Type(s): Competitive Grant

Section Scores				Rating
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100%	75%	70%	42%	

Measure: Ensure Equal Opportunity in Housing

Additional Information:

Year	Target	Actual	Measure Term: Long-term

Measure: The amount of allocated Education and Outreach initiative dollars spent per person served in EOI activities

Additional Information: FHEO has tracked this measure internally to determine the impact of EOI funding on FHIP education and outreach activities.

Year	Target	Actual	Measure Term: Annual
2003		$2.55	
2004		$2.35	
2005			

Measure: Average percentage of multifamily projects in the field that conform to the seven design and construction requirements of the Fair Housing Act

Additional Information: This measure supports FHEO's strategic objective to "improve housing accessibility for persons with disabilities." The baseline for this measure comes from the findings of HUD's 2003 study on "Multifamily Building Conformance with the Fair Housing Accessibility Guidelines". The study measured the seven design and construction requirements of the Fair Housing Act as 16 "composite conformance measures," and a score was calculated for each multifamily project in a sample group based on the proportion of individual accessibility items in a conformance measure that met the requirements of the Fair Housing Act

Year	Target	Actual	Measure Term: Long-term
2003		88.1%	
2007			

Measure: Complete training for over 3,000 housing professional on how to design and construct multifamily housing that complies with the Fair Housing Act

Additional Information: Bearing Point has a three year contract to train housing professionals on accessibility requirements and best practices under the Accessibility FIRST initiative. The training has made over a million units available on the housing market that are compliant

Year	Target	Actual	Measure Term: Annual
Year 1		1511	

Program: Fair Housing Initiatives Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
100%	75%	70%	42%	

Year 2		2049
Year 3	3000	3560

Measure: Percentage of consistently unfair treatment towards minorities (blacks, hispanics, and asians) over whites in paired testing for rental and sales markets.

Additional Information: This measure supports FHEO's new strategic objective to "increase access to rental and sales housing through enforcement efforts". The baseline for this measure is the Housing Discrimination Study 2000, which tracks the reduction of consistent white-favored treatment over minorities in paired testing for the rental and sales housing markets. NOTE (*): The 2000 and 2010 figures have an adjusted baseline to include treatment towards Asians to reflect changing market conditions.

Measure Term: Long-term

Year	Target	Actual
1989		26.6%
2000		21.0%
2010	20.1%	

Measure: The percentage of enforcement efforts that result in complaints referred to HUD by FHIPs will increase by 2 percentage points

Additional Information: Complainants have the options of pursuing conciliation at any step of the process. Increasing the rate for conciliations benefits the FHIP grantees because it saves resources and reduces the number of cases that are resolved through litigation.

Measure Term: Annual

Year	Target	Actual
2001		6%
2002		8%
2003		8%
2004	10%	

PART Performance Measurements

Program: Fair Housing Initiatives Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
100%	75%	70%	42%	

Measure: The percentage of complaints settled.

Additional Information:

Year	Target	Actual	Measure Term: Annual
2001		30%	
2002		42%	
2003		40%	
2004	42%		

Measure: The average amount of allocated PEI funding used per complaint referred to FHAPs and HUD

Additional Information: Preparation of cases by FHIPs for referral to FHAPs or HUD involves testing. This is a national average; individual case costs vary by the number of tests that are conducted to determine a reasonable cause finding.

Year	Target	Actual	Measure Term: Annual
2001		$17733	
2002		$19829	
2003		$15814	
2004			

Measure: Percentage of the general public who can correctly identify six or more of the eight scenarios describing illegal conduct as unlawful

Additional Information: This measure supports FHEO's strategic objective to "promote public awareness of fair housing laws." The baseline for this measure comes from the findings of HUD's 2001 "How Much Do We Know?" study.

Year	Target	Actual	Measure Term: Long-term
2001		51%	
2006	60%		

PART Performance Measurements

Program: Fair Housing Initiatives Program
Agency: Department of Housing and Urban Development
Bureau: FHEO
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
100%	75%	70%	42%	

Measure: At least one new fair housing group will be funded through collaborative efforts between fair housing and community or fair-based organizations

Additional Information: Funding for community or faith-based organizations seeks to address the need to increase organizations in under-served areas

Year	Target	Actual
2003		2
2004	2	2
2005	2	

Measure Term: Annual

Measure: The number of fair housing complaints identified by FHIP partners in the Southwest border region increases by 2 percent

Additional Information: This measure was developed as part of the Department's targeting of the colonias region.

Year	Target	Actual
2003		2
2004	2	2
2005	2	

Measure Term: Annual

Measure: Amount of FHOI funding allocated to each new fair housing organization established

Additional Information: Under the FHOI initiative, existing FHIPs sponsor a new fair housing organization or qualify for funding to establish a new office for an existing fair housing group. FHOI provides operations funding for three years.

Year	Target	Actual
2001		$886,458
2002		$1.050M
2003		$1.050M
2004	$1.1M	

Measure Term: Annual

PART Performance Measurements

Program: Family Self-Sufficiency Program (FSS)--within Housing Vouchers
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing Programs
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	83%	33%	

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: The program purpose is "to promote the development of local strategies to coordinate use of public housing and assistance under the certificate and voucher programs under Section 8 with public and private resources to enable eligible families to achieve economic independence and self-sufficiency."

Evidence: Purpose stated in Section 23 of the United States Housing Act of 1937 and 24 CFR 984.

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight20%

Explanation: The program addresses problems of dependency on public assistance and low wage jobs.

Evidence: FSS helps families 1. obtain employment, 2. build assets, and 3. leave cash assistance.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: YES Question Weight20%

Explanation: The program is specifically designed so that it addresses issues of housing, employment, and asset building which makes it a unique program. It is also necessary to coordinate activities with other federal and local programs (One-Stop Centers, TANF, etc)

Evidence: Section 23 of the United States Housing Act of 1937 and 24 CFR 984. Law requires PHAs to certify to coordination with local employment and service programs to avoid duplication of services and other activities.

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: YES Question Weight20%

Explanation: In terms of helping individual families, the FSS Program is designed well to provide incentives for families to commit to the program, become employed, and increase their incomes. Mandatory FSS programs receive points on SEMAP for successful programs. Voluntary programs have limited incentives to increase FSS participation. The Flexible Voucher proposal would create increased incentives for FSS participation through a sliding scale administrative fee.

Evidence: Families that complete the program may claim their escrow accounts. Credits to these acounts are based on increased earned income The voluntary nature of the program does limit the number of PHAs and families that can participate. In FY 2003, 778 PHAs and 1145 positions were funded. In FY 2004, 591 PHAs were funded for a total of 1,043 position. The decrease in the number of PHAs was due to the 2004 NOFA that rewarded homeownership counseling activities.

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: YES Question Weight20%

Explanation: A limited number of FSS coordinators are funded ithrough a competitve application process. The number of FSS coordianators funded each year is relatively low due to current funding constraints in FSS and Vouchers. The program is open to all eligible tenants, but family participation is voluntary so the families that elect to sign up may or may not be the families most in need of assistance in becoming self-sufficient.

Evidence: While the voluntary nature of the program could cause PHAs to select more able or motivated tenants, it also allows the program's limited resources to assist those who are most motivated to follow-through and become self-sufficient.

PART Performance Measurements

Program: Family Self-Sufficiency Program (FSS)--within Housing Vouchers
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing Programs
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	83%	33%	

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight 11%

Explanation: A new long-term goal for this program will be established in the 2006 APP that will tie to annual performance goals.

Evidence: Maintain a graduation rate above 50% for those exiting the FSS program over the next ten years.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight 11%

Explanation: This new long-term measure will tie to annual goal increases to attempt to maintain an ambitious level of success.

Evidence: As noted in 2.6, PD&R has done an analysis of the program from 1996-2000 In 2000, the graduation rate for those exiting the program was 42%. The new long-term goal will push the programs to focus on completion rates above 50%.

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight 11%

Explanation: The 2005 APP goals do not continue the 2003 and prior goal (listed to the right). The 2006 APP will revert back to that goal which ties to the long-term goal listed in 2.1.

Evidence: The percentage of FSS participants that have increased earned income and accumulated assets will increase by 5 percent from the previous year. FY '02 -15,296, FY'03 - 18,951, FY '04 - 27,015.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: NO Question Weight 11%

Explanation: For no apparent reason, the annual APP goals for the FSS program have been changed each year for the last three years. This makes it impossible to set baselines for the program.

Evidence: In 2003, one FSS goal was "The number of public housing and Voucher households that have accumulated assets through the FSS program increases by 5 percent and the avg escrow amount for FSS graduates increase." This measure had actual baseline data, but this measure was abandoned in 2004. The goals in 2004 and 2005 did not have baselines established. The 2003 measure is being retooled for the 2006 APP.

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight 11%

Explanation: Public housing agencies that administer the program are working to help families obtain and retain employment and administer the escrow savings accounts that are established for families as the families earned income increases over their baseline amount. The 2004 NOFA's focus on homeownership decreased the number of PHAs in the program because not all PHAs were already actively involved in homeownership activities.

Evidence: Progress of families is tracked using FSS family data for each participating family that has been entered into HUD's PIC data system by the PHAs.

PART Performance Measurements

Program: Family Self-Sufficiency Program (FSS)--within Housing Vouchers
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing Programs
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	83%	33%	

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: NO Question Weight:11%

Explanation: The Retrospective Analysis, covering 1996-2000 was conducted, but other independent evaluations are lacking and have not been done on a regular or ongoing basis.

Evidence: Evaluation of the Family Self-Sufficiency Progrm, Retrospective Analysis, 1996-2000 dated August 2003. PD&R is starting an analysis of FSS programs.

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: NO Question Weight:11%

Explanation: Budget requests are for funding for HCV FSS program coordinators. However, funding levels are not directly tied to program performance from year-to-year.

Evidence: HCV FSS NOFA and data in PIC system and SEMAP rating factor for FSS.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:11%

Explanation: PIH plans to revamp the 2005 FSS NOFA to better assess the success of programs, and reward those that have been successful in achieving the newly established goals.

Evidence: OMB will review the NOFA to help accomplish this.

2.CA1 **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

2.RD1 **If applicable, does the program assess and compare the potential benefits of efforts within the program to other efforts that have similar goals?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

PART Performance Measurements

Program: Family Self-Sufficiency Program (FSS)--within Housing Vouchers
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing Programs
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	83%	33%	

2.RD2 **Does the program use a prioritization process to guide budget requests and funding decisions?** Answer: NA Question Weight: 0%

Explanation: Each FSS NOFA uses clear priorities for funding, such as existing coordinators of programs that have demonstrated positive results, PHAs applying for homeownership counsellors, etc.

Evidence: Annual HCV FSS NOFAs published in the Federal Register.

2.RG1 **Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals?** Answer: YES Question Weight:11%

Explanation: Regulations reflect statutory requirements and are shaped by lessons learned about most effective practices in earlier self-sufficiency programs administered by HUD.

Evidence: Section 23 of the United States Housing Act of 1937 and 24 CFR 984.

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 8%

Explanation: Data on participating families, services needed and received, employment, escrow accounts and completion of FSS contracts of participation is collected in HUD's PIC data system and used by HUD and PHAs to measure performance.

Evidence: Program staff regularly review FSS data and seek feedback on program effectiveness and problems imposed by program regulations. Input is sought from PHAs, service agencies, program participants and other interested parties at conferences and training sessions as well as in site visits. HUD also obtains information from research performed such as the retrospective analysis that has just been completed.

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight: 8%

Explanation: Continuing funding for HCV FSS program coordinators is available only to PHAs that have made progress in implementing their FSS programs and moving families to goals such as employment and homeownership.

Evidence: Notice of Funding Availability (NOFA) for HCV FSS program which is published annually in the Federal Register. Priority is given to PHAs that have successfully helped program participants to obtain employment and homeownership.

PART Performance Measurements

Program: Family Self-Sufficiency Program (FSS)--within Housing Vouchers
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing Programs
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	83%	33%	

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 8%

Explanation: Funds for HCV FSS program coordinators are awarded and obligated in a timely manner. Expenditure of the funds is monitored by staff of HUD's Section 8 Financial Management Center (FMC).

Evidence: Applications for FSS coordinator funding are solicited through an annual NOFA. Award of funds is announced in the Federal Register. Draw down and accounting for expenditure of funds is reviewed by the FMC.

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: NO Question Weight: 8%

Explanation: It is unclear from the information provided in this PART if it has measures to achieve efficiencies and cost effectiveness.

Evidence:

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: NO Question Weight: 8%

Explanation: Coordination required by statute. Since HUD does not fund services, implementation of program requires PHAs to coordinate with employment and service programs whether or not this is done successfully has yet to be shown.

Evidence: Section 23 of the United States Housing Act of 1937 and 24 CFR 984.

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight: 8%

Explanation: The FSS program is subject to the same financial management practices of the housing voucher program.

Evidence: Subject to Annual Contributions Contract accounting procedures and requirements for the housing voucher program.

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 8%

Explanation: The SEMAP management performance system has helped HUD to identify which PHAs needed to improve, and helped to address management deficiencies that exisited in the past.

Evidence: 10 points are possible in the SEMAP for PHAs that run FSS programs.

3.BF1 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

PART Performance Measurements

Program: Family Self-Sufficiency Program (FSS)--within Housing Vouchers
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing Programs
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	83%	33%	

3.BF2 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

3.CA1 **Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

3.CO1 **Are grants awarded based on a clear competitive process that includes a qualified assessment of merit?** Answer: YES Question Weight: 8%

Explanation: Funding for HCV program coordinators is awarded through annual NOFAs based on performance of PHAs evidenced by increased earned income of program participants and movement of families toward goals such as homeownership.

Evidence: Annual HCV FSS NOFA.

3.CO2 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight: 8%

Explanation: Implementation of an FSS program requires HUD approval of a PHA's FSS action plan. On an on-going basis HUD collects and analyzes FSS program operation data through the form HUD-50058 enrollment, progress and exit reports that must be submitted by PHAs.

Evidence: HUD PIC data system and form HUD-50058.

3.CO3 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: YES Question Weight: 8%

Explanation: Grantee performance is collected through the PIC system and through the SEMAP program.

Evidence: 10 points are possible in the SEMAP for PHAs that run FSS programs.

3.CR1 **Is the program managed on an ongoing basis to assure credit quality remains sound, collections and disbursements are timely, and reporting requirements are fulfilled?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

Program: Family Self-Sufficiency Program (FSS)--within Housing Vouchers
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing Programs
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	83%	33%	

3.CR2 **Do the program's credit models adequately provide reliable, consistent, accurate and transparent estimates of costs and the risk to the Government?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

3.RD1 **For R&D programs other than competitive grants programs, does the program allocate funds and use management processes that maintain program quality?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

3.RG1 **Did the program seek and take into account the views of all affected parties (e.g., consumers; large and small businesses; State, local and tribal governments; beneficiaries; and the general public) when developing significant regulations?** Answer: YES Question Weight: 8%

Explanation: HUD consulted widely with other government agencies and took into account comments of all interested parties including PHAs, program participants and the general public when developing its FSS program regulations. PHAs have the opportunity to formally comment on program effectiveness and propose changes in annual reports to HUD and informally adivse us of any concerns on an ongoing basis.

Evidence: Rulemaking process for the FSS program regulations at 24 CFR part 984.

3.RG2 **Did the program prepare adequate regulatory impact analyses if required by Executive Order 12866, regulatory flexibility analyses if required by the Regulatory Flexibility Act and SBREFA, and cost-benefit analyses if required under the Unfunded Mandates R** Answer: NA Question Weight: 0%

Explanation:

Evidence:

3.RG3 **Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

3.RG4 **Are the regulations designed to achieve program goals, to the extent practicable, by maximizing the net benefits of its regulatory activity?** Answer: YES Question Weight: 8%

Explanation: Regulations reflect statutory requirements and are shaped by lessons learned about most effective practices in earlier self-sufficiency programs administered by HUD.

Evidence: Section 23 of the United States Housing Act of 1937 and 24 CFR 984.

PART Performance Measurements

Program: Family Self-Sufficiency Program (FSS)--within Housing Vouchers
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing Programs
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	83%	33%	

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight20%

Explanation: As the program is establishing a long-term goal in the 2006 APP, it has not yet been able to work towards achieving this goal.

Evidence:

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight20%

Explanation: It is unclear from the information provided in the 2005 APP if HUD is in fact achieving its annual peformance goals. Some data was reported in the 2004 Performance and Accountability report, but more consistency in maintaining baselines and consistent goals over time is needed.

Evidence: The percentage of FSS participants that have increased earned income and accumulated assets will increase by 5 percent from the previous year. FY '02 -15,296, FY'03 - 18,951, FY '04 - 27,015.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: NO Question Weight20%

Explanation: Program goals have changed each year for the past three years, so it is impossible to measure.

Evidence:

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: LARGE EXTENT Question Weight20%

Explanation: FSS works in tandem with other self-sufficiency efforts such as the One-Stop career centers and TANF work programs, but it operates on a much smaller scale. The escrow account provided to program participants provides an incentive that is not part of other government self-sufficiency efforts.

Evidence: A recently completed retrospective analysis of the FSS program (1996-2000) showed that participants that did complete the program demonstrated increased earned income.

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: LARGE EXTENT Question Weight20%

Explanation: A recently completed retrospective analysis of the FSS program (1996-2000) showed that 42% of FSS participants actually complete the program (self-sufficiency contract). Those participants that did complete the program demonstrated increased earned income. The study did not show if the program helped families transition out of subsidized housing altogether.

Evidence: Evaluation of the Family Self-Sufficiency Program, Retrospective Analysis, 1996-2000. Prepared for HUD by WESTAT.

PART Performance Measurements

Program: Family Self-Sufficiency Program (FSS)--within Housing Vouchers
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing Programs
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	83%	33%	

4.CA1 **Were program goals achieved within budgeted costs and established schedules?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

4.RG1 **Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?** Answer: NA Question Weight: 0%

Explanation: The program's funding of coordinators has not produced any demonstrable increase in efficiencies in achieving program goals. However, there is a requirement that FSS programs obtain services through coordination with public and private partners and through the on-going requirement for salary comparability of the FSS coordinators that are funded by HUD.

Evidence: 24 CFR 984

PART Performance Measurements

Program: Family Self-Sufficiency Program (FSS)--within Housing Vouchers

Agency: Department of Housing and Urban Development

Bureau: Public and Indian Housing Programs

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	83%	33%	

Measure: Increase the graduation rate for those exciting the FSS program 5% each year.

Additional Information: Baseline is 2000 graduation rate (updated baseline can be added later)

Year	Target	Actual	**Measure Term:** Annual
2000		42%	
2005	47%		
2006	52%		

Measure: Increase by 5% the percentage of FSS participants and graduates whose predominant source of income is earned income.

Additional Information: Baseline is computed using data submitted by PHAs to PIC's data system using form HUD-50058.

Year	Target	Actual	**Measure Term:** Annual
2004		20,984	
2005	28,366		
2006	29,784		

Measure: Maintain a graduation rate above 50% for those exiting the FSS program over the next ten years.

Additional Information: Baseline is measure of the number of FSS program participants leaving the program in a given year, and the number of those that leave as graduates reported to HUD's PIC data system.

Year	Target	Actual	**Measure Term:** Long-term

PART Performance Measurements

Program: FHA Single-Family Mortgage Insurance
Agency: Department of Housing and Urban Development
Bureau: Office of Housing
Type(s): Credit

Section Scores				Rating
1	2	3	4	Adequate
100%	13%	78%	60%	

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: The Federal Housing Administration (FHA) insures private FHA-approved lenders against losses from default on single-family mortgages they issue. The program's purpose is to expand homeownership opportunities for first-time and minority homebuyers. FHA also fights predatory lending and works to keep existing homeowners from losing their homes when they default.

Evidence: The program purpose and objectives are outlined in Section 203(b) of the National Housing Act and in HUD's Annual Performance Plans (APP) and the HUD Strategic Plan for FY2003 ' FY2008.

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight20%

Explanation: Without the Government's guarantee protecting lenders against default, most of the borrowers FHA serves under its more liberal underwriting guidelines and downpayment requirements, would not qualify for a loan.

Evidence: Unlike conventional loans that adhere to strict underwriting guidelines, FHA-insured loans require very little cash investment to close a loan and have more flexibility in calculating household payment to income ratios. Some studies which demonstrate FHA single-family insurance fills a gap among borrowers with impaired credit and/or less cash on hand include: 'Credit History and the FHA-Conventional Choice' Pennington-Cross and Nichols, 2000; and 'The Federal Housing Administration in the New Millennium' Pennington-Cross and Yezer, 2000.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: YES Question Weight20%

Explanation: FHA is unique in that it operates the Federal government's largest single-family mortgage insurance program, insuring almost $150 billion in mortgages in 2003 and generating $2 billion to $3 billion in annual revenue. While other Federal agency programs serve some borrowers who could potentially qualify for FHA insurance, these other programs target distinct classes of borrowers, such as veterans.

Evidence: Other federal programs available serve very distinct classes of borrowers, such as native Americans, native Hawaiians, veterans, or households located in rural areas. A 1995 Policy Development and Research (PD&R) study 'An Analysis of FHA's Single Family Insurance Program' showed that there is no significant overlap between FHA borrowers and products and those of private mortgage insurance (PMI) providers. FHA targets borrowers with a higher level of risk than private providers are willing to accommodate. FHA insures loans for 100 percent of unpaid mortgage principal balances --- instead of 30 percent like PMI ' which gives lenders the protection they require to serve higher risk borrowers. In addition, a 1996 GAO study, 'FHA's Role in Helping People Obtain Home Mortgages,' showed that 2/3 of FHA loans would not have qualified for PMI and that FHA programs promote homeownership among homebuyers that are typically underserved by other agencies and PMI.

PART Performance Measurements

Program: FHA Single-Family Mortgage Insurance
Agency: Department of Housing and Urban Development
Bureau: Office of Housing
Type(s): Credit

Section Scores				Rating
1	2	3	4	Adequate
100%	13%	78%	60%	

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight 20%

Explanation: FHA uses private lenders, appraisers, and other contractors to insure mortgages and dispose of foreclosed properties. Given FHA-approved lenders are protected against default and therefore have little incentive to minimize losses, FHA has had to build in performance incentives and monitoring and enforcement mechanisms to increase compliance with program guidelines and protect against fraud.

Evidence: FHA-designed protections and incentives include: pre-approving private lenders to directly endorse mortgages insured by FHA; listing appraisers on an FHA-approved roster; holding lenders and appraisers accountable for the quality of appraisals; conducting targeted reviews for quality compliance with FHA underwriting standards, as part of its Credit Watch effort, which identifies higher than average default rates among lenders; prohibiting FHA insurance on a property resold within 90 days; and paying lenders a bonus for exploring different loss mitigation techniques that are less costly than foreclosure and often help sustain homeownership.

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight 20%

Explanation: FHA effectively targets lower-income, first-time, and minority homeowners who can afford homeownership, but do not typically qualify for loans using conventional underwriting standards.

Evidence: In 2004, seventy-three percent of FHA purchase endorsements were for first-time homebuyers and 37 percent were for minorities.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: NO Question Weight 13%

Explanation: The overarching long-term objective of the FHA is clearly outlined in HUD's 2003-2008 Strategic Plan and includes FHA does have long-term performance goals that reflect the purpose of the program. FHA tracks data on the number of first-time and minority homeowners among its purchase endorsements, while recognizing that these figures are affected by market forces outside FHA's control. In addition, FHA monitors the statutorily mandated capital ratio, a critical long-term measure of FHA's fiscal soundness.However, the goals focus on outputs and processes to improve program administration and not on outcomes such as homeownership rates.

Evidence: In HUD's 2003-2008 Strategic Plan, FHA outlines several long-term output and process goals including: the share of FHA-insured home-purchase mortgages for first-time homebuyers remains above 80 percent in each year through 2008; between 2004 and 2008 approximately 400,000 claims will be submitted under the loss mitigation program; through the Section 601 Accelerated Claims Disposition demonstration, enhance policy objectives, such as savings to the government and homeownership retention; and implement regulatory changes to combat predatory lending. The Plan also cites the President's goal to create 5.5 more minority homeowners by 2010 - -a goal several other private partners have committed to. FHA does not articulate how it will contribute to this goal.

PART Performance Measurements

Program: FHA Single-Family Mortgage Insurance
Agency: Department of Housing and Urban Development
Bureau: Office of Housing
Type(s): Credit

Section Scores				Rating
1	2	3	4	Adequate
100%	13%	78%	60%	

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight 13%

Explanation: The overarching long-term objective of the FHA is clearly outlined in HUD's 2003-2008 Strategic Plan. However, FHA does not have long-term outcome measures and has only established targets and timeframes for some of its long-term output and process measures.

Evidence: HUD's 2003-2008 Strategic Plan outlines targets and timeframes for its output and process goals. The Plan also cites the President's goal to create 5.5 more minority homeowners by 2010. The private partners that have signed on to this goal have quantified their contributions, but FHA does not articulate what portion it will contribute to achieving the President's goal.

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: NO Question Weight 13%

Explanation: FHA has a limited number of annual performance measures and several tracking indicators. However, FHA does not have long-term outcome performance measures for which the annual measures can mark progress toward.

Evidence: HUD's 2005 APP includes annual performance measures that set goals for increasing the ratio of homeownership rates among minorities and non-minorities and the use of loss mitigation techniques to successfully sustain families in their homes. The APP includes several tracking indicators showing the percentage of first-time and minority buyers among its purchase endorsements. However, there are no long-term outcome measures for which the annual measures can mark the achievement of progress.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: NO Question Weight 13%

Explanation: The majority of FHA's annual performance measures are categorized as tracking indicators which FHA uses to report on actual performance without setting numerical targets. For those annual outcome measures which FHA establishes targets, the goals are not ambitious.

Evidence: More than half of the annual measures for the FHA single-family mortgage insurance program in HUD's 2005 APP are tracking indicators without numerical targets. For outcome measures with targets, the goals are set low, sometimes lower than actual experience. See measures H.2.2 and H.6.1 in HUD's 2005 APP.

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: NO Question Weight 13%

Explanation: FHA program partners do not explicitly commit to annual or long-term goals. However, program partners, such as lenders and servicers, contribute to program objectives to expand and sustain homeownership opportunities for underserved borrowers by complying with FHA guidelines, mortgagee letters, and regulations in determining eligibility and by instituting loss mitigation techniques to help households that miss mortgage payments sustain homeownership.

Evidence: Guidance for the PART requires a program that receives "no" responses to questions 2.1 and 2.3 must receive a "no" under question 2.5.

Program: FHA Single-Family Mortgage Insurance
Agency: Department of Housing and Urban Development
Bureau: Office of Housing
Type(s): Credit

Section Scores				Rating
1	2	3	4	Adequate
100%	13%	78%	60%	

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight 13%

Explanation: The program receives frequent, independent evaluations of sufficient scope and quality, which are used to improve the effectiveness of some elements of the program's delivery.

Evidence: HUD's Office of Policy Development and Research, HUD's Inspector General, the General Accounting Office (GAO) and other independent evaluators regularly examine different aspects of the FHA single-family mortgage insurance program. Finally, FHA has improved the program's effectiveness in response to a series of GAO recommendations (see question 3.7) and has contracted with an independent evaluator to examine the use of its Section 601 Accelerated Claims Disposition demonstration to determine whether this disposition method increases recoveries to the insurance fund relative to current methods while meeting other policy objectives such as maximizing homeownership retention.

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: NO Question Weight 13%

Explanation: Budget proposals, such as the Zero Downpayment and Payment Incentives proposals included in the 2005 Budget, support the program's objectives and contribute to the President's goal to expand minority homeownership by 5.5 million by 2010. However, budget requests and policy proposals are not explicitly tied to annual performance goals as published in HUD's APP or Congressional Justifications.

Evidence: While FHA proposed two new mortgage insurance products to expand opportunities for first-time and minority homebuyers, FHA does not increase the percentage of its purchase endorsements made by those groups in the 2005 APP because FHA considers them tracking indicators for which they do not set numerical targets.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: NO Question Weight 13%

Explanation: FHA does not have a systematic way of analyzing its own impact on homeownership, nor has it created long-term performance goals. FHA maintains the percent of first-time and minority buyers among FHA's purchase endorsements is entirely dependent on market forces outside its control.

Evidence: HUD's Strategic Plan does not include long-term outcome performance goals or measures.

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight 11%

Explanation: FHA regularly collects timely, credible data on borrower characteristics, loan volume, defaults, foreclosures, return on the sale of foreclosed properties, as well as other information necessary to improve credit subsidy estimates, monitor compliance with program guidelines, and detect and sanction fraudulent lenders and/or appraisers.

Evidence: Monthly portfolio analysis reports, Housing Mortgage Disclosure Act reporting requirements, and other regulatory requirements, such as the Credit Watch initiative, are just some of the information sources FHA uses to manage and improve program performance.

PART Performance Measurements

Program: FHA Single-Family Mortgage Insurance
Agency: Department of Housing and Urban Development
Bureau: Office of Housing
Type(s): Credit

Section Scores				Rating
1	2	3	4	Adequate
100%	13%	78%	60%	

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight 11%

Explanation: FHA holds lenders, servicers, appraisers, and other contractors accountable for complying with program guidance, mortgagee letters, and regulations. Depending on the violation, FHA can refer a participating lender or servicer to the mortgagee review board for appropriate action, remove an appraiser from the HUD-approved appraiser roster, or terminate a contract with a non-performing contractor.

Evidence: FHA issues mortgagee letters and regulations outlining standards of performance as well as sanctions FHA can impose when partners fail to comply. In 2003, FHA reviewed 21,115 loans 11,983 of which had findings. FHA's Credit Watch system enabled FHA to terminate the ability of 58 lender branches to originate FHA-insured mortgages. The Mortgagee Review Board (MRB) took action against 36 lenders and assessed $2.35 million in civil money penalties, and executed indemnification agreements on 233 FHA-insured mortgages for a potential savings to the FHA fund of approximately $5.83 million. Appraiser Watch, which is used to target appraisers for field reviews, resulted in the removal of 132 poorly performing appraisers from the FHA Roster in 2003. Further, since the May 2004 publication of the anti-flipping regulations, FHA has prevented 394 loans on properties resold within 90 days from being insured and has requested additional evidence regarding an increase in property value in 635 cases.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight 11%

Explanation: FHA obligates funds in a timely manner and spends them for the intended purpose.

Evidence: Quarterly obligation and spending reports (SF 133s) as well as Congressional Justifications and operating plans show the timely obligation of funds.

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight 11%

Explanation: FHA measures and compares the efficiency and cost effectiveness of its standard foreclosed property disposition methods to its Accelerated Claims Disposition demonstration and other alternatives. FHA statute also requires lenders and servicers to explore other loss mitigation techniques that will be less expensive than foreclosure.

Evidence: A major efficiency measure of the Accelerated Claims and Asset Disposition demonstration is the recovery rate (adjusted for the claim cost) as a percentage of unpaid principal balance. A secondary efficiency measure is the actual claim cost which experience is showing to be approximately 6% of the unpaid principal balance. The legislative goal is to increase the recoveries to the FHA fund over other disposition methods and the recovery rate is the best measure for doing this. HUD tracks loss mitigation usage through the number of home retention claims paid per month. HUD also developed a Tier Ranking System to track Servicer use of loss mitigation by calculating workout ratios based on each servicers' foreclosure and loss mitigation activity for the prior 12 month period. Based on work out ratios, servicers are separated into 4 Tier groups denoting the percentage of loss mitigation use. Quarterly, Servicers are notified of their Tier Ranking. Servicers in the bottom 2 Tiers are required to provide remediation plans.

PART Performance Measurements

Program: FHA Single-Family Mortgage Insurance
Agency: Department of Housing and Urban Development
Bureau: Office of Housing
Type(s): Credit

Section Scores				Rating
1	2	3	4	Adequate
100%	13%	78%	60%	

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight 11%

Explanation: HUD's housing counseling program works with potential and current FHA-insured borrowers to prepare them for and sustain them in homeownership, which also protects the FHA insurance fund against defaults. GNMA also collaborates with FHA by purchasing FHA-insured loans from servicers and selling them in pools to investors.

Evidence: In 2003, 29,896 FHA borrowers received housing counseling.

3.6 **Does the program use strong financial management practices?** Answer: NO Question Weight 11%

Explanation: Currently, FHA is unable to manage financial transactions in accordance with the Federal Financial Management Improvement Act (FFMIA). However, FHA has begun implementation of a new system that manages financial transactions in accordance with FFMIA. FHA implemented a new general ledger on October 1, 2002 and plans to have the new integrated financial management system in place by the end of fiscal year 2006. FHA just completed Phase II of the system integration and now has a new core financial system supporting its general ledger accounting operations, financial statement reporting, central funds control, accounting for certain contracts and grants, and cash management.

Evidence: FHA remains on GAO's Major Management Challenges and Risks report (GAO-03-103) which found FHA's financial management systems lack integration with the financial management process. However, Tthe FY2003 Financial Statement audit recognized FHA's key improvement in developing the general ledger. As a result of the implementation of the ledger and progress toward the integrated financial management system, the auditor reduced the number of material weaknesses from 2 to 1 and the number of other reportable conditions from 4 to 2.

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight 11%

Explanation: FHA's single-family mortgage insurance program has been on GAO's high-risk list since 1994. However, as part of the President's Management Agenda, FHA has implemented new standards, monitoring protocols, and enforcement mechanisms to reduce fraud and risk within the program.

Evidence: In GAO's Major Management Challenges and Risks report (GAO-03-103), FHA's single-family mortgage insurance program maintains its high-risk status, but the report acknowledges FHA has made significant management improvements by implementing new regulations. Among them are rules that prohibit property flipping, strengthen the licensing and certification requirements for FHA-approved appraisers, clarify FHA's authority to hold lenders accountable for the quality of appraisals on properties holding FHA insured mortgages, and enable FHA to analyze trends in default and claim data by lender and impose sanctions on non-compliant or fraudulent lenders.

3.CR1 **Is the program managed on an ongoing basis to assure credit quality remains sound, collections and disbursements are timely, and reporting requirements are fulfilled?** Answer: YES Question Weight 11%

Explanation: FHA meets the requirements of the Credit Reform Act. The National Affordable Housing Act requires FHA's single-family mortgage insurance fund to achieve a capital ratio of at least 2 percent. For FY 2003, the capital ratio is estimated to be 5.21 percent . However, the frequency and magnitude of upward reestimates over the last decade call into question whether FHA can meet its capital ratio requirements under adverse conditions as currently managed.

Evidence: Annual Actuarial Review of the Federal Housing Administration's Mutual Mortgage Insurance Fund Fiscal Year 2003.

PART Performance Measurements

Program: FHA Single-Family Mortgage Insurance
Agency: Department of Housing and Urban Development
Bureau: Office of Housing
Type(s): Credit

Section Scores				Rating
1	2	3	4	Adequate
100%	13%	78%	60%	

3.CR2 **Do the program's credit models adequately provide reliable, consistent, accurate and transparent estimates of costs and the risk to the Government?** Answer: NO Question Weight11%

Explanation: FHA's single-family mortgage insurance credit subsidy model is not accurate or reliable. One of its major weaknesses is that it consistently under predicts claims even in good economic times. However, FHA hopes to correct those and other weaknesses in the model through a new contract to develop a new model for the FY 2006 budget cycle.

Evidence: Eleven of the twelve initial estimates for the 1992 through 2003 cohorts have been adjusted upward, i.e., higher costs. The total upward reestimate has been over $13 billion, more than 50 percent of the $25 billion in negative subsidy booked since 1992.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight20%

Explanation: The program does not have long-term outcome performance goals.

Evidence: A "yes" answer would require that the program is on track to meet all the long-term performance goals - -including ambitious targets and timeframes - evaluated in questions 2.1 and 2.2 and the program does not have long-term outcome-oriented performance goals.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight20%

Explanation: The majority of FHA's annual measures are tracking indicators. For those measures with annual targets, FHA met two of its goals in FY 2003 --to increase the share of FHA mortgage defaults resolved by loss mitigation and the number of FHA single-family mortgages endorsements in underserved areas.

Evidence: Performance and Accountability Report FY 2003 measures 2.1.3 and 2.2.9.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: YES Question Weight20%

Explanation: FHA has improved the efficiency and cost-effectiveness of its foreclosed property disposition sales by decreasing the average days in inventory from 192 days in FY 2001 to 163 days in 2003. FHA also increased net recoveries on the sale of foreclosed properties by 10.58% during the same period.

Evidence: HUD's monthly profit and loss statement is the data source for property sales information.

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: YES Question Weight20%

Explanation: Compared to other private and government mortgage lending programs, FHA's single-family mortgage insurance program better serves the intended set of borrowers --primarily lower income first-time and minority homebuyers by enabling more of them to obtain mortgages sooner albeit at higher cost (premiums and interest) than conventional private sector loans.

Evidence: In its 2005 APP, HUD reported that seventy-seven percent of FHA purchase endorsements were for first-time homebuyers and 35 percent were for minorities. In comparison, only 26.5 percent of Fannie Mae and Freddie Mac's purchases of mortgages used to buy homes were first-time homeowners.

PART Performance Measurements

Program: FHA Single-Family Mortgage Insurance
Agency: Department of Housing and Urban Development
Bureau: Office of Housing
Type(s): Credit

Section Scores				Rating
1	2	3	4	Adequate
100%	13%	78%	60%	

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**

Answer: LARGE EXTENT

Question Weight 20%

Explanation: Studies evaluating FHA's impact on homeownership draw mixed conclusions. Some studies do suggest that FHA simply accelerates homeownership for households who could be served in the conventional market with additional savings to meet higher downpayment requirements. In those studies which conclude FHA increases homeownership rates, the increase is marginal, 0.6 percent on average between 1970 and 1990. However, when considering homeownership rates among targeted borrowers and specific geographic areas, compared with conventional single-family lenders, FHA serves a higher percentage of low to moderate income borrowers and borrowers living in underserved areas (i.e., central cities).

Evidence: Some of the numerous evaluations of FHA's single-family mortgage insurance program include: "FHA Role in Helping People Obtain Home Mortgages," GAO 1996; "How the Federal Housing Administration Affects Homeownership" Monroe, 2001; "The Federal Housing Administration in the New Millennium" Pennington-Cross and Yezer, 2000; and "Does FHA Increase Homeownership or Just Accelerate It?" Goodman and Nichols, 1997. The share of low income and underserved borrowers among FHA purchase endorsements comes from the Federal Financial Institutions Examination Council, 1999 Home Mortgage Disclosure Act data.

PART Performance Measurements

Program: FHA Single-Family Mortgage Insurance
Agency: Department of Housing and Urban Development
Bureau: Office of Housing
Type(s): Credit

Section Scores				Rating
1	2	3	4	Adequate
100%	13%	78%	60%	

Measure: The share of FHA-insured home-purchase mortgages for first-time homebuyers remains above 80 percent in each year through 2008.

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term
2004	80	73	
2005	80		
2006	80		
2007	80		
2008	80		

Measure: The ratio of minority and non-minority low- and moderate-income families with children increases by 0.4 percentage points by 2005.

Additional Information: This indicator measures progress in reducing barriers to homeownership among racial and ethnic minorities, as measured by the ratio of minority homeownership rates to homeownership of non-Hispanic whites.

Year	Target	Actual	**Measure Term:** Annual
2004	74.3		
2005	74.3		
2006			

Measure: Loss mitigation claims are at least 45 percent of total claims on FHA-insured single family mortgages.

Additional Information: This indicator measures the success of FHA loan servicers in implementing statutorily required loss-mitigation techniques when borrowers default on their FHA mortgages.

Year	Target	Actual	**Measure Term:** Annual
2003		50	
2004	40	54.2	

PART Performance Measurements

Program: FHA Single-Family Mortgage Insurance
Agency: Department of Housing and Urban Development
Bureau: Office of Housing
Type(s): Credit

Section Scores				Rating
1	2	3	4	Adequate
100%	13%	78%	60%	

2005	45
2006	50

PROGRAM ID: 10002190

PART Performance Measurements

Program: HOME Investment Partnerships Program
Agency: Department of Housing and Urban Development
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	60%	Effective

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: The purpose of the HOME program is to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, for very low-income families. The program also provides about 25% of its funding to support homeownership efforts. The President's Down Payment Assistance Initiative expands the program's focus on assisting first-time, low-income homebuyers.

Evidence: The purpose is expressed in Title II of the National Affordable Housing Act of 1990, which authorized grantees to fund four types of activities: 1) purchase, construction, or renovation of rental housing; 2) renovation or construction of for-sale housing and assistance to individual buyers of housing; 3) rehabilitation of owner-occupied housing units; and 4) tenant-based rental assistance (TBRA).

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight20%

Explanation: There continues to be a need to provide low-income families with decent affordable housing. As evidenced by the recently issued Millennial Housing Commission report, there remains a gap between the demand and supply for rental units affordable to low-income households.

Evidence: The HOME statute requires that all households assisted have incomes less than 80% of the area median income, and at least 90% of the households have incomes less than 60% of the median. Rental assistance is deeply targeted, with 41% (56% including TBRA) of completed projects benefiting families below 30 percent of the area median income.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: NO Question Weight20%

Explanation: Several other Federal, state, and local programs as well as other for-profit and non-profits address the same affordable housing problems and needs as the HOME program.

Evidence: Federal programs such as vouchers and public housing all provide funding for affordable housing. Although it has the advantage of pulling together several funding sources into one program, the funding mechanisms are not unique to the HOME program and beneficiaries of HOME funding are often served by other housing programs.

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: YES Question Weight20%

Explanation: The program design requires involvement and commitment of non-Federal actors. A 1999 Urban Institute Evaluation concluded that, "HOME has made a substantial contribution to state and local affordable housing efforts."

Evidence: All 50 states (plus Puerto Rico) and 551 local grantees (including 112 consortia) receive an annual allocation. An average of $15,780 HOME dollars are invested in each unit of affordable housing produced, with three dollars of other funds leveraged for each HOME dollar. The 2002 funding level of $1.8 billion will enable state and local governments to assist about 80,000 households per year.

PART Performance Measurements

Program: HOME Investment Partnerships Program
Agency: Department of Housing and Urban Development
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	60%	Effective

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight 20%

Explanation: HOME's deep targeting directly addresses the program's purpose which is to expand the supply of affordable housing, with primary attention to rental housing, for very low-income families.

Evidence: The HOME statute requires that all households assisted have incomes less than 80% of the area median income, and at least 90% of the rental households have incomes less than 60% of the median. Rental assistance is deeply targeted, with 41% (56% including TBRA) of completed projects benefiting families below 30 percent of the area median income.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight 12%

Explanation: Following recommendations received from OMB in the FY 2004 PART review, long-term performance measures for HOME have now been included in HUD's FY 2003 - FY 2008 Strategic Plan and outcome measures have been introduced. Also under development are other long-term measures that would track outcomes of HOME activity such as percentage change in local homeownership rates or change in home prices.

Evidence: The following outcome and efficiency measures have been developed in consultation with OMB: unit-years of affordability from the investment of HOME funds will increase and the median home loan amounts of census tracts that receive HOME Program funds will increase. (Housing units produced with HOME funds must remain affordable for a minimum number of years. The greater the total number of unit-years of affordability, the greater the rent stability for low-income beneficiaries of HOME assistance and the greater their disposable income for non-rent expenses.) Furthermore, a new Performance and Productivity guide will be issued this year accompanied by 12 additional deliveries of this course to enable participating jurisdictions (PJs) receiving HOME funds to develop local performance measures to enable them to set their own program priorities and goals.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight 12%

Explanation: Specific, quantified targets have been set for most long-term measures identified in Question 2.1, although some measure's baselines remain under development. FY 2000 through FY 2003 results as contained in the respective PARs are used as the baseline for all long-term output measures.

Evidence: The targets reflect the fact that results have not improved over the preceding three-year base-line period for reasons discussed in the PAR. The level results anticipated over the coming years are ambitious when considering that the number of completions for rental units (other than TBRA), homebuyer units and existing homeowner rehabilitation have actually declined in number from FY 2000 to FY 2002. External factors such as program funding levels, national and regional economic conditions, and local discretion in the use of block grant funds may also continue to affect future results.

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight 12%

Explanation: HOME's GPRA measures have a direct relationship to HOME and HUD's statutory purpose of promoting the availability of decent, safe, and affordable housing. However, several of the annual performance goals for rental housing fail to relate to outcomes.

Evidence: See measures section.

Program: HOME Investment Partnerships Program
Agency: Department of Housing and Urban Development
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	60%	Effective

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight 12%

Explanation: Actual performance are largely based on the choices that participating jurisdictions make among their competing housing needs, fiscal conditions affecting State and local government program staffing levels, and general economic conditions affecting the cost and availability of housing and the income levels of potential homebuyers.

Evidence: See measures section.

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight 12%

Explanation: At the annual meetings for NCSHA, COSCDA, NCDA, and NaCO held in the first quarter of 2003, attended by State and local HOME Program administrators, HOME Program annual goals for FY 2003 were distributed and described by HOME Program staff. Attendees were asked to commit to supporting these goals and to report their accomplishments in the IDIS reporting system, which they did through a show of hands.

Evidence: Also distributed and described at these sessions, and separately to all PJs through HUD's field offices, were individualized HOME Program performance Snapshots, meant to encourage State and local PJs to improve performance linked to HUD annual goals and to report on these accomplishments in IDIS. These Snapshots are updated quarterly and available online. Finally, in the 10 months since the last PART was prepared, over $11.6 million has been recaptured from poor performing PJs. Through means such as these, HUD enforces local commitment to HOME's annual and long-term goals.

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight 12%

Explanation: Two evaluations of the HOME program have been rather broad in their scope and another has focused specifically on HOME rental units. A truly rigorous evaluation that compares HOME programs to other Federal housing programs or to districts that do not receive funding has not been attempted.

Evidence: In 1996, HUD contracted the Urban Institute to evaluate the HOME program. As part of the report, the researchers interviewed state and local officials and housing developers to research programmatic issues. A previous report, Implementing Block Grants for Housing: An Evaluation of the First Year of HOME, was produced in 1995. Abt Associates completed an evaluation of the ongoing compliance of HOME rental units in 2001.

PART Performance Measurements

Program: HOME Investment Partnerships Program
Agency: Department of Housing and Urban Development
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	60%	Effective

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight 12%

Explanation: The Department is able to estimate the effect of changes in HOME program funding on the production of affordable housing units and by type and tenure. HUD has real time data on the production of HOME units.

Evidence: The average per unit investment of HOME funds ($15,780) is used to calculate changes in units based on funding changes. Cost per unit figures are also broken out by eligible activity. Because the program is administered at the state and local level, it is difficult to know the magnitude of the impact of substantive policy or legislative changes.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight 12%

Explanation: The program is working to develop long-term outcome measures; however, it currently succeeds in identifying and addressing grantee performance issues. Final recommendations for new outcome measures will be adopted in the Department's 2004 Strategic Plan. HOME has taken several steps to identify and address weaknesses among grantees and CHDOs.

Evidence: HOME used technical assistance funds to develop eight training courses in 2002. Subjects include working with nonprofits, financial management, and measuring productivity and performance. Grantees can attend the regional workshops and course materials are available online. HOME plans to fill gaps in performance information on their homeownership programs with a survey of administrators.

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight 11%

Explanation: Although data collection is constrained somewhat by HUD's Integrated Disbursement & Information System (IDIS), HOME regularly uses data submitted by grantees to improve performance and increase accountability.

Evidence: HOME currently publishes several online reports that rank grantees based on the timeliness of their expenditures, CHDO reservation requirement, commitments, and disbursements to determine compliance of individual grantees. HOME has also taken several steps to improve IDIS, through is HOME ROCS initiative.

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight 11%

Explanation: For the past several years, HUD managers' performance has been rated by the Performance Accountability and Communication System (PACS) and the Leadership Development and Recognition System (LDRS). Under this system, the elements used to rate a manager's performance are linked to the Department's GPRA goals. Ratings, promotions and monetary awards are appropriate to the manager's accomplishments, or lack thereof. At the grantee level, local managers have been held accountable for poor performance as well.

Evidence: In at least three instances, HOME Program directors have left their positions due, at least in part, to problems identified through HUD's oversight of their programs.

PART Performance Measurements

Program: HOME Investment Partnerships Program
Agency: Department of Housing and Urban Development
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	100%	100%	60%	

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight 11%

Explanation: HOME's unobligated balances are significant, but largely result from conflicts between the fiscal and program year of grantees. As part of HUD's commitment to the President's Management Agenda, Community Planning and Development (CPD) is reforming the consolidated plan to compare grantees planned and actual expenditures as well as streamline the plan and make it more results-oriented. HOME does periodically recapture funding that has expired or is misused.

Evidence: HOME's 2002 unobligated balances were $256 million. As of October 1, 2001, the Department had deobligated $9.1 million in non-CHDO funds and $4.4 million in CHDO funds from state and local partners as well as made $650,000 in grant reductions as a corrective action for incomplete or ineligible activities. In order to access funds for a project, a grantee must enter a project set-up in IDIS, which provides information about the tenure type, number of units, the activity being used for the project.

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight 11%

Explanation: HOME uses a variety of cost per unit measures for each area of program activity and for each of their grantees. Although the program has not incorporated efficiency measures or targets into their performance plans, HOME has developed an online "report card" to highlight efficiencies and inefficiencies among grantees, which will also increase the transparency and accountability of the program. HUD also awards technical assistance funds on a competitive basis when training is necessary to improve program performance.

Evidence: The online "report card" will provide cost per unit variables for each grantee and compare them to others in their state and the nation along the following measures -- leveraging ratio, low-income benefit, percent of rental units occupied, and percent of funds committed/disbursed/spent on completed units. Cost per unit measures for each of the various HOME activities is as follows: rental new construction - $22,545; rental rehab - $18,426; rental acquisition - $15,373; homebuyer new construction - $20,249; homebuyer rehab - $19,135; homebuyer acquisition - $7,206; homeowner rehab - $15,444; TBRA - $3,472.

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight 11%

Explanation: The HOME program is routinely combined with other public and private financing for affordable housing such as Section 8 vouchers and the Low Income Housing Tax Credit (LIHTC).

Evidence: Jurisdictions develop spending plans for HOME funds in conjunction with three other HUD block grant programs -- Community Development Block Grants (CDBG), Housing for Persons with Aids (HOPWA), and Emergency Shelter Grants (ESG)-- in a "consolidated planning" document. HOME requires that recipients match 25 percent of their grant with local resources and that 15 percent of the grant is set aside for Community Housing Development Organizations (CHDOs). which encourage involvement from outside actors. The average project has three dollars of other funds for each HOME dollar.

PART Performance Measurements

Program: HOME Investment Partnerships Program
Agency: Department of Housing and Urban Development
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	100%	100%	60%	

3.6 Does the program use strong financial management practices? Answer: YES Question Weight 11%

Explanation: Several HOME regulations require grantees to use strong financial management and recordkeeping practices. Some grantees, however, have been found to have weak oversight of sub recipients, while grantees and CHDOs also have some administrative weaknesses (e.g., not in compliance with Circular A-87, A-122).

Evidence: A recent internal HUD IG audit survey of HOME recommended addressing several departmental or programmatic issues, but did not believe additional internal audit coverage was warranted at this time. HOME regulations require grantees to enter into a written agreement with any entity using HOME funds, so their performance can be maintained. These items must be in sufficient detail to provide a sound basis for the grantee to effectively monitor performance under the agreement. Governmental and non-governmental entities that administer HOME activities, with the exception of CHDOs, are subject to the cost principle requirements of either OMB Circular A-87 or A-122.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight 11%

Explanation: While no serious management deficiencies have been identified, HOME regularly uses contact with associations and representatives of grantees, independent program evaluations, and review of IDIS reports to address possible management issues. HOME has identified and begun to address concerns regarding CHDO's completion of projects.

Evidence: HUD has used its technical assistance funds to address grantee performance problems with a combination of web-based and on-site training, written products and direct technical assistance. HOME has established a team of management, technical staff and contractors to make IDIS easier, smarter, and reduce the need for continual data clean up efforts. The team has been meeting twice a week. Improvements to IDIS will increase grantees' ability to use their data to manage their programs more effectively and efficiently.

3.BF1 Does the program have oversight practices that provide sufficient knowledge of grantee activities? Answer: YES Question Weight 11%

Explanation: A recent IG report of HOME evaluated the susceptibility of HOME to unnecessary risk of waste, fraud, or abuse. The report identified several areas of risk, but found that "the factors contributing to the risk are not new, some may be unavoidable and most are not unique to HOME versus other Community Planning and Development programs."

Evidence: The HUD field offices interact with grantees to ensure proper use of funds. In order for a HOME grantee to reserve HOME funds for a project information must be entered into IDIS. A project is only designated as complete after a completion report (including accomplishment and beneficiary data) has been entered into IDIS.

PART Performance Measurements

Program: HOME Investment Partnerships Program
Agency: Department of Housing and Urban Development
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	100%	100%	60%	

3.BF2 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: YES Question Weight 11%

Explanation: HOME makes several reports available on their web site that present performance information at the program and grantee level. The organization and dissemination of this information makes it useful for a variety of stakeholders. HOME staff have developed an online report card for each grantee, which includes individual cost efficiency and other performance measures that make the HOME program more transparent and accountable.

Evidence: HOME publishes several reports that rank grantees based on the timeliness of their expenditures, CHDO reservation requirement, commitments, and disbursements. The timeliness reports, for example, have helped contribute to a significant reduction of untimely grantees. The HOME National Production Report is updated quarterly with program level performance information.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: SMALL EXTENT Question Weight 20%

Explanation: The measures have only recently been identified, little progress has been made to date

Evidence: See Measures section.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: LARGE EXTENT Question Weight 20%

Explanation: HOME remains within 10 percent of its goals, and exceeded its production unit goals in 2003.

Evidence: HUD has some problems with the accuracy of the data reported by grantees into IDIS, which makes analysis difficult. However, this has improved since HOME Snapshots have become public.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: LARGE EXTENT Question Weight 20%

Explanation: A comparison of disbursements to projects and completed units indicates a slightly increasing trend in per unit costs. Considering increases in inflation/housing costs and the difficulty of reaching the very low-income residents, the relatively flat costs per unit indicates increased efficiencies.

Evidence: The trend data for HOME per-unit costs over the last five years -- 1997: $16,252; 1998: $14,648; 1999: $14,889; 2000: $15,087; 2001: $15,539 -- increase less than the estimated 3 percent annual inflation rate, which indicates that the HOME Program had developed housing at a reduced per-unit cost. However, while the total number of households served has increased from 71,000 in 1996 to 81,000 in 2001, a 14 percent increase, the funding level over that same period has increased 28 percent.

PART Performance Measurements

Program: HOME Investment Partnerships Program
Agency: Department of Housing and Urban Development
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	100%	100%	60%	

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?

Answer: LARGE EXTENT

Question Weight 20%

Explanation: HOME compares favorably to other housing programs in several ways. HOME gives grantees the flexibility to use a variety of mechanisms to fund housing projects that meet local priorities. The program also has no long-term liability for the government. HOME works in concert with other housing programs as well as non-profit and for-profit housing providers.

Evidence: HOME demonstrates deep targeting of its funds, with 41% of the rental units produced with HOME funds occupied by families with incomes at or below 30% of the area median income. HOME rents (reflecting project costs) are generally lower in HOME projects without LIHTC versus HOME-LIHTC projects. The program also succeeds in involving community-based nonprofits through its CHDO requirement and improving their capacity. HOME leverages three times their investment with other dollars, compared to the CDBG average for housing programs of $2.31. Twenty-two percent of HOME units are located in high-poverty census tracts compared to 42% of public housing units and less than 9 percent of units occupied by Section 8 certificate and voucher holders. HOME investments, however, may help improve the quality of low-income neighborhoods. The relative cost advantages between HOME and other housing programs is unclear.

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?

Answer: LARGE EXTENT

Question Weight 20%

Explanation: HUD contracted with the Urban Institute to evaluate the HOME program. As part of the 1999 report, the researchers interviewed state and local officials and housing developers. A previous report, Implementing Block Grants for Housing: An Evaluation of the First Year of HOME, was produced in 1995. Both studies found the HOME program to be effective in achieving the intended results.

Evidence: The March 1999 Urban Institute evaluation of the HOME program concluded that "HOME has made a substantial contribution to state and local affordable housing efforts."

PART Performance Measurements

Program: HOME Investment Partnerships Program

Agency: Department of Housing and Urban Development

Bureau:

Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	60%	Effective

Measure: Total number of years of affordability provided for low-income households residing in units produced from the investment of HOME funds

Additional Information: Housing units produced with HOME funds must remain affordable for a minimum number of years depending upon the amount of the HOME investment. The greater the total number of unit-years (i.e., units produced x affordability period in years) of affordability, the greater the rent-stability for low-income families and the greater their disposable income for non-rent expenses.

Measure Term: Long-term

Year	Target	Actual
2002		418,595
2003	500,000	
2004	500,000	
2005	500,000	
2006		

Measure: The median home loan amounts (from Home Mortgage Disclosure Act) of census tracts that receive HOME Program funds. Baseline is under development.

Additional Information:

Measure Term: Long-term

Year	Target	Actual

Measure: Additional minority households becoming homeowners by 2010 through HOME and American Dream Downpayment assistance

Additional Information: The figure includes households assisted represents HOME's portion of the overall target during the period 2002 through 2010. The 2004 figure includes 40,000 households assisted through the Downpayment Initiative.

Measure Term: Long-term

Year	Target	Actual
2002	16,500	17,869
2003	18,000	17,695
2004	33,000	

PART Performance Measurements

Program: HOME Investment Partnerships Program

Agency: Department of Housing and Urban Development

Bureau:

Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	60%	Effective

Measure: Between FY2004 and FY2008, additional households that have purchased homes through the HOME Downpayment Assistance Initiative

Additional Information: This measure is found in HUD's FY2003 - FY2008 Strategic Plan. The 200,000 households assisted represents the Downpayment Initiative's portion of the overall target

Measure Term: Long-term

Year	Target	Actual
2004	40,000	
2005	40,000	
2006	40,000	

Measure: Annual increase in the average "blended" HOME investment per unit.

Additional Information: While HUD does not exercise ultimate control over per-unit constructions costs, the average "blended" per-unit cost (i.e., the average for all acquisition, rehabilitation and new construction activities) has been as follows over the last several years: 1998: $14,648; 1999: $14,889; 2000: $15,087; 2001: $15,539; 2002: $15,873.

Measure Term: Long-term (Efficiency Measure)

Year	Target	Actual
2002	<3.0%	2.1%
2003	<3.0%	
2004	<3.0%	
2005		
2006		

Measure: Number of HOME production units that are completed (includes rental units produced, new homebuyers, and existing homeowners assisted)

Additional Information:

Measure Term: Annual

Year	Target	Actual
2002	60,043	52,344
2003	62,019	62,549

Program: HOME Investment Partnerships Program
Agency: Department of Housing and Urban Development
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	60%	Effective

2004	60,778	62,021
2005	58,309	
2006		

PART Performance Measurements

Program: Homeownership Voucher
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	90%	60%	

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: The Homeownership Voucher program expands the purpose of the Housing Choice Voucher Program to allow low-income families (that are first time homebuyers) the option of using their Voucher subsidy towards owning a home rather than renting.

Evidence: Housing Choice Voucher Program Purpose: To remedy the unsafe housing conditions and the acute shortage of decent and safe dwellings for low-income families... 42 USC Sec. 1437aHomeownership Voucher Program Purpose: A public housing agency...may provide assistance to an eligible family that purchases a dwelling unit...that will be occupied by the family... 42 USC Sec 1437f(y). Also see 65 FR 55137, Sep 12, 2000

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight20%

Explanation: The program is intended to help facilitate homeownership for low-income families that currently rent. There are many socio-economic benefits that have been identified as resulting from homeownership, including safer and revitalized neighborhoods, better quality of life, accumulation of wealth on the part of the families, and better education of children in such families.

Evidence: Ohio State University reseach indicates that children of homeowners are likely to perform higher on academic achievement tests and are more likely to finish high school and goes on to cite other benefits such as increased happiness and satisfaction on the part of homeowners. Also see U.S. House of Representatives, Report 108-164, in regard to benefits of homeownership, as stated in purpose of American Dream Downpayment Act.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: YES Question Weight20%

Explanation: This program is complementary of other federal homeownership programs rather than being redundant. There is no other program that provides a monthly subsidy to assist low-income families in meeting homeownership expenses. As the Mortgage Interest Reduction doesn't benefit low-income families, the Voucher program provides alternative assistance.

Evidence: Prior to the Section 8 homeownership option, the only way current voucher holders could become homeowners was to graduate from the program altogether since voucher subsidies could not be used for homeownership assistance. This program is specifically targeted to families that have been renters through the Housing Choice Voucher program (or Public Housing) that have achieved enough financial stability to become homeowners with federal assistance. The Homeownership Counseling program and HOME are complementary programs.

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: YES Question Weight20%

Explanation: Despite obstacles, the program is designed efficiently. The homeownership voucher statute stipulates certain minimum income, employment and other restrictions that serve to target the program to families that are able to sustain a mortgage over time. The FMR provides local market-based determination of housing assistance. There are hindrances in terms of the voluntary nature of the program to the PHA's as well as income requirements, cost of available homes, family credit problems and other factors. However, these arise based on the circumstances of the applicant families and the economic conditions they face when applied under the governing statute.

Evidence: Lack of sufficient downpayment dollars has been reported as hindrance for some families in the first two years of the program implementation. Legislation has been passed to allow one year's worth of subsidy to be used for a downpayment, but that option has not yet been implemented due to lack of resources from the Appropriators.

PART Performance Measurements

Program: Homeownership Voucher
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	90%	60%	

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight 20%

Explanation: Funds are targeted to households that meet the program requirements. To ensure that qualified families are prepared for homeownership, funds (administrative fees, homeownership counseling funds, and other resources) are spent on homeownership counseling. Once families have an approved mortgage, the voucher subsidy is used for mortgage payments.

Evidence: Assistance is targeted to families that meet certain criteria set by law: first-time homebuyer meeting minimum employment and income qualifications with exceptions for elderly and disabled families. All families must receive homeownerhip counseling and must find a home and qualify for a mortgage loan. Current PIC data indicates that 35% of the families assisted are extremely low income, 49% are very low income, and 15% low income, and that 32% of the families assisted are disabled. This compares with the overall housing choice voucher program where 80% of the families are extremely low income, 18% are very low income and 2% are low income.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight 13%

Explanation: The purpose of the program is to make homeownership a reality for low-income families that are first time homebuyers who have been renting through the Voucher or Public Housing program. The new long-term goals aim to increase the number of new homeowners through this program in the next ten years and to keep default rates low.

Evidence: Create 50,000 new homeowners in ten years (from 2006-2016). The default rate will be at or below the national average by 2010 for all homeowners. These goal will be included in the 2006 APP.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight 13%

Explanation: The outcome measures are compatible for the short and long term. There is a compounding effect that tends to increase the targets each year.

Evidence: Based on a telephone survey in April and May 2003, 1,395 homeowners were asssisted with vouchers up from 531 reported in a similar survey in 2002. The long-term goal to create 50,000 new homeowners is ambitious as it will require that many new PHAs will participate in the program and that at least 5,000 new homeowners will come through the program every year for ten years beginning in 2006. The annual goal of increasing the program by 20% each year, should help attain the long-term goal.

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight 13%

Explanation: The program is exceeding its current annual performance goal, and it is adding a new goal to increase the number of PHAs that will have closings. These annual goals will help achieve the long-term goal of 50,000 new Voucher homeowners by 2016.

Evidence: Measures and baselines are set forth in 2.3 above and in Measures section. Measurement to date has been on the basis of surveys. Starting with 2004 the program is being rebaselined on the basis of PIH Information Center (PIC) data regarding number of homeownership closings. In addition to continuing the goal to increase the number of homeownership closings by 20% each year, a new goal has been added to increase by 10% the number of PHA's having an initial homeownership closing under the program. This is an ambitious goal given the voluntary nature of the program on the part of the PHAs.

Program: Homeownership Voucher
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	90%	60%	

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight 13%

Explanation: The Department has collected and will continue to collect data that directly measure outputs and outcomes. During FY 2004 HUD will be changing from a survey based methodology to record baselines and measures to a new methodology based on PIC data. PIC includes the means to make these measurements and efforts are being made to improve the accuracy of PIC data. See response to 3.1 below.

Evidence: 2003, 2004, and 2005 Annual Performance Plan (APP) goal was to increase the number of households that use vouchers for homeownership by 20%. Based on a telephone survey in April and May 2003, 1,395 homeowners were asssisted with vouchers up from 531 reported in a similar survey in 2002. (Rebaselining the program on the basis of PIC data)

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: YES Question Weight 13%

Explanation: Principal partners in this effort are the PHAs, Neighborhood Reinvestment Corporation, and HUD homeownership counseling agencies. Their NeighborWorks program is working specifically to implement this program in communities across the country, and increase the number of closings. There are also Homeownership counselors that are funded specifically to work with Voucher recipients. However, this program is voluntary for these agencies, and if resources are not available, or market conditions are adverse, they may be limited in its implementation. Nonetheless, most communities understand the benefits of homeownership and seek to increase it.

Evidence: The Housing Act of 1937, as amended, describes this as a voluntary program. Therefore the goals for the program are contingent upon HUD getting public housing agencies to commit to more counseling and closings. Incentives are in place in 2004 to give additional administrative fees to PHAs that have closings through the program.

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight 13%

Explanation: An independent study was conducted by ABT Associates under contract to HUD (PD&R) to assess the overall viability, costs and benefits of the program and published in June 2003. PD&R is initiating a new independent survey during FY2005 to assess the overall viability of the program, constraints, etc. Also HUD and Neighborhood Reinvestment Corporation (NRC) are conducting a workshop on barriers and solutions to assess what is working and how to promote future growth of the program. The program is being closely monitored by review of PIC data on a continuing basis. Recent analysis by PIH demonstrates that the number of closings are increasing each month at a rate in excess of current goals.

Evidence: The ABT Study is available for review. The study concluded that the program can work to provide low-income working families with the opportunity to afford decent, safe and sanitary housing. The study found that 78% of the purchasers in their sample are female heads of household, the median income of purchasers was $17,377.

PART Performance Measurements

Program: Homeownership Voucher
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	90%	60%	

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: NO Question Weight13%

Explanation: The budget for the Homeownership voucher program is not explicitly discussed in the Housing Choice Voucher budget and is not tied to resources required

Evidence:

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight13%

Explanation: In October of 2002, HUD published a final rule to streamline and improve the homeownership voucher program. Major changes to the program regulations under this and other rules included the elimination of a complicated recapture provision; additional flexibility for public housing agencies to establish minimum income requirements that differ from the HUD-established standards; change in the point in time by which construction must be initiated; and clarification that manufactured homes where the family does not also own the real property on which the home is located may be eligible housing for purchase, provided that certain conditions are met.

Evidence: The regulations established have been limited to those necessary to implement the legislation. These regulations maximize discretion to the PHA's so that they are able to adapt to local needs and circumstances. See 65 FR 55133, Sep 12, 2000 and 67 FR 64483, Oct 18, 2002

2.CA1 **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

2.RD2 **Does the program use a prioritization process to guide budget requests and funding decisions?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

2.RG1 **Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

PART Performance Measurements

Program: Homeownership Voucher
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	90%	60%	

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: NO Question Weight 10%

Explanation: The Department's PIC System collects information regarding the number of homeownership closings as well as the number of agencies participating. However, phone surveys reveal that a significant number of homeownership voucher closings go unreported to HUD. Presently, PHAs enter approximately 60% of the voucher homeownership closings data in PIC and progress is being made to increase that percentage. HUD has contracted for assistance to collect the most up-to-date and accurate homeownership closing data available and to close the gap between the number of closings and the number reported in PIC. HUD has also introduced incentives to PHA's to promote better reporting of homeownership closings in the PIC system. (Note: If reporting problems are addressed, this question could be reassesed as a YES in a year)

Evidence: Current data is available in the Department's PIC system as well as from surveys. From the data we can do analyses of the effectiveness of the program in serving target populations. Based on these results we can recommend program, regulatory or legislative initiatives to improve service delivery. We are also conducting a homeownership voucher survey that will provide us valuable information about the needs for technical assistance and training for the PHA's. This information will be used to allocate technical assistance and training resources to improve the program.

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight 10%

Explanation: Through our new output measure of number of housing authorities with an initial closing we are monitoring HUD's success in providing an environment condusive to increased homeownership. This, together with overall number of closings, will provide an indicator of the health of the service providing capacity. Also, as indicated in 3.1 above survey data will be used to allocate resources needed to improve program performance. In addition, as a part of its overall monitoring of the Housing Choice Voucher program of which homeownership is one option, HUD monitors the expenses and performance of HA's.

Evidence:

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight 10%

Explanation: Funds are obligated by HUD to PHAs on a timely basis. PHA's are funded via Annual Contribution Contracts and quarterly funding actions. PHA's obligate funds via subsidies distributed. Amounts are separately tracked for homeownership and rental housing choice vouchers.

Evidence: There have been no complaints from lenders or PHAs about funds being obligated in a timely manner. The PIC System captures individual and composite family data for the homeownership option. HUDCAPS captures funding contract obligation data.

PART Performance Measurements

Program: Homeownership Voucher
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	90%	60%	

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight10%

Explanation: Data regarding homeownership voucher payments is collected in the PIC System. With this data HUD can determine the amounts paid in relation to the individual homeowners or various strata of homeowners, as well as by PHA and to compare these data with other families in the housing voucher program. The FMR provides local market-based determination of housing assistance, and therefore provides efficiencies in program execution.

Evidence: See HUD Form 50058 for data elements collected by the PIC System. HUD does not have readily available data regarding the cost of administering the program by the PHA's. Incentives are being introduced in FY 2004 to reward PHA's under their Administrative Fees for their initial closing and for each subsequent closing during 2004.

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight10%

Explanation: This program is a component of the housing choice voucher program. Many of the homeowner closings are a result of working with families through the Family Self-sufficiency (FSS) program. Federally funded Community based activities such as through CDBG, HOME and Homeownership Counseling Grants, contribute toward program effectiveness. Most of the coordination occurs at the local level.

Evidence: The evidence is obtained by reviewing the case histories of individual families receiving assistance. The ABT Study cited early targeting of the FSS program by some PHA's to identify a suitable client population and indicates that a variety of community based funding programs are utilized in conjunction with the homeownership voucher program, including "deferred or forgivable loans...including programs of the Federal Home Loan Bank, and loan products developed by city or state agencies and funded through HUD's HOME and CDBG programs."

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight10%

Explanation: This program is a component of the housing choice voucher program and financial management is included in that program.

Evidence: See response provided under Sections 3.3 and 3.4

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight10%

Explanation: A key deficiency has been the lack of accurate and timely data on homeownership closings. HUD is working to imrpove this capability and reporting levels. The program also needs to gain more significant secondary and primary market involvement. The HUD program office has engaged GSEs to get more involvement in promoting the program to lenders.

Evidence: HUD has implemented an incentive system for 2004 to increase the number and reporting of homeownership closings as described in 3.4 above. This will be based on reportings through the PIC System. More timely data Is anticipated to result. Also HUD has contracted for efforts to improve the PIC data, and for an up to date survey of homeownership closings as well as the needs of PHA's for training and technical assistance. These results will be utilized to target resources where needed to improve the program.

PART Performance Measurements

Program: Homeownership Voucher
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	90%	60%	

3.CO1 **Are grants awarded based on a clear competitive process that includes a qualified assessment of merit?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

3.CO2 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight10%

Explanation: Data are collected via the PIC system and special studies. NRC collects monthly information about grantee activites on programs with which they work, and publish monthy reports. Telephone interviews have been conducted to verify data and gain input from grantees. Neighborhood Reinvestment does regular site visits and provide on-going TA to Homeownership voucher programs nationally.

Evidence: See results of PD&R study (by ABT Associates), PIC data, and Quarterly Financial Reports (52681-B). Also see the response in 3.7 above regarding a recent survey to gain timely information regarding number of closings and needs for technical assistance and training to assist new PHA's to implement the program.

3.CO3 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: YES Question Weight10%

Explanation: The number of homeownership closings by PHA are available on the PIH Public website.

Evidence: See PIH Public Website, under Voucher Homeownership

3.CR1 **Is the program managed on an ongoing basis to assure credit quality remains sound, collections and disbursements are timely, and reporting requirements are fulfilled?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

3.CR2 **Do the program's credit models adequately provide reliable, consistent, accurate and transparent estimates of costs and the risk to the Government?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

PART Performance Measurements

Program: Homeownership Voucher
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	90%	60%	

3.RG1 **Did the program seek and take into account the views of all affected parties (e.g., consumers; large and small businesses; State, local and tribal governments; beneficiaries; and the general public) when developing significant regulations?** Answer: YES Question Weight10%

Explanation: The program took ten years to implement and took into account input from HUD, OMB, Congress, industry and the public. Program implementation was published in the Federal Register and all public views taken into account.

Evidence: 65 FR 55133, Sep 12, 2000

3.RG2 **Did the program prepare adequate regulatory impact analyses if required by Executive Order 12866, regulatory flexibility analyses if required by the Regulatory Flexibility Act and SBREFA, and cost-benefit analyses if required under the Unfunded Mandates R** Answer: NA Question Weight: 0%

Explanation: The program took ten years to implement and took into account input from HUD, OMB, Congress, industry and the public. Program implementation was published in the Federal Register and all public views taken into account.

Evidence: 65 FR 55133, Sep 12, 2000

3.RG3 **Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?** Answer: NA Question Weight: 0%

Explanation: Program representatives keep abreast of program progress through data reports and in close contact with administering personnel at the PHA's through phone calls, conferences, and training to obtain feedback on program progress. In this way we are able to maintain a continuing awareness of the problems imposed by regulations in achieving effective implementation.

Evidence: Section 15 of form HUD 50058, for requirements for data to be submitted to the PIH Information Center, VMS, Voucher Homeownership Workshop June 29, 2004, and Survey of PHA's to collect voucher homeownership progress initiated in summer 2004. More extensive analyses of progress to be conducted by PD&R during FY 2005.

3.RG4 **Are the regulations designed to achieve program goals, to the extent practicable, by maximizing the net benefits of its regulatory activity?** Answer: NA Question Weight: 0%

Explanation: The program as promulgated by statute is voluntary in nature.

Evidence: The Housing Act of 1937, as amended, describes this as a voluntary program.

PART Performance Measurements

Program: Homeownership Voucher
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	90%	60%	

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: SMALL EXTENT Question Weight20%

Explanation: This is a relatively new program, in existence since 2001. The program has exceeded its annual performance goals each year since a baseline was established in 2002. As the long-term performance goal is going to be new in 2006, the program has not yet begun to address that specific target. In addition, default rates have been low thus far, and will help work towards the other new long-term goal.

Evidence: As of September 30, 2003 there were less than 500 homeownership voucher closings in PIC. The number in PIC is now over 1400. As of September 30, 2004 the number of closings recorded in PIC was over 2000. To achieve the long-term goal of 50,000 new homeowners through the Voucher program by 2016, a higher number of annual closing will need to be achieved.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: YES Question Weight20%

Explanation: The program has exceeded its annual performance goals each year since a baseline was established in 2002.

Evidence: The annual program goal to increase by 20% the number of households who have used housing choice vouchers to become homeowners was established for the first time in FY 2003 after establishing a baseline in FY 2002. The baseline in 2002 of 531 homeownership units grew to 1395 units in 2003, an increase of 163%. The program is being rebaselined starting in FY 2004 on the basis of PIC data.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: SMALL EXTENT Question Weight20%

Explanation: Aside from subsidies distributed, potential efficiencies are largely related to the cost of administering the program. Since the program is just being started by many PHAs, it is difficult to measure administrative efficiency. Additionally, administrative cost data are collected for the entire Housing Choice Voucher data and are not specifically for the homeownership option.

Evidence: For the first time in 2004 PHA's will be rewarded by an increase to their Administrative Fee based on their number of homeowners assisted, as reported in PIC.

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: LARGE EXTENT Question Weight20%

Explanation: This is the only homeownership program (federal or private) that helps subsidize the cost of buying a house while working closely and effectively with other HUD programs (Homeownership counseling, HOME, etc.) to help families through the entire homebuying process.

Evidence: This is a new program, so it will require time to measure success rates (i.e. number of foreclosures in comparison to other homeownership programs).

PART Performance Measurements

Program: Homeownership Voucher
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	90%	60%	

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: LARGE EXTENT Question Weight20%

Explanation: Objective data collected through surveys and the PIC System indicate that the program is more than achieving its annual goal of new homeowners. A study published by ABT in June 2003 under a HUD (PD&R) contract indicated that the program was achieving its purposes.

Evidence: According to PIC date, the program has grown from 531 homeowners in 2002, to 1395 in 2003, and to over 2000 by the end of 2004. PIC data indicates that over 80% of program households are extremely low or very low income) and almost half of the purchasers were minorities (current PIC data indicates 37% are minorities). PIC data indicates that 32% of the households are disabled. The ABT study indicated that 78% of the purchasers in their sample are female heads of household, median income of purchasers was $17,377, (current According to the ABT study the majority of the homes are in neighborhoods with slightly higher incomes and greater residential stability than in neighborhoods where they were renting.

4.RG1 **Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?** Answer: NA Question Weight: 0%

Explanation: The implementing regulations for this program do little more than promulgate the framework that is set by the legislation. Discretion has been left to the PHAs in their implementation so that it can be adapted to the socio-economic circumstances of the community. In the broadest context the homeownership option introduces the additional benefits of homeownership within similar subsidy cost parameters that apply to voucher payment standard amounts, tenant share, etc. Any added cost of program implementation is not readily available, as these costs are merged with the overall costs of administering the housing choice voucher program.

Evidence: See ABT Study published June 2003 (under PD&R contract) citing the burdens of administering the program, including particularly the cost of counseling clients who are not credit-ready, but also the availability of other community resources and programs to meet this need. An additional burden identified by the study is the PITI to income burden of homeownership expense borne by the household which averaged about 37%. Benefits are shown in the overall satisfaction of homebuyers also referenced in the ABT Study, but also borne out by PIC data showing that over 80% of the homebuying households are either extremely low or very low income, including 32% disabled families. Also see implementing regulations 65 FR 55163.

PART Performance Measurements

Program: Homeownership Voucher
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	90%	60%	

Measure: Number of homeownership closings.

Additional Information: Baseline is number of homeownship closings at the end of the previous fiscal year, as identified in the PIC System. Initial baseline of 531 closings was established in 2002.

Year	Target	Actual	Measure Term: Annual
2004	1,800	2,052	
2005	2,500		
2006	3,000		

Measure: Number of PHAs with homeownership closings.

Additional Information: Baseline is number of PHA's with one or more homeownship closings at the end of the previous fiscal year, as identified in the PIC System.

Year	Target	Actual	Measure Term: Annual
2004		355	
2005	369		
2006	405		

Measure: The 2006 long-term performance goal is to create 50,000 new homeowners in ten years (from 2006-2016).

Additional Information: This measure will build on the success of the program in exceeding its annual performance goals.

Year	Target	Actual	Measure Term: Long-term

Measure: By 2010, the default rate will remain at or below the national average.

Additional Information: This will build on the programs current success in below average default rates.

Year	Target	Actual	Measure Term: Long-term
2004	4.41%	2%	

PART Performance Measurements

Program: Homeownership Voucher
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	88%	90%	60%	

2005

2006

PROGRAM ID: 10002192

PART Performance Measurements

Program: HOPE VI
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
40%	75%	30%	40%	

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: The program's purpose is to: (1) improve the living environment of public housing residents through the demolition, rehabilitation, and replacement of obsolete public housing projects; (2) contribute to the improvement of the surrounding neighborhood; (3) provide housing that will avoid or decrease the concentration of very low-income families; and (4) create opportunties for residents to achieve self-sufficiency.

Evidence: The purpose is expressed in section 24(a) of the US Housing Act of 1937 and the Committee on Appropriations Senate Report 102-356.

1.2 Does the program address a specific and existing problem, interest or need? Answer: NO Question Weight20%

Explanation: Through new construction or rehabilitation, the program addressed distressed and obsolete public housing properties, transforming them into mixed-income communities. However, the program has accomplished its primary goal to demolish 100,000 severely distressed public housing units by 2003.

Evidence: In 1992, the National Commission on Severely Distressed Public Housing estimated 86,000 federally subsized public housing units were severely distressed and subjecting the families residing in them to extreme poverty and intolerable conditions. The 86,000 unit estimate later became the goal to address 100,000 severely distressed public housing units by 2003.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: NO Question Weight20%

Explanation: HOPE VI is one of a select number of tools available to housing authorities to revitalize distressed or obsolete public housing. HOPE VI works in conjunction with other Federal, state, and local programs to leverage financing, but statute provides other means to address these properties.

Evidence: The Public Housing Reform Act of 1998 outlined new authority for housing authorities to issue bonds against future approriations, opening a large source of revenue to address projects on a HOPE VI-scale. The same act provided authority to mandatorily or voluntarily convert to housing vouchers properties failing a viability cost test.

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: NO Question Weight20%

Explanation: The program has been shown to be more costly than other programs that serve the same population. It also has an inherently long, drawn-out planning and redevelopment process. Some Public Housing Authorities (PHAs) lack the capacity to manage their redevelopment projects.

Evidence: In a GAO report (GAO-02-76), the housing-related costs of a HOPE VI unit were shown to be 27 percent higher than a housing voucher and 47 percent higher when all costs were included. There are also significant delays in the execution and completion of these grants. Only 15 of 193 grants awarded through FY 2002 have been completed.

PART Performance Measurements

Program: HOPE VI
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
40%	75%	30%	40%	

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight 20%

Explanation: The majority of funds have been awarded to larger, distressed developments averaging 300 units or more. However, the program has been criticized for not having a workable definition of severely distressed housing or a grant award process that addresses the most severely distressed public housing.

Evidence: The Notice of Funding Availability (NOFA) weighs several factors in awarding grants including capacity, need, soundness of approach, ability to leverage, and coordination and community planning. At times the HOPE VI NOFA has given funding priority to the largest properties which typically are the most distressed. However, more recently the HOPE VI NOFA has placed more emphasis on proposals that are farther along in the development process.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight 12%

Explanation: The program's primary long-term goal is to demolish 100,000 of the Nation's severely distressed public housing units. HUD has recently established a new long-term goal to increase the timely performance of grantees. However, outcome-oriented goals and measures that focus on improved quality of life or increased self-sufficiency among residents were never developed.

Evidence: HUD's Annual Performance Plans track the program's ability to contribute to the 100,000 unit demolition goal. HUD's recent Strategic Plan establishes a new goal to increase the timely performance of grantees by ensuring 100 percent of grants awarded through 2001 are completed by 2008. However, this target is weak given the current average grant completion time is already eight years.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight 12%

Explanation: In 1996, HUD committed to demolishing 100,000 severely distressed public housing units by 2003.

Evidence: Annual Performance Plans.

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight 12%

Explanation: Annual goals are output-oriented and focus on the number of residents relocated, units demolished and rebuilt as well as occupied.

Evidence: Most annual goals appear in HUD's Annual Performance Plans. However, there are no annual measures in the plans that can demonstrate HUD's progress in achieving its new goal to improve the timeliness of HOPE VI grantees.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: NO Question Weight 12%

Explanation: Goals have not been consistently ambitious, and have become less aggressive in 2004.

Evidence: Resident relocation, unit demolition, and unit construction goals for 2003, 2004, and 2005 have been set lower than acheivements made in prior years even though over $3.3 billion in balances remain unspent.

Program: HOPE VI
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
40%	75%	30%	40%	

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: NO Question Weight 12%

Explanation: Grantees are committed to output goals and report progress on their revitalization efforts to HUD on a quarterly basis. The Grantees' partners are generally committed to their roles in the revitalization projects, as well. Despite such commitment, in order to implement the complex mixed-finance deals, Grantees are reliant on the cooperation of a variety of outside partners, such as city and county governments, state housing finance agencies, equity investors, resident groups, and community groups, all of whom are not directly accountable to the grantee or HUD.

Evidence: Grantees populate the Quarterly Progress Reporting System with resident relocation, unit demolition, and construction information along with other activities. Other factors may impede the accomplishment of these goals, such as incongruencies in financing cycles, administrative and staffing problems and litigation.

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight 12%

Explanation: The program has received numerous independent evaluations that have focused on various elements of the program from per unit costs to tracking the quality of life of former residents.

Evidence: The GAO, HUD IG, and Urban Institute among others have reviewed HOPE VI management, performance, cost, and social impact.

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight 12%

Explanation: HUD has been able to estimate the effect of funding changes on the level of HOPE VI program activity. Budget requests for the program have been sufficient to reach the goal of removing 100,000 distressed units from the public housing inventory by 2003. Acknowledging the goal was accomplished, HUD did not request funding for the program in 2004 or 2005.

Evidence: Budget requests along with supporting materials, such as Congressional Justifications, identify the number of residents to be relocated, units to be demolished, and units to be newly constructed or rehabilitated to be supported by the funding request.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight 12%

Explanation: HUD has taken steps to identify and address weaknesses in program administration including the creation of a database to hold grantees accountable to their performance goals.

Evidence: The Quarterly Progress Reporting System was created to set performance goals for resident relocation, demolition, etc. and track their achievement.

PART Performance Measurements

Program: HOPE VI
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
40%	75%	30%	40%	

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight 10%

Explanation: HUD collects performance information from grantees on a quarterly basis and uses the information to sanction non-compliant grantees and inform stakeholders and policy makers of the program's progress.

Evidence: Grantees populate the Quarterly Progress Reporting System with resident relocation, unit demolition, and construction information along with other activities. HUD has restructed grant agreements with PHAs that have fallen behind schedule.

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: NO Question Weight 10%

Explanation: Although HUD has increased the emphasis on accountability in recent years, HUD generally applies enforcement measures on a case-by-case basis.

Evidence: Although HUD has taken corrective action with non-performing PHAs including New Orleans, Puerto Rico, and Detroit, other grantees continue to miss performance measures.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: NO Question Weight 10%

Explanation: The program has significant obligated and unobligated balances. On average, grantees do not begin to draw down funds until at least three years after the grant is awarded.

Evidence: Of the $6 billion appropriated for the HOPE VI program from 1993 through 2003, $2.7 billion in obligated balances and $560 million in unobligated balances remain unspent.

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: NO Question Weight 10%

Explanation: The program has total development and per-unit cost limits, but does not measure the efficiency to which grantees use their funding.

Evidence: 24 CFR 941 outlines public housing development cost limits.

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight 10%

Explanation: A fundamental characteristic of HOPE VI is its ability to leverage additional funding. Revitalization projects are funded through a variety of sources including the state-administered Low-Income Housing Tax Credit, public and private debt, and other local, state, and Federal sources. The program must also work in concert with HUD's Section 8 housing vouchers program to provide relocation housing.

Evidence: As outlined in the NOFA, HOPE VI applications are scored on their abillity to leverage funding and in-kind benefits such as social services. A GAO report (GAO-03-91) found that HOPE VI leveraging has increased but the majority of matching funds are federal.

PART Performance Measurements

Program: HOPE VI
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
40%	75%	30%	40%	

3.6 **Does the program use strong financial management practices?** Answer: NO Question Weight 10%

Explanation: Significant obligated and unobligated balances accumulate while grantees prepare for the redevelopment process.

Evidence: Of the $6 billion appropriated for the HOPE VI program from 1993 through 2003, $2.7 billion in obligated balances and $560 million in unobligated balances remain unspent.

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: NO Question Weight 10%

Explanation: HUD has taken steps to increase grantee monitoring and accountability, but deficiencies remain. The majority of redevelopment grants have not been completed and recent changes to the NOFA, which are expected to expedite the delivery of revitalized housing and services, have not had time to materialize.

Evidence: Only 15 of 193 grants awarded through FY 2002 have been completed. Revisions to the 2002 HOPE VI NOFA require applicants to be farther along in the development process in order to reviece an award are too new to assess.

3.CO1 **Are grants awarded based on a clear competitive process that includes a qualified assessment of merit?** Answer: YES Question Weight 10%

Explanation: HOPE VI grants are awarded on a competitive basis through an annual NOFA as required by the HUD Reform Act. In an effort to ensure the most worthy applications are funded, the application criteria has increased in complexity over the years.

Evidence: The NOFA rates applicants on five factors: capacity, need, the soundess of the approach, ability to leverage resources, and coordination and community planning.

3.CO2 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: NO Question Weight 10%

Explanation: Although the program uses oversight and administrative tools to emphasize timeliness and accountability in the implementation of the grants, there is insufficient capacity for HUD to fully oversee all levels of these highly complex redevelopment projects.

Evidence: The primary tools for achieving these objectives include grant monitoring, holding grantees accountable to following their development schedule, extensive use of the Quarterly Progress Reporting System, risk assessment of grantees, and training. The fact that most grantees have fallen behind schedule at one time or another indicates a problem with oversight capacity.

3.CO3 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: NO Question Weight 10%

Explanation: HUD collects performance data from grantees on a quarterly basis, but does not make it publicly avavilable.

Evidence: Performance data is collected through the Quarterly Progress Reporting System.

PART Performance Measurements

Program: HOPE VI
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
40%	75%	30%	40%	

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: YES Question Weight20%

Explanation: At the end of 2002, HUD had funded and approved the demolition of over 140,000 units enabling it to eventually surpass its goal to demolish 100,000 severely distressed units. However, HUD failed to formalize outcome-oriented goals for other objectives of the program such as increased self-sufficiency among residents and improving the economic vitality of the surrounding neighborhood.

Evidence: In the 2004 Annual Performance Plan, HUD reports that, through 2002, it had demolished 88,922 units and is on track to achieve the 100,000 unit demolition by the end of 2003.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight20%

Explanation: Since defining output measures in HUD Annual Performance Plans, HOPE VI achieves its annual performance goals half of the time. However, as stated in question 2.4 their annual goals are not ambitious.

Evidence: HOPE VI achieved half of its annual goals outlined in the 2001 and 2002 Annual Performance Plans.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: NO Question Weight20%

Explanation: Program management does not focus on reducing costs or achieving efficiencies.

Evidence: Total development costs are set according to regional construction indeces which are inflated each year. Resources for social services are 15 percent of the total grant and are in addition to the total development cap. Grantees are given flexibility to work within the caps.

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: NO Question Weight20%

Explanation: The cost and length of time it takes to complete redevelopment under HOPE VI calls into question whether it is an efficient method for meeting the current and future redevelopment needs of the pubic housing program particularly when compared with other assisted-housing options.

Evidence: In a GAO report (GAO-02-76), the housing-related costs of a HOPE VI unit were shown to be 27 percent higher than a housing voucher and 47 percent higher when all costs were included. In addition to being more costly, on average, five years pass between the time a HOPE VI award is made and a new unit is occupied in contrast to the HOME program which only takes two years.

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: LARGE EXTENT Question Weight20%

Explanation: Evaluations conclude that the program is effective at removing distressed properties and replacing them with attractive mixed-income housing although at a slow pace. However, questions remain about how well the program helps residents achieve self-sufficeny and what happens to those who do not return to the revitalized property.

Evidence: The GAO, HUD IG, and Urban Institute have evaluated the performance of the HOPE VI program.

PART Performance Measurements

Program: HOPE VI
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
40%	75%	30%	40%	

Measure: Demolish 100,000 severely distressed public housing units by 2003. (Cumulative totals include non-HOPE VI demolitions.)

Additional Information: The HOPE VI and Capital Fund programs as well as statutory requirements contribute to achieving this goal.

Year	Target	Actual
2001		73,857
2002		88,922
2003	100,000	

Measure Term: Long-term

Measure: Number of households relocated.

Additional Information: Current households must be relocated before demolition and redevelopment can begin.

Year	Target	Actual
2001	2,300	6,923
2002	4,749	4,986
2003	3,160	6,859
2004	3,300	

Measure Term: Annual

Measure: Number of severely distressed public housing units demolished. (Annual totals include non-HOPE VI demolitions.)

Additional Information: The HOPE VI and Capital Fund programs as well as statutory requirements contribute to achieving this goal.

Year	Target	Actual
2001	12,000	14,144
2002	13,000	15,065
2003	13,000	

Measure Term: Annual

Program: HOPE VI
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
40%	75%	30%	40%	

2004	10,000

Measure: Number of public housing units constructed or rehabilitated under HOPE VI.

Additional Information:

Year	Target	Actual
2001	12,000	4,044
2002	5,485	6,583
2003	6,821	8,611
2004	6,900	

Measure Term: Annual

Measure: Number of units occupied.

Additional Information: Number of HOPE VI units occupied after redevelopment is complete.

Year	Target	Actual
2001	11,100	3,579
2002	4,987	6,123
2003	6,201	7,512
2004	6,200	

Measure Term: Annual

Measure: Increase the the timely performance of HOPE VI grants.

Additional Information:

Year	Target	Actual

Measure Term: Long-term

PART Performance Measurements

Program: HOPE VI

Agency: Department of Housing and Urban Development

Bureau: Public and Indian Housing

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
40%	75%	30%	40%	

Measure: Number of severely distressed public housing units demolished under HOPE VI annually.

Additional Information:

Year	Target	Actual
2001	4,100	12,375
2002	11,550	8,787
2003	3,905	7,468
2004	4,000	

Measure Term: Annual

PART Performance Measurements

Program: Housing Counseling
Agency: Department of Housing and Urban Development
Bureau: Office of Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	80%	27%	

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: The primary objectives of the program are to expand homeownership opportunities and improve access to affordable housing through the provision of a wide variety of housing counseling services to potential homebuyers, homeowners, low- to moderate-income renters, and the homeless. Counselors provide guidance and advice to help families and individuals improve their housing conditions and meet the responsibilities of tenancy and homeownership.

Evidence: Section 106(a)(2) of the Housing and Urban Development Act of 1968 (12 USC 1701x) provides the legislative authority for HUD to provide housing counseling services directly or through private or public organizations with special competence and knowledge in counseling low and moderate income families.

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight20%

Explanation: The program educates potential and current homeowners on avoiding predatory lending practices included inflated appraisals, unreasonably high interest rates, unaffordable repayment terms, and other conditions that can result in a loss of equity, increased debt, default, and eventually foreclosure.

Evidence: In a 2002 study by Ohio State University, counseling was shown to reduce the incidence of defualt among low-income borrowers. In a 2001 Freddie Mac study, pre-purchase counseling was found to reduce 90 day delinquencies.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: YES Question Weight20%

Explanation: The program does not duplicate other efforts, instead awards funds on a competitive basis to supplement the non-federal resources of existing local, regional, and national housing counseling organizations.

Evidence: HUD's housing counseling program is the only dedicated source of federal funding for housing counseling services.

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: YES Question Weight20%

Explanation: The program does not have major design flaws that limit its effectiveness. However, while the value of housing counseling is recognized, there is no agreed upon standard for this type of education.

Evidence: While the Ohio State University and Freddie Mac studies draw general conclusions on the effectiveness of different types of counseling techniques; mainly that one-on-one counseling is more effective than group sessions, HUD's housing counseling program allows less proven methods. For the past two years HUD's grant application scoring process has awarded higher points to applicants that provide a higher percentage of one on one counseling.

PART Performance Measurements

Program: Housing Counseling
Agency: Department of Housing and Urban Development
Bureau: Office of Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	80%	27%	

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight 20%

Explanation: The program targets potential homeowners, current homeowners, low-income renters, and the homeless.

Evidence: Funds are awarded through the annual notice of funding availability (NOFA) based on the need served by the counseling agency. The housing counseling program guidebook defines eligible clients the counseling agencies can serve.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight 13%

Explanation: The program has one long-term outcome goal which measures the program's ability to counsel families delinquent on their mortgages to avoid foreclosure. The program also has two long-term output measures that set goals for the number of households counseled and the percentage of minorities served.

Evidence: HUD's 2003 ' 2008 Strategic Plan includes three long-term outcome and output performance measures.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: NO Question Weight 13%

Explanation: The program has targets for its long-term measures. However, some long-term targets are at or just below current performance.

Evidence: The program's long-term goal that 65 percent of families receiving delinquency counseling will avoid foreclosure by 2008 has already been far exceed by actual experience. Currently, almost 92 percent of families receiving delinquency counseling successfully avoid foreclosure. Similarly, the program's goal that by 2008 at least 50 percent of its clients will be minority is nearly met today with 48 percent of clients being minority.

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight 13%

Explanation: The program has three annual performance measures, which can be demonstrated as contributing toward the accomplishment of its long-term goals.

Evidence: The Annual Performance Plan (APP) includes three annual performance measures that are linked to its long-term goals. They are: H.1.7 'Housing Counseling is provided to 476,084 homebuyers in 2006'; H.2.5 'Housing Counseling is provided to 401,898 minority clients in 2006 '; and H.6.2 'More than 62 percent of total mortgagors receiving default counseling will successfully avoid foreclosure."

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight 13%

Explanation: The program has targets for its annual measures. However, some targets are at or just below current performance.

Evidence: The program's annual measure that 62 percent of families receiving delinquency counseling will avoid foreclosure has already been far exceeded by actual experience. Currently, almost 92 percent of families receiving delinquency counseling successfully avoid foreclosure. HUD's APP does not include baseline data for H.1.7 which makes it difficult to assess whether the program achieves its annual goals.

PART Performance Measurements

Program: Housing Counseling
Agency: Department of Housing and Urban Development
Bureau: Office of Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	80%	27%	

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight 13%

Explanation: Grantees and sub-grantees commit to and work toward annual and long-term goals.

Evidence: All HUD-approved counseling agencies are required to report annual performance data via form HUD-9902 which is derived from program performance goals. Grantees contribute to the achievement of these goals by complying with commitments outlined in their funding application and subsequent reporting requirements based on the program's performance objectives.

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: NO Question Weight 13%

Explanation: HUD closely follows independent research performed by academic institutions evaluating the effectiveness of housing and credit counseling or identifying best practices. However, there have been no evaluations in the form of studies, reports, or audits of HUD's housing counseling program.

Evidence: Program managers have requested that HUD's Office of Policy Development and Research include a Housing Counseling program evaluation on the 2005 research agenda.

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight 13%

Explanation: Budget requests correspond to the annual and long-term goals for the number and type of households counseled and the percent of mortgagors receiving default counseling who successfully avoid foreclosure. Annual program goals also support the President's larger goal to expand minority homeowners by 5.5 million by 2010.

Evidence: Congressional budget justifications outline the number and type of households counseled with new funding requests. For example, in 2005, the request for $45 million ($5 million over 2004) HUD estimates will serve almost 60,000 additional households over the previous year's activity level.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight 13%

Explanation: Annually, HUD evaluates the program's performance against goals identified in the Strategic Plan and Annual Performance Plans. In response, program managers develop and implement measures to correct weaknesses.

Evidence: In 2002, to address data collection weaknesses, the program overhauled the primary data collection instrument and is now procuring a Client Management System to collect more meaningful client-level data.

PART Performance Measurements

Program: Housing Counseling
Agency: Department of Housing and Urban Development
Bureau: Office of Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	80%	27%	

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight 10%

Explanation: Grantees are required to submit quarterly performance reports that include data on the number of clients served, staff hours, unit costs and, if applicable, allocations to affiliates and sub-grantees as well as a detailed accounting of the use of administrative funds. Actual activities and accomplishments are compared to projections submitted in the grant application to assure grantees are on target.

Evidence: All HUD-approved, HUD-funded housing counseling agencies file performance data electronically through form HUD-9902. All organizations that fail to report are removed from the HUD-approved list and are not eligible to apply for grant funds. For 2003, the program had an 82% response rate (1120 responses from 1320 agencies in database).

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight 10%

Explanation: HUD withholds funding if grantees are out of compliance or have misused grant funds. In accordance with OMB Circulars, Grantees must maintain supporting documentation of all expenses for which they claim reimbursement. The Grant agreement stipulates that no payment requests shall be approved for a Grantee who has an overdue report until the report has been submitted by the Grantee and approved by HUD. HUD may also require reimbursement of grant funds that it determines were misused. HUD performs on-site monitoring of all grantees every two years and whenever remote monitoring or consumer complaints indicate a potential problem.

Evidence: The grant agreement and program guidebooks outline performance schedules, requirements, and sanctions. Approximately 5 percent of grantees have been removed for poor performance.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight 10%

Explanation: Funds are committed, obligated and expended in a timely manner for the intended purpose.

Evidence: Approximately two-thirds of all funds are obligated by the end of the second year after appropriations and nearly 100 percent is obligated by the end of the third year.

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: NO Question Weight 10%

Explanation: The program does not have a formal system in place to evaluate the efficiency or cost effectiveness of program execution. However, the program is working to procure a Client Management System that will enable program managers to improve oversight and program efficiency.

Evidence: HUD is in the process of procuring a Client Management System.

PART Performance Measurements

Program: Housing Counseling
Agency: Department of Housing and Urban Development
Bureau: Office of Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	80%	27%	

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight 10%

Explanation: The housing counseling program works in conjunction with other state and federal homeownership programs, including mitigating risks in FHA's single-family mortgage insurance. Additional funding awards are made for proposals that serve HUD's public housing and Section 8 housing choice voucher homeownership programs.

Evidence: The 2004 NOFA will award additional funds for proposals that serve other HUD homeownership programs, such as public housing and housing vouchers. FHA's new zero downpayment mortgage insurance proposal would require borrowers to receive housing counseling as a condition of receiving insurance.

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight 10%

Explanation: The program has procedures in place to ensure payments are made properly for the intended purpose. All grants are paid on a cost-reimbursement basis. Grantees must maintain documentation for all costs and services provided as well as submit quarterly performance and financial reports to HUD. HUD temporarily suspends reimbursement to grantees that have not submitted required reports within thirty days of the quarter until the reports are submitted.

Evidence: There have been no material control weaknesses reported by auditors of this program.

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: NO Question Weight 10%

Explanation: The program does not have a formal system in place to evaluate and improve management deficiencies. However, the program is working to procure a Client Management System that will enable program managers to improve oversight capabilities.

Evidence: HUD is in the process of procuring a Client Management System.

3.CO1 **Are grants awarded based on a clear competitive process that includes a qualified assessment of merit?** Answer: YES Question Weight 10%

Explanation: HUD's housing counseling funds are awarded annually through a NOFA which ranks applications based on five rating factors: capacity, need, soundness of approach, leveraging resources, and achieving results and program evaluation.

Evidence: For the 2003 NOFA, HUD received 514 applications and ultimately awarded 442 grants. The average score of all applicants was 76 percent.

3.CO2 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight 10%

Explanation: HUD collects quarterly and annual data electronically and conducts on-site monitoring of all grantees every two years and whenever remote monitoring or consumer complaint indicatecomplaint indicates a potential problem.

Evidence: HUD reviewed approximately 283 of 807, or 34% of all approved counseling agencies and approximately 33% of grantees last year.

PART Performance Measurements

Program: Housing Counseling
Agency: Department of Housing and Urban Development
Bureau: Office of Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	80%	27%	

3.CO3 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: YES Question Weight10%

Explanation: HUD collects data on the local, regional, and national housing counseling agencies it funds. Data is not made public, but is available upon request.from all HUD-approved local, regional, and national housing counseling agencies. The data is published on the housing counseling pages of HUD's website.

Evidence: Grantee performance data collected through HUD form 9022 is published on-line at http://www.hud.gov/offices/hsg/sfh/hcc/03hcrprt.pdf

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight20%

Explanation: HUD's Strategic Plan establishes a goal that 3.5 million households will receive housing counseling between 2004 and 2008. HUD does not have performance data for that period yet nor are the annual targets ambitious enough to achieve the long-term goal for 2008. Targets for the program's other two performance goals are not ambitious given they exceed or are just below current performance.

Evidence: .For the program to achieve its long-term goal to serve 3.5 million households, it would need to serve 875,000 clients a year, but annual goals for 2005, for example, only aim to serve 476,084 clients. Another program goal, to serve at least 50 percent minorities is set at current performance and far below the 58 percent achieved in 2000. The goal that 65 percent of clients delinquent on their mortgage successfully avoid foreclosure is drastically lower than the last four years of experience which has hovered around 90 percent.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight20%

Explanation: Performance reports submitted by grantees show HUD and its partners achieve and exceed some performance goals.

Evidence: HUD's 2003 Performance and Accountability Report shows the program planned to serve 238,356 homebuyers or owner in 2003 and actually served 257,096.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: NO Question Weight20%

Explanation: The program does not have a way to demonstrate improved efficiencies or cost effectiveness in achieving program goals. However, the program is working to procure a Client Management System that will enable program managers to improve oversight and program efficiency.

Evidence: HUD is in the process of procuring a Client Management System.

PART Performance Measurements

Program: Housing Counseling
Agency: Department of Housing and Urban Development
Bureau: Office of Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	80%	27%	

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: YES Question Weight 20%

Explanation: Unlike the other government programs with similar purposes and goals, HUD's Housing Counseling Program is the only government program that makes the funding of individual counseling a priority over group education.

Evidence: The 2004 NOFA ranks higher applications that support individual counseling, in which the counselor examines and analyzes an individual or family's unique financial situation.

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: NO Question Weight 20%

Explanation: There have been no evaluations in the form of studies, reports, or audits of HUD's housing counseling program.

Evidence: Program managers have requested that HUD's Office of Policy Development and Research include a Housing Counseling program evaluation on the 2005 research agenda

PART Performance Measurements

Program: Housing Counseling
Agency: Department of Housing and Urban Development
Bureau: Office of Housing
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	80%	27%	

Measure: Between FY 2004 and FY 2008, 3.5 million families will receive HUD housing counseling.

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term
2008	3,500,000		

Measure: Housing counseling is provided to 800,000 homebuyers and homeowners in 2006.

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2004	543,659		
2005	476,084		
2006	799,372		

Measure: 50 percent of total mortgagors seeking help with resolving or preventing mortgage delinquency will successfully avoid foreclosure.

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2004	62	47	
2005	62		
2006	50		

OMB Program Assessment Rating Tool (PART)

Competitive Grant Programs

Name of Program: Housing for Persons with Disabilities

Section I: Program Purpose & Design (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Is the program purpose clear?*	Yes	The program is based on a statutory requirement to provide supportive housing for very low-income persons with disabilities.	Section 811 of the Cranston-Gonzalez National Affordable Housing Act (P.L. 101-625).	20%	0.2
2	*Does the program address a specific interest, problem or need?*	Yes	The program targets very low-income persons with disabilities and there is consensus that supply and access to affordable housing for this vulnerable section of the population is insufficient.	The HUD Report to Congress on the Worst Case Housing Needs identifies 1.1-1.4 million adults with disabilities who do not receive Federal assistance, but have incomes below 50 percent of the local median, and pay more than half of their income on rent or live in poor quality housing.	20%	0.2
3	*Is the program designed to have a significant impact in addressing the interest, problem or need?*	No	The program is designed to provide capital grants (construction, rehabilitation, etc.) and rental assistance to eligible non-profits to provide housing for very low-income disabled persons. The 811 capital advance program provides about 1,500 units per year and the need is for 1.1-1.4 million units. The current program allows up to 25% of appropriated funds to be used for tenant-based assistance (vouchers). HUD estimates that the voucher component of the program provides 1,700 additional housing units per year.		20%	0.0

4	*Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?*	No	The program is specifically designed to target very-low income disabled persons through the use of non-profits to develop affordable housing. Although the delivery method (capital advances to non-profits) to the target group is unique for the program, it is not unique in terms of its purpose of providing housing to very low-income people. Other programs such as Public Housing, Section 8, HOME, Low-Income Housing Tax Credit, and the Native American Housing Block Grant program also provide affordable housing assistance.	Roughly 30 percent of vouchers in the Section 8 tenant-based rental assistance program are provided to persons with disabilities.	20%	0.0
5	*Is the program optimally designed to address the interest, problem or need?*	No	Capital grants and project rental assistance contracts are not the most cost-effective way to provide housing for very low-income disabled persons. For capital grants, there are long lead times between actual provision of funding to non-profits to actual occupancy of units.	A 2002 report by GAO, Federal Housing Assistance, Comparing the Characteristics and Costs of Housing Programs concluded that housing production under the 811 program is more costly than other alternatives such as vouchers.	20%	0.0
Total Section Score					**100%**	**40%**

Section II: Strategic Planning (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?*	No	No quantifiable long-term performance goals that focus on outcomes are identified in HUD's new Strategic Framework for FY 2004. The FY 2003 Annual Performance Plan has annual performance goals with outcome measures (see below), however, these annual goals have not been incorporated to overall long-term goals of the program.	Long-term measures are inadequate to determine what impact the program has on poor disabled individuals. HUD has been focused on inputs in funding and reducing the backlog of unexpended funds.	14%	0.0
2	*Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?*	Yes	The FY 2003 Annual Performance Plan states the following: Strategic Objective 2.3: Increase the availability of affordable rental housing, Goal 2.3.1: Reduce disabled households with worst-case housing needs from 2001 baseline number of 1.1 million to 1.07 million, a reduction of 3% from FY 2001-2003.	FY 2003 Annual Performance Plan.	14%	0.1
3	*Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?*	Yes	When grants are initially awarded, the HUD field office holds a planning conference with sponsors to go over HUD's requirements for developing projects and the established timeframes for getting to each stage of the process.	HUD Notice 96-102 establishes project requirements for grantees.	14%	0.1

4	*Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?*	No	There is no documented evidence that this program has a coordinated plan to work with other programs (e.g., services at HHS) available from other Federal agencies that serve the very low-income disabled population. As part of the grant application process, however, applicants are required to submit a Support Services Plan and a certification by an appropriate State or local agency that the provision of services identified is well designed to address the individual health, mental health, and other needs of persons with disabilities who will live in the proposed project.		14%	0.0
5	*Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?*	No	For the capital grant program, no comprehensive evaluation has been done evaluating the program in terms of its impact on poor disabled individuals. Future evaluations of this program will need to evaluate its effectiveness in terms of long-term goals, which have not been established.		14%	0.0
6	*Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?*	Yes	The amount of funding provided for competition to produce housing units and provide project rental assistance contracts are directly linked to budget requests.	Annual budget requests are linked to estimates of how many units would be produced and amount of rental assistance provided in the future.	14%	0.1
7	*Has the program taken meaningful steps to address its strategic planning deficiencies?*	No	Since long-term performance goals that focus on outcomes are not identified and developed, strategic planning deficiencies cannot be identified and addressed.		14%	0.0
Total Section Score					**100%**	**43%**

Section III: Program Management (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?*	No	On a quarterly basis, field offices report on the achievement of their goals and a system is being used to monitor the status of projects in the pipeline (those still under construction). Field staff monitor projects that are occupied and comprehensive periodic assessments are made of physical conditions of projects and annual financial reports are submitted. It is not clear, however, how these reports and inspections are used to manage the program and improve performance.	HUD needs to provide a description of how these inspections are used to manage the program, as well as illustrative examples of recent management actions based on performance information. Baseline performance information for reports and inspections needs to be identified. Quantifiable performance targets needs to be developed.	9%	0.0
2	*Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?*	No	For capital advance projects, project sponsors are expected to meet time and cost objectives, however, the only penalty if these objectives are not met is the effect on their status for future awards. There is little administrative incentive to complete current projects in a timely and efficient manner. Given the long lead time to develop housing projects, it appears that once grants are awarded, HUD has very little control of execution/development of projects. Cost increases and schedule slippage may occur as a result of lack of additional funding to complete projects and local community opposition to projects (e.g., zoning issues).		9%	0.0
3	*Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?*	No	Of $13 billion appropriated since 1991, $3 billion is still unobligated. NOTE: This is Section 202 (Housing the Elderly) and Section 811 data since separate data for the two programs are not available.	HUD needs to establish yearly obligation plans (baseline) to which progress can be measured.	9%	0.0
4	*Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?*	No	Development delays and cost increases are common for the housing production program.	The program does not monitor cost-effectiveness or efficiency in delivery of housing assistance.	9%	0.0

5	*Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?*	Yes	The FY 2004 Budget identifies the required FTEs in both headquarters and the field to administer the program in FY 2002, 2003, and 2004. However, those FTE are not paid for with program dollars, but rather out of a central Salaries and Expense account for the entire Department.	HUD FY 2004 Congressional Justification.	9%	0.1
6	*Does the program use strong financial management practices?*	No	Monitoring and payment processing weaknesses exist in the program's administration of rental assistance subsidies.	A 2002 OIG audit of HUD's Financial Statements.	9%	
7	*Has the program taken meaningful steps to address its management deficiencies?*	No	Because concrete performance goals with outcome measures for this program are not established, management deficiencies are not identified and addressed.		9%	0.0
8 (Co 1.)	*Are grant applications independently reviewed based on clear criteria (rather than earmarked) and are awards made based on results of the peer review process?*	Yes	HUD has a SuperNOFA (Notice of Funding Availability) open award process with a clear criteria and peer review process that is published in the Federal Register.	SuperNOFA published 3/26/02.	9%	
9 (Co 2.)	*Does the grant competition encourage the participation of new/first-time grantees through a fair and open application process?*	Yes	HUD has a SuperNOFA award process with a clear criteria and peer review process. Inexperienced applicants are encouraged to get a co-sponsor to be competitive.	Satellite broadcasts are conducted by Headquarters staff to discuss the availability of funds to the general public. Field Offices hold workshops to go over the submission requirements and rating criteria. Extended workshops are conducted for new/first-time applicants.	9%	0.1

10 (Co 3.)	*Does the program have oversight practices that provide sufficient knowledge of grantee activities?*	No	HUD generally has good knowledge of past experiences of grantees through review of applications during the grant making process. However, HUD needs to provide information on what oversight practices or procedures are in place to monitor grantee activities. These practices include regular site visits to a substantial amount of grantees, monitoring of expenditures to make sure funds are being used for intended purpose, and audits of grantee performance. HUD needs to provide more specific evidence that these oversight practices exist.	9%	
11 (Co 4.)	*Does the program collect performance data on an annual basis and make it available to the public in a transparent and meaningful manner?*	No	HUD does not collect performance data of grantees on an annual basis and make it available to the public in a transparent and meaningful way.	9%	0.0
Total Section Score				**100%**	**18%**

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?*	No	Since HUD has not established quantifiable long-term performance goals with outcomes for this program, progress cannot be measured. HUD states that the goal is to complete units so that they will be available for occupancy by very low-income disabled persons. This goal does not take into account cost and schedule variables.	The capital advance program produces about 1,500 units to be occupied each year and there is a need for over one million units for very low-income disabled persons. While the number of households with worst-case housing needs is one measure of whether this program is working, it is difficult to isolate the effect of this program on this number. It is only one factor affecting the level of need.	20%	0.0

Long-Term Goal I:	Measures under development.
Target:	

	Actual Progress achieved toward goal:					
	Long-Term Goal II: Target: Actual Progress achieved toward goal:					
	Long-Term Goal III: Target: Actual Progress achieved toward goal:					
2	*Does the program (including program partners) achieve its annual performance goals?*	Small Extent	The capital advance program produces roughly 1,500 units for very low-income disabled persons per year. The target established in the Annual Performance Plan was about 11,000 units per year from FY 2001-FY 2003. Approximately 1,700 units of housing are available per year as a result of the voucher component of the program.	FY 2003 Annual Performance Plan.	20%	0.1

Key Goal I:	Reduce persons with disabilities households with worst-case housing needs from the 2001 baseline number by 3% by 2003.
Performance Target:	1,070 thousand
Actual Performance:	
Key Goal II:	Reduce persons with disabilities households with worst-case housing needs from the 2001 baseline number by 3% by 2003.
Performance Target:	33,000 new units from FY 2001 to FY 2003 or 11,000 units per year
Actual Performance:	1,500 units for the capital grant program and 1,700 units for the voucher component of the program.
Key Goal III:	
Performance Target:	
Actual Performance:	

3	*Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?*	Small Extent	The HUD Management Plan states that the goal is to complete units so that they will be available for occupancy by very low-income persons with disabilities. HUD management has made good efforts to meet annual performance goals for closing awarded production contracts. However, additional performance measures that focus on cost-effectiveness and efficiency in delivering assistance still needs to be specified, such as how many units will be completed for occupancy per year, baseline for length of time of completion for each awarded project, and costs per unit when completed.		20%	0.1

4	*Does the performance of this program compare favorably to other programs with similar purpose and goals?*	No	The capital advance program is characterized by cost uncertainties and long lead times to complete units for occupancy by the very low-income disabled population. Housing production under this program is more costly than other alternatives such as vouchers.	A 2002 GAO report concluded that housing production programs such as 811 is more costly than housing vouchers. Preliminary analysis of a common housing cost measure supports this conclusion.	20%	0.0
5	*Do independent and quality evaluations of this program indicate that the program is effective and achieving results?*	No	No known independent and comprehensive evaluation exists that evaluates the program's impact and effectiveness in terms of results that are linked to long-term performance goals.		20%	0.0
Total Section Score					**100%**	**13%**

OMB Program Assessment Rating Tool (PART)

Competitive Grant Programs

Name of Program: Housing for the Elderly

Section I: Program Purpose & Design (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Is the program purpose clear?*	Yes	The program is based on a statutory requirement to provide supportive housing for very low-income elderly persons.	12 U.S.C. of Section 202 of the Housing Act of 1959, as amended by Section 801 of the National Affordable Housing Act (P.L. 101-625) authorizes the HUD Secretary to provide assistance to private non-profit organizations and consumer cooperatives to expand the supply of supportive housing for the elderly via capital advances and contracts for project rental assistance.	20%	0.2
2	*Does the program address a specific interest, problem or need?*	Yes	The program targets the very low-income elderly population and there is consensus that supply and access to affordable housing for this vulnerable section of the population is insufficient.	The HUD Report to Congress on the Worst Case Housing Needs (1999) identifies over one million elderly who do not receive Federal assistance but have incomes below 50 percent of the local median, and pay more than half of their income on rent or live in poor quality housing.	20%	0.2
3	*Is the program designed to have a significant impact in addressing the interest, problem or need?*	No	The program is designed to provide capital grants (construction, rehabilitation, etc.) and rental assistance to eligible non-profits to provide housing for the very low-income elderly. The 202 program only provides about 6,000 units per year and the need is for over one million units. Because of the design of the capital grant program, even if significant funding increases were to be given to address the problem, the long lead times to produce units may not yield immediate results.	About 6,000 units are produced by this program to be occupied each year and there is a need for over one million units per the Report to Congress on Worst Case Housing Needs.	20%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	*Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?*	No	The program is specifically designed to target the very-low income elderly through the use of non-profits to provide affordable housing. Although the delivery method to the target group is unique for the program, it is not unique in terms of its purpose of providing assisted housing to low-income people. Other programs such as Public Housing, Section 8, HOME, Low-Income Housing Tax Credit, and the Native American Housing Block Grant program also provide affordable housing assistance.		20%	0.0
5	*Is the program optimally designed to address the interest, problem or need?*	No	Capital grants and project rental assistance contracts (housing production) are not the most cost-effective way to provide housing for the very low-income elderly. For capital grants, there are long lead times (4.5 years) between actual provision of funding to non-profits to actual availability for occupancy by elderly households.	A 2002 report by GAO, Federal Housing Assistance, Comparing the Characteristics and Costs of Housing Programs concluded that housing production under the 202 program is more costly than other alternatives such as vouchers. An Arthur Andersen 2000 study identified 4.5 years as average time for units to be available for occupancy.	20%	0.0
Total Section Score					**100%**	**40%**

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Section II: Strategic Planning (Yes,No, N/A)						
1	*Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?*	No	No quantifiable long-term performance goals that focus on outcomes are identified in HUD's new Strategic Framework for FY 2004. The FY 2003 Annual Performance Plan has annual performance goals with outcome measures (see below), however, these annual goals have not been incorporated into overall long-term goals of the program.	Long-term measures are inadequate to determine what impact the program has on poor elderly individuals. HUD has been focused on inputs in funding and reducing the backlog of unexpended funds. Little attention has been given to long-term outcomes.	14%	0.0
2	*Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?*	Yes	The FY 2003 Annual Performance Plan states the following: Strategic Objective 2.3: Increase the availability of affordable rental housing. Goal 2.3.1: Reduce elderly households with worst-case housing needs from 2001 baseline number by 3% (to .970 million) from FY 2001-2003. The program also identifies maximizing closings (when a project gets design and local community approval) as an annual performance indicator.	The FY 2003 Annual Performance Plan.	14%	0.1
3	*Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?*	Yes	When grants are initially awarded, the HUD field office holds a planning conference with sponsors to go over HUD's requirements for developing projects and the established timeframes for getting to each stage of the process.	HUD Notice 96-102 establishes project requirements for grantees.	14%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	*Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?*	No	There is no evidence that this program has a documented coordinated plan to work with other programs (e.g., services) available from other Federal agencies such as HHS that serve the very low-income elderly population.		14%	0.0
5	*Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?*	No	No comprehensive evaluation has been done regarding evaluation of the 202 program in terms of its overall impact on poor elderly individuals. A study was done to evaluate the under-utilization of appropriated funds, but was not wide enough in scope to determine the program's effectiveness in terms of addressing the housing needs of the very low-income elderly. Future evaluations of this program will need to evaluate its effectiveness in terms of long-term goals, which have not been established.		14%	0.0
6	*Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?*	Yes	The amount of funding provided for competition to produce housing units and provide project rental assistance contracts are directly linked to budget requests.	Annual budget requests are linked to estimates of how many units will be produced and amount of rental assistance provided in the future.	14%	0.1
7	*Has the program taken meaningful steps to address its strategic planning deficiencies?*	No	Since long-term performance goals that focus on outcomes are not identified and developed, strategic planning deficiencies cannot be determined and addressed.		14%	0.0
Total Section Score					**100%**	**43%**

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Section III: Program Management (Yes,No, N/A)						
1	*Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?*	No	On a quarterly basis, field offices report on the achievement of their goals and a system is being used to monitor the status of projects in the pipeline (still under construction). Field staff monitor projects that are occupied and comprehensive periodic assessments are made of physical conditions of projects. Annual financial reports are submitted. It is not clear, however, how these reports and inspections are used to manage the program and improve performance.	HUD needs to provide a description of how these inspections are used to manage the program, as well as illustrative examples of recent management actions based on performance information. Baseline performance information for reports and inspections needs to be identified and quantifiable performance targets needs to be developed.	9%	0.0
2	*Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?*	No	For capital advance projects, project sponsors are expected to meet time and cost objectives, however, the only penalty if these objectives are not met is the effect on their status for future awards. There is little administrative incentive to complete current projects in a timely and efficient manner. Given the long lead times to develop housing projects, it appears that once grants are awarded, HUD has very little control of execution/development of projects. Cost increases and schedule slippage may occur as a result of lack of additional funding to complete projects and local community opposition to projects (e.g., zoning issues).		9%	0.0
3	*Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?*	No	Of $13 billion appropriated since 1991, $3 billion is still unobligated. NOTE: This is Section 202 and Section 811 (Housing for the Disabled) data since separate data for the two programs are not available.	HUD needs to establish yearly obligation plans (baseline) to which progress can be measured.	9%	0.0
4	*Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?*	No	Development delays and cost increases are common.	The program does not monitor cost-effectiveness or efficiency in delivery of housing assistance.	9%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	*Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?*	Yes	The FY 2004 Budget identifies the required FTEs in both headquarters and the field to administer the program in FY 2002, 2003, and 2004. However, those FTE are not paid for with program dollars, but rather out of a central Salaries and Expense account for the entire Department.	HUD FY 2004 Congressional Justification.	9%	0.1
6	*Does the program use strong financial management practices?*	No	Monitoring and payment processing weaknesses exist in the program's administration of rental assistance subsidies.	A 2002 OIG audit of HUD's Financial Statements.	9%	
7	*Has the program taken meaningful steps to address its management deficiencies?*	No	Because concrete performance goals with outcome measures for this program are not established, management deficiencies are not identified and addressed.		9%	0.0
8 (Co 1.)	*Are grant applications independently reviewed based on clear criteria (rather than earmarked) and are awards made based on results of the peer review process?*	Yes	HUD has a SuperNOFA open award process with a clear criteria and peer review process that is published in the Federal Register.	HUD Super Notice of Funding Availability (SuperNOFA) published 3/26/02 and Notice H 2000 issued 6/3/02, FY 2002 Policy for Capital Advance Authority Assignments, Instructions and Program Requirements for 202 and 811 Capital Advance Programs, Application Processing and Schedule.	9%	
9 (Co 2.)	*Does the grant competition encourage the participation of new/first-time grantees through a fair and open application process?*	Yes	HUD has a SuperNOFA award process with a clear criteria and peer review process. Inexperienced applicants are encouraged to get a co-sponsor to be competitive.	Satellite broadcasts are conducted by Headquarters staff to discuss the availability of funds to the general public. Field Offices hold workshops to go over the submission requirements and rating criteria. Extended workshops are conducted for new/first-time applicants.	9%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
10 (Co 3.)	*Does the program have oversight practices that provide sufficient knowledge of grantee activities?*	No	HUD generally has good knowledge of past experiences of grantees through review of applications during the grant making process. However, HUD needs to provide information on what oversight practices or procedures are in place to monitor grantee activities. These practices include regular site visits to a substantial amount of grantees, monitoring of expenditures to make sure funds are being used for intended purpose, and audits of grantee performance. HUD needs to provide more specific evidence that these oversight practices exist.		9%	
11 (Co 4.)	*Does the program collect performance data on an annual basis and make it available to the public in a transparent and meaningful manner?*	No	HUD does not collect performance data of grantees on an annual basis and make it available to the public in a transparent and meaningful way.		9%	0.0
Total Section Score					**100%**	**18%**

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?*	No	Since HUD has not established quantifiable long-term performance goals with outcomes for this program, progress cannot be measured. HUD states that the goal is to complete units so that they will be available for occupancy by the very low-income elderly. This goal does not take into account cost and schedule variables.	About 6,000 units are produced to be occupied each year and there is a need for over one million units per the Report to Congress on Worst Case Housing Needs. While the number of households with worst-case housing needs is one measure of whether this program is working, it is difficult to isolate the effect of this program on this number. It is only one factor affecting the level of need.	20%	0.0

Long-Term Goal I:	Measures under development.
Target:	
Actual Progress achieved toward goal:	

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
	Long-Term Goal II: Target: Actual Progress achieved toward goal:					
	Long-Term Goal III: Target: Actual Progress achieved toward goal:					
2	*Does the program (including program partners) achieve its annual performance goals?*	Small Extent	The program produces about 6,000 units for the low-income elderly per year. The target established in the Annual Performance Plan was 10,000 units per year from FY 2001-FY2003.		20%	0.1
	Key Goal I: Performance Target: Actual Performance:		Reduce elderly households with worst-case housing needs from 2001 baseline number by 3% from FY 2001-2003. 970 thousand			
	Key Goal II: Performance Target: Actual Performance:		Reduce elderly households with worst-case housing needs from 2001 baseline number by 3% from FY 2001-2003. 30,000 new units from FY 2001 to FY 2003 or 10,000 units per year 6,000 units per year			
	Key Goal III: Performance Target: Actual Performance:					
3	*Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?*	Small Extent	The HUD Management Plan states that the goal is to complete units so that they will be available for occupancy by the very low-income elderly. HUD management has made good efforts to meet annual performance goals for closing awarded production contracts. However, additional performance measures that focus on cost-effectiveness and efficiency in delivering assistance still needs to be specified, such as how many units will be completed for occupancy per year, baseline for length of time of completion for each awarded project, and costs per unit when completed.		20%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	*Does the performance of this program compare favorably to other programs with similar purpose and goals?*	No	The capital advance program is characterized by cost uncertainties and long lead times to complete units for occupancy by the very low-income elderly. Other methods of providing housing to this population may be more cost effective and immediate. Vouchers, for example, may provide more units for the same cost, as well as more immediate availability and flexibility.	A 2002 GAO report concluded that housing production programs such as 202 is more costly than housing vouchers. Preliminary analysis of a common housing cost measure supports this conclusion.	20%	0.0
5	*Do independent and quality evaluations of this program indicate that the program is effective and achieving results?*	No	No known independent and comprehensive evaluation exists that evaluates the program's impact and effectiveness in terms of results that are linked to long-term goals. An Andersen Study in 2000 examined the underutilization of appropriated section 202 funds. However, this study was not wide enough in scope to address the impact and effectiveness of the program as a whole. The study mentions that the average time it takes for the low-income elderly to be able to occupy units produced by this program is 4.5 years. With the high demand for housing by this group, the lead time for producing units for occupancy to address the problem is inefficient. HUD also needs to evaluate cost per unit data to see if this program is the most cost-effective way to delivering assisted housing to the very low-income elderly. A 2002 GAO report concluded that housing production under this program is more costly than housing vouchers.	Need analysis of alternatives done comparing the 202 program to similar programs that provide housing to very low-income populations. Analysis should account for cost and schedule factors.	20%	0.0
Total Section Score					**100%**	**13%**

Program Assessment Rating Tool (PART)

Program: Housing Opportunities for Persons with AIDS
Agency: Department of Housing and Urban Development
Bureau: Community Planning and Development
Type(s): Block/Formula Grant

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
92%	63%	100%	50%	

1.1 Is the program purpose clear? Answer: YES Question Weight: 23%

Explanation: The statutory purpose of the Housing Opportunities for Persons with AIDS (HOPWA) program is to provide States and Localities with resources to devise long-term comprehensive strategies for meeting the housing needs of low-income persons with HIV/AIDS and their families. HOPWA providers make use of the program to target assistance to recipients to prevent their slide into homelessness and reduce the detrimental health effects that are particularly devastating for persons with suppressed immune systems. Assistance is provided as: (1) short-term payments that prevent homelessness; (2) in rental assistance support; and, (3) in supportive housing facilities for clients with greater needs. As HIV treatment has advanced, communities have adapted their HOPWA efforts by reducing a focus on palliative care, and increasing support for permanent housing for clients. Program requirements in planning, flexibility in design, and use of technical assistance, support this responsiveness to changing needs by helping clients maintain stable housing as a means to improve participation in HIV treatment advances and other care.

Evidence: The AIDS Housing Opportunity Act (42 U.S..C. 12901) establishes the program statutory purpose and defines the type of housing support available. Under the HOPWA regulations (24 CFR 574) and HUD's Consolidated Plan (24 CFR Part 91), grant recipients incorporate their strategic AIDS housing planning efforts in coordination with other Federal and community resources, including consultations within the community to develop plans and to assess the evolving needs of persons with HIV/AIDS. Studies indicate that persons at the highest need levels are being assisted in achieving stable housing as a base from which to participate in HIV treatment advances (PDR 2001).

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight: 23%

Explanation: In the United States, about 950,000 people are HIV-positive, with approximately 40,000 new infections per year. The households affected by the disease are typically among the lowest incomes (72% with incomes less than $25,000 per year). HUD's technical assistance (TA) providers estimate that about one-half of persons with HIV/AIDS will require housing assistance at some point during their illness based on planning work in 42 communities. The HOPWA program assists these persons, a majority of which are extremely low-income (below 30% median income) and very low-income (between 30-50% median income). The lack of stable housing by persons with HIV/AIDS prevents their ability to participate in HIV care and treatment advances resulting in devastating health consequences and contributes to increased mortality rates. Housing assistance provides a base to receive appropriate care.

Evidence: AIDS housing needs were addressed in a hearing of the House Subcommittee on Housing and Community Development on 3-21-90 (Series 101-99) prior to the enactment of the AIDS Housing Opportunity Act. See National Commission on AIDS Housing and the HIV/AIDS Epidemic Report 1992 on the need to establish housing as a base to receive care; CDC surveillance data on the size of the HIV epidemic; and the HIV Cost and Utilization Study (HCSUS, 1996) on the prevalance of HIV in very-low income populations.

Program: Housing Opportunities for Persons with AIDS
Agency: Department of Housing and Urban Development
Bureau: Community Planning and Development
Type(s): Block/Formula Grant

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
92%	63%	100%	50%	

1.3 **Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight: 23%

Explanation: By statute, HOPWA provides housing assistance to the special needs population of persons who are living with HIV/AIDS and their families. HOPWA funds allow grant recipients to target housing assistance and thereby reduce the risk of homelessness for this population along with fostering connections related to HIV care and treatment, such as that provided under the Ryan White CARE Act and mainstream health and human services. The other Federal AIDS assistance program, the Ryan White CARE Act, is designed to provide care services, including some emergency support, but does not provide the range of permanent housing available through HOPWA. Prior to HOPWA, few communities had established any directed AIDS housing plans, and Congress noted at the 1990 hearing that programs, such as Section 8, where not readily available to address the housing needs of this subpopulation. While other programs provide services, they are not enabled by statute to target this specific subpopulation of persons with disabilities.

Evidence: See HOPWA regulations at 24 CFR 574 and HUD Consolidated Plan requirements for area planning efforts at 24 CFR 91. See the HHS program policy on the limited use of Ryan White CARE Act funds for short-term or emergency housing needs connected to accessing medical care, (HAB Policy 99-02 Housing is Health Care) and the 1990 Subcommittee Hearing Report (p. 322) on legal views on the limitation on the eligibility of persons with AIDS under Section 202 programs.

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: NO Question Weight: 8%

Explanation: Funds are provided mainly by formula, without regard to previous performance. This provides no incentives for greater effectiveness. The current formula is flawed because it allocates funds based on the cumulative number of AIDS cases rather than other measures of current housing needs of the eligible population as addressed in HUD's 1999 legislative recommendations. The weight of this question has been lowered because besides the issues related to formula funding national evaluations have not identified any significant design impediments. The studies have noted that program management controls ensure that the Federal purposes are being met and recipients are achieving results for housing stability of clients in serving a high-need population and in leveraging other resources to expand the scope and effectiveness of area efforts. HUD is consulting with recipients to refine performance measures, including long-term outcome goals. By statute, the flexibility provided to recipients to develop local strategies for providing a range of supportive housing assistance in connection with area resources has improved the community's ability to address changes in area housing needs and help clients access advances in health-care and HIV treatments. Studies show clients are satisfied with benefits and grantees are making use of the funds to meet area housing needs.

Evidence: See the HUD Policy Development and Research (PD&R) study, National Evaluation of HOPWA (January 2001) on the beneficial results obtained under the program, and HUD's Chief Financial Office Risk Management Review (June 200) which found that management controls are in place and sufficiently operating. HUD's 1999 report on HOPWA made recommendations for updating the formula to use housing costs and an CDC estimate of persons living with AIDS for allocating resources along with transitional hold harmless provisions. Meetings of HOPWA grantees were held in July 2003 to initiate collaborative discussions on new performance outcome goals and related annual indicators to be implemented in 2004.

Program: Housing Opportunities for Persons with AIDS
Agency: Department of Housing and Urban Development
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Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
92%	63%	100%	50%	

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight: 23%

Explanation: HOPWA resources are targeted by statute to reach the neediest in terms of housing assistance. Special initiatives are undertaken to respond to the ever changing face of the epidemic and to direct technical assistance resources to respond to specific changes in geographic, racial, and gender composition of this population. Efforts largely reach persons who are at risk of homelessness due to limited incomes (91% have incomes of less than $24,000 per year) by providing a cost-effective alternative to hospitalization which supports housing stability and the effectiveness of HIV care efforts. The PDR study reports that "persons being served by the HOPWA program are among the poorest of the poor and can be expected to have the most acute housing needs" (81% very low income) and that housing stability has been enhanced for clients along with coordination and leveraging of resources with other care systems. 2001 performance data shows that 72,117 households received housing assistance and that only about 10% of clients were unstably housed and left the program. However, the use of cumulative cases in the formula rather than current cases also raises the issue of whether assistance is effectively targeted.

Evidence: See the PD&R study and HOPWA performance data (2001).

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: NO Question Weight: 12%

Explanation: HUD's new strategic plan has several measures that include HOPWA but none focus on performance outcomes that meaningfully reflect the program's presumed purpose. Under the planned new long-term measure on housing stability, HOPWA has engaged its key stakeholders regarding the development of outcome measurement reporting tools, which will be implemented in the next year. In 2003, HUD also refined two long-term goals on housing stability and program comprehensiveness by selecting model projects under the SuperNOFA to test new indicators for these goals.

Evidence: HUD Strategic Plan 2003-8, and the HUD 2003 SuperNOFA.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: NO Question Weight: 12%

Explanation: Targets and timeframes will be set once new long-term outcome measures are established. A national needs assessment is currently underway to estimate the scope of AIDS housing needs which will serve as a baseline for measuring future performance by recipients under the enhanced indicators on their housing assistance efforts.

Evidence: HUD 2003 SuperNOFA.

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 12%

Explanation: HOPWA annual output measures are established under HUD's Strategic Management Plan and in program reporting requirements. They address the primary function of providing housing assistance to eligible low-income households by documenting the annual number of households and housing units assisted, the amount of leveraging of other resources, and client benefits in maintaining housing stability. As noted, data collection efforts will be revised for new outcome targets being established in 2004.

Evidence: See HUD's Annual Performance Plan for annual performance measures, HOPWA operating instructions and grantee data reports, training events, and grants management oversight plans (2003).

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Section Scores				Overall Rating
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92%	63%	100%	50%	

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: NO Question Weight: 12%

Explanation: The targets set for the annual measures of households assisted and resources leveraged are not sufficiently ambitious. The PD&R evaluation did establish baseline information on program accomplishments and annual reports are compiled based on the established program output measures. Grantee operating instructions have set baseline targets for planning the use of funds based on national averages of HOPWA housing costs and these are adjusted with the input of new annual data. In 2003-2004, the national needs assessment currently underway will estimate the scope of AIDS housing needs in recipient communities and serve to inform the establishment of annual performance targets under new outcomes and related indicators.

Evidence: See HUD's Annual Performance Plan for annual performance measures, HOPWA operating instructions and grantee data reports, training events, and grants management oversight plans (2003).

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight: 12%

Explanation: The commitment of HOPWA partner to program goals is expressed in grant agreements that require the submission of performance reports to account for annual proposed and actual accomplishments. Formula grantees are required to use IT systems and supplemental HOPWA summary charts to establish and review annual activities, including an estimate of planned outputs and actual accomplishments. Competitive grants conduct activities under approved plans and are required to provide annual progress reports on actual accomplishments. Summary information is posted on the HOPWA website. CPD Field Office staff make use of this information in grantee risk assessments and in conducting monitoring actions.

Evidence: See operating instructions which provide standard grant agreements and reporting requirements with targets for estimating planned accomplishments. HOPWA technical assistance resources are also committed by contract to the national TA goals involving support for the sound management of HOPWA programs in meeting HUD requirements. See also HUD management plans for oversight and monitoring (2003).

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight: 12%

Explanation: In the last five years, the HOPWA program has undergone several evaluations on program management and program effectiveness. In 2000, the CFO conducted a risk management assessment and found that HOPWA management controls are significantly in place to mitigate against waste, fraud, abuse, and mismanagement. In January 2000, a PD&R Evaluation, conducted by ICF Consulting, resulted in a series of findings that the program is reaching its intended results, benefiting clients with housing assistance, and leveraging other resources in coordination with AIDS care. GAO conducted two reviews (1997 & 2000) resulting in minor recommendations addressed by HUD. In partnership with HHS, Columbia University conducted a study on the specialized efforts to reach and serve clients with multiple diagnoses (1996-2002). A federal collaboration between HUD-CDC was announced in the 2003 SuperNOFA to study the impact of stable housing on the transmission of HIV and the health of persons living with HIV and three study sites were selected. A national needs assessment on HIV-related housing needs is underway.

Evidence: See 1. CFO Risk Management Assessment, 2. PDR Evaluation, 3. GAO reviews, 4. HUD-HHS MDI project evaluations, 5. Planned National Needs Assessment, and 6. 2003 SuperNOFA on the HUD-CDC Study.

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Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
92%	63%	100%	50%	

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight: 12%

Explanation: The HOPWA budget justifications detail annual accomplishments, evaluation findings, and provide estimates for expected performance in connection with a needs analysis of the size of the HIV epidemic, qualification of new formula grantees, and program outlay experience. These funding requests estimate the effect the appropriation will have in supporting a number of affordable housing units for persons with HIV/AIDS and their families. HOPWA uses annual data for these estimations and links the budget justifications to the established performance goals. New outcome indicators will be incorporated in the future submissions.

Evidence: See annual budget requests.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight: 12%

Explanation: HUD's management of HOPWA involves regular contact with stakeholders, independent evaluations, use of technical assistance support, and oversight actions to identify and address project issues and consider strategic planning objectives. Plans are being developed to implement new long-term outcome measures. In 2003, HUD held national meetings with formula and competitive grantees to collaborate on refining indicators, data collection, and evaluation efforts under new outcome measures along with selecting model projects to test indicators under the SuperNOFA. In addition, the HUD-CDC study is also expected to result in greater understanding to be used in addressing the housing needs associated with the HIV epidemic.

Evidence: See operating instructions, HUD management plans, and 2003 SuperNOFA.

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 10%

Explanation: Recipients are required by contract to provide performance data which is routinely collected, publicly issued and reviewed by HUD in assessing annual performance. Field offices conduct risk assessment reviews that review this information and result in on-site monitoring for high risk grantees (24 formula and 9 competitive grants monitoring occurred in 2003). To supplement HUD information technology systems, HOPWA grantees also provide summary data charts to quantify results and compare results to original plans for area efforts. Financial transactions are controlled with documentation and provide current information on outlays for cost reimbursements. National summary reports have been improved to make use of comprehensive financial and performance information. CPD has contracted for technical support and conducts training to increase the capacity of recipients to provide accurate and timely reports.

Evidence: See grants management functions under the Consolidated Plan procedures, and the specialized HOPWA annual operating instructions, including summary performance charts that supplement IT systems and provide for public dissemination of annual results. See HOPWA grantee and field staff training events (2002, planned 2003) and technical assistance contracts for data support and cleanup (1999-2003, and planned 2003). New CPD risk assessment procedures were implemented (CPD notice 02-11) for all grantees and management plans provide for on-site monitoring (2003). Summary and data are published on the HOPWA website (www.hud.gov).

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Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
92%	63%	100%	50%	

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight: 10%

Explanation: Grant agreements require recipients to meet specific performance standards in expending funds for approved purposes within three years. Grants management oversight is conducted by the 44 CPD area offices and supplemented by guidance and training issued by HUD. Oversight results in corrective actions such as the use of work-out plans, repayments and recapture of funds (e.g. $2.5 million recaptured in the last four years from 29 competitive, one TA and 7 formula grants) and requests for audits or other sanctions. The CFO risk management assessment reviewed the adequacy of program controls (2000) and CPD is upgrading monitoring and closeout tools in 2003.

Evidence: See HOPWA operating instructions for standard program grants management tools such as grant agreements, award conditions, financial practices and performance reporting elements and forms. CPD risk assessment procedures (CPD Notice 02-11) along with field management plans for on-site monitoring (2003) and financial records on recaptures. Also see CFO study on management controls. CPD draft documents for closeout procedures and monitoring handbook (2003)

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 10%

Explanation: Grant funds are obligated within the required timelines, such as the new statutory limits for obligation within 2 years and expenditure within 5 years. Financial data (6/03) shows that all FY2001 and prior accounts were obligated, that for FY2002 only ten competitive grants remain active in resolving grant conditions prior to their obligation in signed contracts (4% of FY02 funds). Grantee expenditures are reviewed monthly and aggregate performance has improved consistently over time, resulting in outlays in FY02 at $314 million compared to available new funding of $257.4 million in that year. Field staff also conducted risk assessments for all HOPWA recipients in 2003 and considered the use of funds for eligible and approved activities and identified 24 formula and 9 competitive grants for on-site monitoring.

Evidence: See HUD financial reports for HOPWA grants (June 2003), CPD management plans and the PD&R study on program activities.

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight: 10%

Explanation: HUD continues to implement IT improvements and provide technical assistance, support, and training to improve project management and accountability. HUD has identified contracted services and IT changes that will improve data quality and make use of cost per unit. Technical assistance resources are competitively awarded under the national goal for sound project management and include activities targeted to under-performers and project development impediments, such as support to address neighborhood opposition to the site location of AIDS supportive housing facilities to reduce project delays or relocations.

Evidence: See HOPWA technical assistance plans, national training events and IT guidance in program operating instructions; grantee data reports on funds used by type of program activity and leveraging of other resources for housing assistance activities, 2002 performance data, and data on related programs.

Program: Housing Opportunities for Persons with AIDS
Agency: Department of Housing and Urban Development
Bureau: Community Planning and Development
Type(s): Block/Formula Grant

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
92%	63%	100%	50%	

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 10%

Explanation: HUD and HHS have jointly conducted AIDS training efforts, coordinated use of program resources, supported evaluations, and issued guidance to help recipients address the needs of this target population. The strong relationship of HOPWA and Ryan White CARE Act efforts is reflected in area AIDS service planning efforts, and local coordination of support for clients, including case management and stable housing support. HUD and HHS have funded model projects to demonstrate coordinated support for homeless person with HIV and multiple diagnoses. AIDS initiatives have been conduced with veterans organizations, homeless service providers, and the Dept. of Justice on post-incarcerated persons. In 2003, CDC and HUD jointly initiated a study on the relationship between stable housing and the progression of HIV.

Evidence: See HUD Consolidated Plan requirements for planning and consultation on strategies and coordination with other HUD programs (24 CFR 91), CARE Act Housing Policy, training and technical assistance events, and the 2003 SuperNOFA on the CDC/HUD collaboration. Findings on the HUD/HHS HIV multiple diagnoses initiative (MDI) are published on agency websites and used in training activities. HOPWA integration in Continuum of Care efforts is also addressed in draft 2003 standards to be issued for the homeless management information systems to support community level coordination of support for eligible persons.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 10%

Explanation: The CFO review determined that sufficient management controls are in place and are used in financial transactions to reduce risks of waste, fraud, abuse and mismanagement (2000). GAO reviews identified only minor issues which were addressed by CPD and the PD&R review noted strong program performance (1997, 2000). CPD has conducted annual risk assessments and use monthly financial reports for project oversight along with on-site monitoring. Aggregate data shows substantial grantee performance (measured in increased program outlays) and increased numbers of clients assisted (in performance data). As needed, HUD grants oversight has occurred and resulted in corrections, recaptures and audits. Financial management and recordkeeping practices are addressed in regulations and operating instructions.

Evidence: See CFO risk management review, 2000, the General Accounting Office evaluations on HOPWA and Federal AIDS Programs, 1997 and 2000, and the PD&R evaluation 2001. HUD's 2003 management plan and CPD Notice 02-11 cover risk assessments and monitoring efforts and HOPWA technical assistance efforts are published for national meetings and provider services (e.g. grantee meeting 2002, field training 2002, national conferences 2001 and 2003, see also www.aidshousing.org).

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 10%

Explanation: Data on performance is collected from all grantees though standardized tools with specific guidance on evaluation efforts. This has been improved from earlier use of plans and actual financial data to estimate overall performance. IT data cleanup efforts have been undertaken, and new guidance and materials are being issued on reporting accuracy. Additional IT enhancements and contracted support for evaluation are being implemented in 2004 involving consultation with grantees on new program outcomes and refined indicators. Technical assistance, including data cleanup efforts, has been implemented and training is now a regular part of program management efforts.

Evidence: See the CFO study on sufficient management controls and the program operation instructions on changes in performance reporting tools, training actions and use of technical assistance support.

Program: Housing Opportunities for Persons with AIDS
Agency: Department of Housing and Urban Development
Bureau: Community Planning and Development
Type(s): Block/Formula Grant

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
92%	63%	100%	50%	

3.BF1 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight: 10%

Explanation: HUD staff conduct oversight of programs using standard grants management tools, such as review and approval of performance reports, annual risk assessments and on-site monitoring actions. HOPWA elements of these tools, e.g.. monitoring handbook, annual performance reports, IT manuals, are used to guide these oversight efforts.

Evidence: See Consolidated Plan requirements, 24 CFR 91, HOPWA operating instructions and CPD management plans on risk assessment and monitoring (CPD Notice 02-11, and 2003 management plan). Grantee information is also provided through required public consultations for strategic plans and annual performance reports.

3.BF2 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: YES Question Weight: 10%

Explanation: HOPWA data and model performance findings are collected annually based on the grantee's operating year, and are reported nationally, used in training, and posted on the HUD/HOPWA website. Performance information posted publicly include executive summaries noting program accomplishments and performance data. HUD reviews and approves grantee reports and provides technical assistance on evaluation efforts to address deficiencies.

Evidence: See Consolidated Plan requirements, 24 CFR 91, HOPWA operating instructions and HOPWA training events (2002) and information posted on the HOPWA section of the HUD webpage (www.http://www.hud.gov/offices/cpd/aidshousing/index.cfm). The 2003 SuperNOFA included data collection on project outcomes for model projects and implemented new logic model concepts in measuring performance.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight: 25%

Explanation: The HOPWA program is in the process of developing long-term performance measures that focus on outcomes.

Evidence:

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight: 25%

Explanation: The HOPWA program produces annual estimates or counts of leveraged resources and households served. However, annual targets should be clarified to better measure performance in relation to client outcomes such as improved housing stability which enables clients to access health and improve the well-being of those served.

Evidence: HOPWA performance data, reported in HUD's annual performance plan.

Program: Housing Opportunities for Persons with AIDS
Agency: Department of Housing and Urban Development
Bureau: Community Planning and Development
Type(s): Block/Formula Grant

Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
92%	63%	100%	50%	

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: LARGE EXTENT Question Weight: 25%

Explanation: Performance reports and studies document the achievement of stable housing for clients with average costs per type of housing that is cost effective in comparison to other efforts. The planned research with CDC should also result in significant information on program benefits in connection with the challenges of HIV. However, the absence of outcome measures prevents the development of cost effectiveness measures. Programs have documented significant amounts of leveraging of other funds to demonstrate the comprehensiveness of their collaborations to address the special needs of this target population. Planning targets are establish yearly in grantee operating instructions based on national cost averages and for 2002, the target was 220 units/million and for 2003 the target was 250 units/million, representing a trend in performance data on actual costs per type of housing effort. Program management training and the evaluation of demonstration projects have also supported improvements in performance. Cost effective results are achieved for clients in avoiding hospitalization and reducing risks of homelessness, larely through the use of short-term rent, mortgage and utility payments that maintains their current residences. Competitive grantees have also experimented successfully with shallow rental assistance components that provide limited on-going support to stabilized households. Projects are adapting to changing needs of persons with HIV/AIDS in light of improvements in HIV treatment, such as support for persons facing long-term disability or support for others moving towards a return to self sufficiency and training is conducted on these new aspects to HIV care for HOPWA clients.

Evidence: See HOPWA data reports evaluations and operating instructions for planning targets.

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: NA Question Weight: 0%

Explanation: The program has a unique statutory purpose. The program's flexibility allows recipients to fashion local activities to maximize the use of other resources, to fill in identified gaps in the range of housing and to make other housing tools responsive to the specialized supportive housing needs of this population.

Evidence:

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: YES Question Weight: 25%

Explanation: In the past five years, HOPWA has had a number of independent evaluations, including the PDR evaluation, GAO reports, CFO management study, and specialized evaluations of projects under the HHS collaboration. The PDR study confirmed that HOPWA grantees are meeting program objectives in providing housing support in a manner that benefits clients with pressing needs and in making use of other resources to expand the reach and effectiveness of area programs. The findings were supportive of the program in achieving its specialized purpose and a few minor concerns were identified to be addressed by HUD. In addition, grantees have conducted research on program results that also document the effectiveness of programs.

Evidence: See the PDR evaluation (2001), CFO risk management analysis (2000), and GAO reviews (1997 and 2000), along with project evaluations conducted under the HUD-HHS HIV Multiple Diagnosis Initiative.

PART Performance Measurements

Program: Housing Opportunities for Persons with AIDS

Agency: Department of Housing and Urban Development

Bureau: Community Planning and Development

Measure: Percent of HOPWA grantees with continuums coordinating housing support with mainstream health and human services. The goal is to reach 50 percent by 2008.

Additional Information: HOPWA housing programs will be assessed on comprehensiveness of housing options and the use of mainstream health and care services by residents. Currently 42 grantees (39%) have developed local plans that exceed Consolidated Plan requirements. Target: Increase by 2% annually.

Year	Target	Actual
2003		39%
2004	42%	
2008	50%	

Measure Term: Long-term

Measure: Percentage of HOPWA clients who maintain housing stability and access care. The goal is to reach 74% by 2008.

Additional Information: Housing stability to be shown by annual case manager assessments of the ability of clients to remain in stable housing and access care. The PD&R study (1/01) reported at least 62% of clients retained housing (25% unknown). Data reporting to be adjusted in 2003. Target: Increase by 2% annually.

Year	Target	Actual
2000		62%
2003	64%	
2004	66%	
2008	74%	

Measure Term: Long-term

Measure: Proportion of HOPWA-eligible households receiving housing support for priority housing needs. The goal is to reach 25% of eligible persons by 2008.

Additional Information: Baseline on unmet priority needs to be established in 2003. Current estimate is 20% of eligible persons receive HOPWA support. The eligible population will also be decreased by persons acheiving self sufficiency. Target: Increase program reach by 1% annually.

Year	Target	Actual
2003		20%
2004	21%	
2006	23%	
2008	25%	

Measure Term: Long-term

PART Performance Measurements

Program: Housing Opportunities for Persons with AIDS

Agency: Department of Housing and Urban Development

Bureau: Community Planning and Development

Measure: Increase in the number of households receiving HOPWA housing assistance during the operating year.

Additional Information: Standard current HOPWA output on housing support reported by all grantees in annual reports. Targets are based on prior year data. National averages used in estimating new efforts. Data cleanup resulted in adjustments after 2001. Targets to be further adjusted in 2003.

Measure Term: Annual

Year	Target	Actual
2001	48,000	81,211
2002	68,000	84,059
2003	72,525	86,600
2004	73,700	
2005	73,700	

Measure: Ratio of other resources leveraged to be used in connection with HOPWA funds for supportive housing for HOPWA-eligible households. The goal is to increas to $1.25 of other resources for every $1 of HOPWA funds by 2008.

Additional Information: The leveraging of other resources with HOPWA funds supports more effective housing efforts and coordination with mainstream health and human services. Data on leveraging by competitive grants. The target is to be adjusted in 2003 to include leveraging of services for formula programs. Target: Increase 5% per year

Measure Term: Annual (Efficiency Measure)

Year	Target	Actual
2001	$1.00	$1.48
2002	$1.00	$1.59
2004	$1.05	
2005	$1.10	
2008	$1.25	

OMB Program Assessment Rating Tool (PART)

Competitive Grant Programs

Name of Program: HOUSING VOUCHERS

Section I: Program Purpose & Design (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Is the program purpose clear?*	Yes	To provide decent, safe and sanitary housing for low-income families. But, no consensus on whether goal is to also help families achieve economic self-sufficiency and elderly/disabled live as independently as possible.	98 percent of units meet HUD housing quality standards upon annual inspection or payments are abated within 30 days if not met.	20%	0.2
2	*Does the program address a specific interest, problem or need?*	Yes	Housing subsidies provide access in most cases to better housing, often in better neighborhoods. Lower housing costs free income for other needs. Choice of housing maximizes opportunity and access to schools, services.	Most are used by families with children (61%) or disabled (22%) with extremely low incomes at admission.	20%	0.2
3	*Is the program designed to have a significant impact in addressing the interest, problem or need?*	Yes	Traditional way to measure contribution is as reduction in worst case housing needs of low-income renters. 2 million low-income households hold vouchers averaging about $6,000 per year. Many use to move to better locations, increase opportunity. Targeted to those in the most need.	Evaluations suggest vouchers make a unique contribution to efforts of families to move to self-sufficiency, increase safety and educational opportunity for kids.	20%	0.2
4	*Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?*	Yes	Although there are other federal housing assistance programs and the function can be performed at lower levels; the portability of housing assistance is a unique characteristic of the program.	Only 5 million low-income families get any type of HUD subsidized housing but another 5 million families are in similar circumstances without HUD assistance.	20%	0.2
5	*Is the program optimally designed to address the interest, problem or need?*	No	In the current administrative structure of the Voucher program, 2,700 PHAs are responsible for the admin and distribution of the vouchers, creating problems in utilization that could be lessened if administered through fewer entities. Higher utilization of funds would ensure more households in need would receive subsidies. Allowing other housing activities besides vouchers would also better address local needs.	Nearly $1 billion is recaptured annually from PHAs due to low utilization of funds. Efforts to reform this system have not been successful, and large numbers of households that qualify for assistance remain on waiting lists for extended periods of time despite funds being available.	20%	0.0
Total Section Score					**100%**	**80%**

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Section II: Strategic Planning (Yes,No, N/A)						
1	*Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?*	Yes	Along with the goal of providing housing, the program also incorporates goals of mobility, geographic dispersion, and movement toward self-sufficiency. Recently, HUD has given some attention to maximizing benefits of vouchers for families receiving TANF assistance.	Starting with FSS, continuing with homeownership vouchers and mobility counseling, efforts are underway to increase mobility value of vouchers for families moving toward self-sufficiency and homeownership. Goals beyond providing housing have been set, but it is unclear if PHAs have embraced these goals and are implementing them.	14%	0.1
2	*Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?*	Yes	It is identified with Strategic Objective 3.1 primarily -- to "help families in public and assisted housing make progress toward self-sufficiency and become homeowners."	Principal measure for this and other low-income housing programs is increase of 5% above 2002 (baseline year) in average earnings of non-elderly non-disabled households.	14%	0.1
3	*Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?*	Yes	SEMAP management performance rating system is used to judge how well local housing agencies deliver vouchers and perform basic tasks. However, the system is new and therefore untested as a method of ensuring accountability. It also is not capable of providing information on a family's move to self-sufficiency after they have left the program.	Principal SEMAP components include: Waiting List Selection, Rent Reasonableness, Determination of Income, Housing Quality Standards Inspections, and Payment Standards Various sanctions, including reductions in the administrative fee, should encourage achievement of the goals.	14%	0.1
4	*Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?*	No	Collaboration with other HUD programs is fairly good but collaboration with other government self-sufficiency programs, such as TANF and training programs, has not been widespread. Periodic efforts to improve collaboration have met with limited success, and were seldom sustained.	A partial list of past programs to improve collaboration include: Family-Self sufficiency in the 1970s; Welfare-to-work vouchers; resident self-sufficiency; project bootstrap. HUD funds self-sufficiency coordinators to help about 10 percent of households.	14%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	*Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?*	Yes	A variety of completed work shows housing vouchers to be a cost-effective means of delivering housing. A number of high-quality studies are now underway that will provide useful information on the program's effectiveness on other goals of the program.	A GAO study in 2001 demonstrated the cost-effectiveness of the program. Preliminary HUD experimental study results suggest the voucher program provides greater benefits than alternatives. Independent surveys (REAC) rate the physical structure of the housing, as well as the financial soundness and managerial competence of the program.	14%	0.1
6	*Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?*	Yes	The Voucher program has aligned its budget with performance goals in a way that the program can be assessed for the outcome of activities that they fund.	The 2004 HUD Budget submission has the Voucher program aligned with performance goals including "expanding access to affordable rental housing, improving physical quality of housing, increasing housing opps for people with disabilities and elderly, and help assisted households move towards self-sufficiency."	14%	0.1
7	*Has the program taken meaningful steps to address its strategic planning deficiencies?*	Yes	The SEMAP management performance system should correct the lack of performance alignment by stakeholders. After the first full year of data has been collection, actions are planned to sanction those with low scores. Other efforts to increase utilization rates are in place as well.	SEMAP scoring is fully implemented. 15 percent of PHAs (270) have failed in initial SEMAP results. Actions to be taken include: no new funding allocations, assessment of programs, corrective action plans. PIH is contracting for technical assistance for these PHAs. Letters of deficiency have been sent to PHAs with 90% or lower utilization rate, however, this does not indicate a failing SEMAP score. In addition, 50th percentile FMRs have been established for the 39 largest metropolitan markets, new vouchers limited to PHAs with high utilization rate, reallocation policy developed, consolidation of small PHAs into regional entities, utilization module developed to track monthly performance, and required reporting of voucher issuance to capture success rate data.	14%	0.1
Total Section Score					**100%**	**86%**

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Section III: Program Management (Yes,No, N/A)						
1	*Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?*	Yes	SEMAP is now in use to measure local program delivery quality, but these data are not timely. Most data for the program lags at least one year and in a program that fluctuates with the market, this can be problematic. Regular information is collected on costs, location, income targeting. No information yet on outcomes for participants during and after assistance.	The full implementation of SEMAP system has been slow due to constant changes in the system. The lack of demonstrated ability to move dollars from low performing PHAs to high performing PHAs suggests that the SEMAP system needs some work.	9%	0.1
2	*Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?*	No	SEMAP has collected one year of data, but HUD does not seem confident that this system provides accurate performance information. While information about performance has been gathered, no actions have yet been taken to hold PHAs accountable for performance results.	Public housing authorities with utilization rates below 97% or rated troubled by SEMAP are not eligible for additional vouchers. In addition, public housing authorities with utilization rates below 90 percent are subject to reallocation procedures that could give unused vouchers to other authorities.	9%	0.0
3	*Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?*	Yes	Funds are generally obligated in a timely fashion. Funds are used as intended, with few exceptions. Administrative costs are fixed percentage of assistance. Any funds that are not used are recaptured at the end of the year. (See question 6).	The year's appropriations are generally obligated, as expected.	9%	0.1
4	*Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?*	Yes	The structure of the program automatically uses market forces for cost comparison. The program allows the market to provide housing at competitive rates. Unfortunately, PHAs have a monopoly on the voucher program and competitive sourcing is restricted by statute to situations where public agency has failed to perform.	HUD surveys rents annually and studies of administrative costs rates them as reasonable. HUD voucher rents are well below HUD's project-based rents. Also, HUD requires some rent reasonableness comparisons by its intermediaries.	9%	0.1
5	*Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?*	Yes	The administrative cost, both for HUD and its intermediaries, are not separately identified. Also, the program is purposely over funded to ensure that no family loses its housing assistance. Changes in funding levels are related primarily to outputs in terms of people housed, rather than in outcome terms, such as other improvements in peoples lives outside of housing.	Congressional Justifications allocate costs by objectives to indicate how changes in funding are reflected in increased program capacity.	9%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
6	*Does the program use strong financial management practices?*	No	No incentive for administrative efficiencies given fixed fee structure. Local finances subject to HUD monitoring and outside audit. There are also instances of erroneous overpayments to tenants. The recaptured funds also suggest a weakness in financial management.	Financial management practices are fairly good in comparison to other HUD programs. No major scandals over 25 years. But, PD&R study and IRS/HUD data matches found 60 percent of tenants' rents were calculated incorrectly and a significant difference between income reported in the program and income reported in IRS/SSA data bases.	9%	0.0
7	*Has the program taken meaningful steps to address its management deficiencies?*	Yes	HUD has implemented a number of policy changes to address management deficiencies related to utilization. The SEMAP program is fully implemented, and the first full year of data has been gathered.	SEMAP scoring is fully implemented, increased local surveys to determine maximum rent levels, higher 50th percentile FMRs have been established for the 39 largest metropolitan markets, new vouchers allocated only to PHAs with high utilization rates, reallocation policy developed, consolidation of small PHAs into regional entities, developed new modules to track utilization monthly, and required reporting of voucher issuance to capture success rate data. HUD has data systems to support the impact that these changes have on utilization and should reflect improved performance in FY 2003 and FY 2004.	9%	0.1
8 (Co 1.)	*Are grant applications independently reviewed based on clear criteria (rather than earmarked) and are awards made based on results of the peer review process?*	Yes	Most incremental assistance is initially awarded based on need and competitive factors, including previous performance. Annual Notice of Funds Availability and mandated scoring procedures ensure fair award.		9%	0.1
9 (Co 2.)	*Does the grant competition encourage the participation of new/first-time grantees through a fair and open application process?*	Yes	Participation is encouraged for all eligible applicants.		9%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
10 (Co 3.)	*Does the program have oversight practices that provide sufficient knowledge of grantee activities?*	Yes	SEMAP rating system and other reporting now provides a good base of information on local grantees.		9%	0.1
11 (Co 4.)	*Does the program collect performance data on an annual basis and make it available to the public in a transparent and meaningful manner?*	No	HUD collects detailed information on the characteristics of households served and regularly reports on costs and location, but these reports are not timely and usually not transparent to the public. Other information, such as resident satisfaction, is being collected for the first time. Outcomes of households during and after assistance not yet measured regularly.		9%	0.0
Total Section Score					**100%**	**73%**

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?*	No	Most assistance goes to households who otherwise would have high rent burdens. However, evidence on how assistance affects household outcomes such as income and well-being is still fragmentary.	Performance data are either not available or were not achieved. Well targeted to families with children compared to project-based Section 8 (61% vs. 33%). The program has also maintained bi-partisan support for 25 years.	20%	0.0

Long-Term Goal I:	Increase the availability of affordable rental housing for low-income households.
Target:	The number of households with worst-case housing needs decreases by 3 percent by 2003 among families with children and elderly.
Actual Progress achieved toward goal:	Number of households has been declining. 1997 = 4,331; 1999 = 3,921; 2001 est. = 3,807 (Actual 2001 data not yet reported); 2003 est. = 3,730
Long-Term Goal II:	Help Families in public and assisted housing make progress toward self-sufficiency and become homeowners.
Target:	Number of Voucher households that have accumulated assets through the Family Self-Sufficiency program increase by 5 percent.
Actual Progress achieved toward goal:	No data yet. In 2001, the actual number of households = 15,603. Goal for 2002 = 16,383, 2003 = 17,202
Long-Term Goal III:	Help Families in public and assisted housing make progress toward self-sufficiency and become homeowners.
Target:	The number of households who have used Housing Choice Vouchers to become homeowners increases by 20 percent
Actual Progress achieved toward goal:	No data yet. PIC system has not gathered necessary data.

2	*Does the program (including program partners) achieve its annual performance goals?*	Small Extent	By traditional measures such as improved management, the answer is yes. However, no time series on earnings, self-sufficiency, homeownership access, other outcomes is available yet.	Only one key goal was achieved.	20%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
	Key Goal I:	Improve the management accountability for public and assisted housing.				
	Performance Target:	Decrease the share of the Voucher program administered by agencies with poor records of using their allocation of program funds by 10%.				
	Actual Performance:	Exceeded. 2000 = 53.9%; 2001 = 43.3%; est. 2003 = 33.3%				
	Key Goal II:	Promote self-sufficiency and asset developme nt of families.				
	Performance Target:	Share of welfare families with Vouchers that move from welfare to work increases by 2 percentage points				
	Actual Performance:	Probably failed. Preliminary estimate is that the number will decline from 27.5% in 1999 to 26% in 2001 vs. goal of 29.5%.				
	Key Goal III:	Promote self-sufficiency and asset development of families.				
	Performance Target:	5 percentage point increase in share of PHAs with high scoring self-sufficiency program on SEMAP.				
	Actual Performance:	No data yet.				
		Footnote: Performance targets should reference the performance baseline and years, e.g. achieve a 5% increase over base of *X* in 2000.				
3	*Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?*	Yes	Cost growth per household served has been in line with or below inflation in rents in most recent years, although growth in 2001 will probably be higher due to program changes that allow rental of more expensive apartments.		20%	0.2
4	*Does the performance of this program compare favorably to other programs with similar purpose and goals?*	Yes	GAO and other studies find vouchers more cost-effective than other HUD rental subsidy programs by traditional measures. New research comparing to public housing shows voucher holders often benefit from moves to better locations.	Vouchers are better targeted to families with lowest incomes than are other HUD subsidy programs, including project-based Section 8 and HOME block grant. Also more likely to reach disabled.	20%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	*Do independent and quality evaluations of this program indicate that the program is effective and achieving results?*	Yes	There have been favorable independent reviews on the cost-effectiveness of the program. Less information regarding self-sufficiency and other long-term outcome goals.	MTO preliminary findings and evidence from Minnesota study indicate: MTO treatment group families moved to economically and racially mixed communities. Freedom from fear enabled families to start making progress. Significant health improvements occurred. The children of treatment group families have improved reading and math Scores. There are substantial declines in violent juvenile crime. Dependence on welfare has declined. Statistically meaningful changes occurred sooner than expected in the lives of children and adults.	20%	0.2
Total Section Score					**100%**	**67%**

PART Performance Measurements

Program: Indian Community Development Block Grant Program
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing/Office of Native American Programs
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	88%	90%	27%	

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: The primary objective of the Indian Community Development Block Grant (ICDBG) Program is the development of viable Indian and Alaska native communities, including decent housing, a suitable living environment and economic opportunities principally for persons of low and moderate incomes. As part of the 2004 ICDBG Notice of Funding Availability (NOFA) process, grantees will begin to specifically define how they plan to make their community more viable through outcome measures.

Evidence: In comparison to the regular CDBG program, the ICDBG program has a more clear purpose and mission. First, grantees must establish a geographic target area within the jurisdiction (or the entire area if the population of members is under 10,000), which reinforces the primary purpose of the program to improve areas or communities. Second, eligible activities include improving housing, community facilities and economic development focus on improvement of an area and largely avoid funding projects that assist individuals or families. Lastly, ONAP is able to further define the program through the grant selection criteria, which focus on capacity, need/extent of the problem, soundess of approach, leveraging and comprehensiveness/coordination. The Housing and Community Development Act of 1974, as amended, and the ICDBG regulation at 24 CFR 1003.2 outline the purpose of the program.

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight20%

Explanation: The ICDBG Program addresses the needs of low and moderate income persons by providing a suitable living environment, decent housing and economic opportunities. The ICDBG Program provides funding through a competitive process which awards points for the low-mod income benefit; job creation; and need of the applicant to address existing problems. Census 2000 revealed that Native American and Alaska Native communities are one of the largest growing populations in our country. Such rapid growth is putting extreme stress on existing water and sewer systems in these communities.

Evidence: According to recent Census figures, unemployment on Indian reservations is over twice the national average at 13.6% (national average is 5.8%). The median income of households is the second lowest in the country ($32,116). The poverty rate for Native Americans is 26 percent, which is more than twice the average for all Americans. According to the Census, 14.7 percent of homes are overcrowded compared to 5.7 percent of homes of the general U.S. population and 11.7% of residents lack complete plumbing compared to 1.2% of the general U.S. population. Some evidence suggests that Census data may even understate the overcrowding and other problems.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: NO Question Weight20%

Explanation: Duplication exists with other Federal and local programs that address various aspects of community and economic development.

Evidence: The Indian Housing Block Grant (IHBG) Program and other programs administered by the BIA, IHS, USDA, EDA and CDFI fund various aspects of community and economic development in Indian locations. Tribes are not eligible for most State and some Federal programs (e.g., HOME, McKinney Act, and Youthbuild) which provide similar types of assistance. While tribal governments do fund similar projects, most tribal governments lack adequate revenues and resources.

PART Performance Measurements

Program: Indian Community Development Block Grant Program
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1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight20%

Explanation: A competitive process gives HUD the ability to target resources to areas of greatest need (see 1.5) and to determine where capacity exists to ensure success. Single purpose grants provide funds for projects consisting of an activity or set of activities designed to meet a specific community development need.

Evidence: Funds are provided through a formula to the Office of Native American Programs (ONAP) field offices, which award funds through a competitive process. The NOFA establishes funding criteria including sections on the proposed plan, tribal capacity, need, leveraging, and results. Eligibility criteria are clearly outlined in the regulations and performance reports addressing the progress made in completing activities are submitted annually.

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight20%

Explanation: The program is targeted by a formula allocation to ONAP field offices, then by a competitive process to grantees. Program data from funded applications sugggest the program targets the most distressed areas.

Evidence: Funds are targeted by formula to each ONAP area and then by funding projects. The formula weights according are as follows: share of eligible Indian population (40%); the extent of poverty (40%); and extent of overcrowded housing (20%). ONAP offices then awards funds based on criteria, including need and extent of the problem. Approximately 75% of all grantees awarded funds in FY03 had percentages of low-or mod-income persons that were above the national average (57%) in Indian country.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight13%

Explanation: The ICDBG long-term goals proposed relate to HUD's Strategic Plan (SP). ONAP is in its 2nd year of developing and implementing a performance measurement system that will begin to track the programs output and outcome accomplishments. ICDBG will require tribes to track several new outcome measures beginning in 2004, some of which will be aggregated for the program.

Evidence: New outcome measures to be reported by 2004 grantees include, where applicable: a) reduction in the number of families living in substandard housing; b) increased standard of living resulting from employment generated by project;c) percent of residents with access to public service quality of life due to services provided by the public facility; d) increased economic self-sufficiency of recipients of program beneficiaries;e) increased homeownership rates; and f) reduction of drug-related crime or health related hazards.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: NO Question Weight13%

Explanation: While ICDBG has long term targets and baselines for several performance mreasures, the baselines and targets for the new outcome measures have not yet been established.

Evidence: See measures tab.

PART Performance Measurements

Program: Indian Community Development Block Grant Program
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Type(s): Competitive Grant

Section Scores				Rating
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80%	88%	90%	27%	

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight:13%

Explanation: The ICDBG annual measures relate to HUD's Strategic Plan (SP) and address ICDBG in the following areas: Strengthening Communities, Embracing High Standards of Ethics, Management and Accountability; ICDBG will track several new annual measures the FY04 ICDBG NOFA, in addition to the existing measures. New measures and some of the existing measures such as number of jobs created and number of public facilities built have a direct link to the program's purpose.

Evidence: FY 2004 Performance Goals for ICDBG include: reduce ICDBG grant balances for 1997-2001 grants; track ICDBG reporting on annual performance to achieve 90% reporting rate; create jobs through economic development/micro enterprise grants; and provide training to grantees to improve program performance. Other measures currently tracked include number of housing rehab and public facility units completed. New output measures to be reported for the 2004 grant awards include: a) square feet for any public facility; b) number of education or job training opportunities provided; c) number of homeownership units constructed or financed; d) number of families proposed to be assisted with a drug-elimination program, or with a program to reduce or eliminate health related hazards; e) several efficiency/cost per unit measures.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight:13%

Explanation: Baselines and targets have been established for most measures.

Evidence: Specific quantifiable goals have been established for each performance measure and reporting requirements have been established for the Field Offices. See measures tab.

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight:13%

Explanation: The ICDBG NOFA requires the identification of measures and the applicant to evaluate the specific benchmarks, outcomes and/or goals of the project and to report annually. ONAP will beging consulting with tribes in September 2004 on a number of regulatory changes, including the addition of more detailed performance measures and reporting in order to clearly document grantees progress. The goal is to have regulatory changes published by the end of FY 2005.

Evidence: The NOFA requires the identification of measures and benchmarks, outcomes and goals of each project and the ICDBG regulations require annual reporting on these goals.

PART Performance Measurements

Program: Indian Community Development Block Grant Program
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing/Office of Native American Programs
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	88%	90%	27%	

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight:13%

Explanation: ONAP has requested that the Office of Policy, Development and Research add the ICDBG program to its research agenda for Fiscal Year 2005 in order to provide an independent evaluation. We expect this study to take approximately 12-18 months. The evaluation method will provie the most rigorous evidecne of the program's effectiveness that is appropriate and available. It will also examine the underlying cause and effect relationship between the program and achievement of performance targets. Finally, the evaluation will include recommendations on how to improve the program's performance.

Evidence: HUD's Program Evaluation Division in the Office of Policy, Development and Research has stated that, "PD&R will include an evaluation of ICDBG as one of the studies to be considered for FY 2005 funding. Whether this evaluation is begun and its exact scope are subject to available funding and other demands on the Research and Technology budget. ONAP and PD&R would design this evaluation to develop reliable information on the effects of ICDBG spending."

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight:13%

Explanation: ONAP has included new measures into the 2006 Budget documents as well as Annual Performance Plans.

Evidence: ONAP has four performance measures in place that measure the current goal on job creation under economic development, program expenditures, program reporting and training. Performance measures will be incorporated in to the FY06 budget for Community Planning and Development.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:13%

Explanation: ONAP has worked for the last two years in developing meaningful goals and objectives. This Office continues to work on developing a database which will provide more detail on accomplishments of our grantees so that we can expand on performance measures and ensure program effectiveness. After consultation with the tribes, revised regulations will be published and it is planned to develop additional performance measures related to the Department's Strategic Plan in FY 2005 and 2006.

Evidence: ONAP has worked over the past two years to develop an Access Database to assist the Office when reporting on ICDBG performance measures. In addition, the ICDBG NOFA for FY04 will make several changes to address project viability and project outcomes. Rating Factors will require applicants to demonstrate quantitatively that the proposed project produces outputs and outcomes that are critical to the viability of the community.

PART Performance Measurements

Program: Indian Community Development Block Grant Program
Agency: Department of Housing and Urban Development
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3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight:10%

Explanation: ICDBG regularly uses data submitted by grantees to improve performance and increase accountability.

Evidence: Staff review a variety of information submitted by program partners including real-time disbursement data; implementation schedule, expenditure of funds, and grantee assessments; performance information; remote and on-site monitoring reviews. Drawdowns can be suspended when performance information indicates deficiencies. In FY04, funds were suspended for 63 grantees due to reporting failures, program deficiencies and environmental concerns. Of the 403 active grants, 63 (16 percent) had funds suspended.

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight:10%

Explanation: HUD managers are rated for performance based upon the Performance Accountability and Communication System (PACS) and the Leadership Development and Recognition System (LDRS). Under this system, the elements used to rate a manager's performance are linked to the Department's GPRA goals.

Evidence: Program managers are evaluated based on the quality of oversight and performance. Under this system, the elements used to rate a manager's performance are linked to the Department's GPRA goals. Ratings, promotions and monetary awards are appropriate to the manager's accomplishments, or lack thereof.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight:10%

Explanation: Unobligated balances or carry-over in 2003 was $80 million. Intended use of funds is verified by staff review of ASER and monitoring efforts. Funds are recaptured if funds are not obligated timely and spent appropriately. Grantees have lost partial or full funding for not complying with requirements of grant agreements and regulations. Cost, implementation and performance results also affect evaluation for future grants in the competitive process. HUD requires grantees submit, and staff review, regular financial and implementation reports on their progress towards achieving the performance outcomes and implementing corrective action. HUD has procedures for risk assessments and on-site and remote monitoring.

Evidence: A review of ICDBG monitoring for FY02 and FY03 showed that 28 grantees were monitored in FY02 and 15 findings related to ICDBG resulted from the monitoring. In FY03, 30 grantees were monitored and 60 findings resulted from the monitoring visits related to ICDBG. The FY 2003 Budget was signed February 20, 2003. HUD received its allotment for ICDBG March 31, 2003. The FY 2003 NOFA for ICDBG was not published July 16, 2003 and awards were made in January/February 2004, which explains the carryover balances. Grantees subject to A-87 Cost Principles and A-133 Audit Requirements. Beginning in 2005, the ICDBG NOFA will be published with the HUD SuperNOFA.

PART Performance Measurements

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3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight:10%

Explanation: Competitive sourcing and cost comparisons are required in competitive process. As part of monitoring efforts, HUD reviews procurement practices. After tribal consultation and regulatory changes are completed, HUD will implement IT improvements and provide technical assistance, support, and training to improve project management and accountability. HUD has identified changes that will improve data quality and make use of cost per unit data that will be part of the consultation process. HUD has incorporated incentives for performance, cost efficiencies and the use of innovative technologies into the competitive process.

Evidence: The rate of use of funding can serve as a proxy for an efficient and productive program and signal problems. HUD APP measure 4.2.2 tracks the disbursement of ICDBG for 1997 through 2001 with a goal of reducing the undisbursed balances by 40% from 9-30-03 (75,624,674). Disbursement decrease as of 5-4-04 was 36% ($47,884,234). The FY 2003 NOFA includes a section on incentives to incorporate performance measures (Rating Factor 1 and 5(b)), cost efficiencies and innovative technologies (Rating Factor 3(1)and (2)). In 2001, the cost per public facility building was $621,125; the cost per housing unit rehabilitated was $29,107; and the cost per job created was $1,166.

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight:10%

Explanation: Tribes often use ICDBG to fill programmatic gaps not covered by other Federal, State, or local programs. For example, tribes may receive funding for operating a variety of social programs but ICDBG can provide funds for the facility. BIA HIP funds, IHBG and ICDBG are combined to fund housing rehabilitation programs. ICDBG funds may build tertiary roads servicing housing or service developments and are combined with BIA/DOT Road Program funds that fund more major road development. Economic development projects funded by ICDBG often receive tribal funds to developed community facilities and economic development projects. HUD also participates in joint training with other funding entities to address grantee needs.

Evidence: The ICDBG NOFA awards 13% of the competitive points based on leveraging, comprehensiveness and coordination with other programs. A concrete example of this funding is the Winnebago Tribe, which was funded for economic development under ICDBG. Additional funding for the development of the commercial portion of a mixed use subdivision was funded with a RHED grant ($400,000), construction loan of approximately $1.5 million, an Administration for Native Americans grant of $70,000 and an SBA contract of $250,000.

PART Performance Measurements

Program: Indian Community Development Block Grant Program
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Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	88%	90%	27%	

3.6 Does the program use strong financial management practices? Answer: YES Question Weight:10%

Explanation: All participating tribes are required to have adequate financial accounting systems and HUD staff review financial reports and LOCCS reports for monthly and annual expenditure of funds. HUD OIG staff audits selected grantees and HUD Area ONAP staff monitor grantees annually in accordance with risk assessment model. HUD has incorporated incentives for strong financial management practices into the competitive NOFA process. The risk assessment analysis is conducted annually and considers: size of the grant and amount disbursed; most recent monitoring visit; delinquent audit reports; open unresolved monitoring or audit findings; and most recent audit report. Recipients are monitored at least once every five years (higher risk grantees more often).

Evidence: Drawdowns can be frozen when performance information indicate deficiencies. For example, the FY02 Standing Rock Tribe's grant was frozen for failure to submit ASER. For the last four fiscal years, $8,478,877 has been recaptured from 43 grants. Since 9-30-03, grantees have decreased their account balances by 36 percent. In FY03, 28 of 280 appliants (10%) were not awarded ICDBG projects because they could not demonstrate substantial capacity including adequate financial systems. In FY02 and FY03, 58 grantees were monitored, which resulted in 75 findings related to ICDBG (approximately 18% of grantees were monitored). A review of audits required under the Single Audit Act revealed 205 audits of ICDBG in FY01-02 with 94 ICDBG related findings (approximately 19% of grantees had at least one audit finding).

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight:10%

Explanation: HUD has identified deficiencies in program management and performance and taken several steps to improve the grant award and implementation processes. Deficiencies included the fact that Grants Management and Evaluation functions were not separated. Technical assistance was in conflict with the HUD Reform Act. Training was not equally provided and processing not clearly defined across regions and within regions. Reviewer documentation on applications was not trackable by uninformed reader. NOFA did not evaluate applicant capacity and performance.

Evidence: The NOFA has been restructured to emphasize program performance and accountability. NOFAs prior to FY01 did not consider the capacity of the applicant and the extent of comprehensiveness or coordination with other programs in evaluating application. Since FY01, between 30 and 35 of the 100 points have been dedicated to the applicants capacity and performance. Applicants must now show sufficient level of capacity including managerial, technical and administrative capability and past performance to be funded. Also, risk assessment system has been implemented that supports grantee reviews, risk analysis and monitoring visits (see GE BP Guidelines). An IT system has been developed that tracks findings, corrective actions, sanctions, and dollars recovered (Access database).

PART Performance Measurements

Program: Indian Community Development Block Grant Program
Agency: Department of Housing and Urban Development
Bureau: Public and Indian Housing/Office of Native American Programs
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	88%	90%	27%	

3.CO1 **Are grants awarded based on a clear competitive process that includes a qualified assessment of merit?** Answer: YES Question Weight:10%

Explanation: HUD publishes its NOFA for public response with a consistent application review process and clear criteria for over 98% of ICDBG funds (this will become 100 percent in 2004). The remaining $1.3 million was awarded by the Secretary according to HUD regulations for Imminent Threat Grants. Awards published in Federal Register and rating comments available to the public. Changes have been made to give higher consideration to first-time grantees.

Evidence: The ICDBG NOFA has a nationally consistent application review procedures and criteria. HUD also developed a nationally standardized training for reviewers and applicants on the application and implementation process. All potential applicants have been notified regardless of prior participation. Ninety-seven percent of funds are awarded competitively. Selections are announced annually in Federal Register and rating and ranking comments and scores available to public. The NOFA encourages new grantees to apply, but due to the limited number of eligible applicants grantees are often funded periodically.

3.CO2 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight:10%

Explanation: The ICDBG Program has several levels of oversight that provide information about grantee activities. HUD reviews data on funds received and disbursed quarterly and LOCCS reports are reviewed monthly to monitor drawdown and disbursement activity and provide technical assistance to grantees. Access data system tracks audits, Release of Funds, amendments, pre-award conditions and close-out activity. Grantees subject to A-133 audit requirements review, track and assist in resolving audit findings. HUD reviews Annual Status and Evaluation Reports (ASER) to determine if goals established in the implementation schedule are being achieved.

Evidence: Performance Measure 4.3.9 tracks the ASER submission rate with a goal of 90% reporting. Currently, the ASER reporting rate is 85% overall with three Area ONAPs having a reporting rate of 90% or higher. Performance Measure 4.2.2. tracks ICDBG expenditures of funds in order to reduce grant balances and ensure funds are distributed and expended in a timely manner. Based on a risk assessment process, 28 of 116 ICDBG grantees were monitored in FY02 and in FY03, 30 of 165 grantees were monitored.' 34 grantees are scheduled for monitoring in FY04.

3.CO3 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: NO Question Weight:10%

Explanation: HUD collects data from ICDBG communities and publishes this data on the World Wide Web and in reports.

Evidence: HUD collects information on performance measures including disbursements, ASER reporting, grantee implementation training and job creation. This information, in aggregate form, will be posted in a transparent form on an easy access World Wide Web site for FY04. Project descriptions by tribes and photos (as available) will also be posted on the web in FY04. Once consultation occurs and ASERs are restructured, ASERs by tribes will be posted on the Web. HUD also published Best Practices in 2001 and an Annual report in 2001 addressing ICDBG grantee activity. HUD is working on a new report scheduled for release in the 1st quarter of 2005.

PART Performance Measurements

Program: Indian Community Development Block Grant Program
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Section Scores				Rating
1	2	3	4	Adequate
80%	88%	90%	27%	

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight20%

Explanation: New outcome measures have been proposed and baselines are under development. However, no long-term outcome measures are currently in place.

Evidence: ONAP is working to develop baselines for its proposed outcome measures. It's current long-term measures are more focused on outputs.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: LARGE EXTENT Question Weight20%

Explanation: ONAP has established targets through applications of several performance measures that demonstrate progress toward the program's purpose. For example, the number of jobs created, housing units rehabilitated, or public facilities completed has is directly related to a community's viability. Annual performance targets have largely been met.

Evidence: ONAP has achieved several goals and is on track to meet others, based on data from May 2004. ONAP set a target to create 198 jobs based on approved economic development applications in FY01. Funding from the FY01 grant year created 300 jobs, exceeding the target of 198. Three ICDBG measures focus on HUD's Strategic Goal of Embracing High Standards of Ethics: reduce outstanding balances by 40% (currently at 36% reduction; decrease of $28 million); grantees reporting rate is 90% by 9-30-04 (currently at 85%), and 8 trainings have been conducted to improve program performance (versus six scheduled). ICDBG has also largely met short-term output targets for FY00 and 01 grantees regarding public facility buildings and housing units rehabbed. See measures tab.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: SMALL EXTENT Question Weight20%

Explanation: Data on increasing or level outputs relative to the flat funding is needed to demonstrate improved efficiencies. The program has not regularly set targets for performance. Evaluations or studies are not availabe on the long-term effectiveness or efficiency of this program. ONAP has taken Program management processes and procedures were standardized to ensure consistent national application review and grant implementation.

Evidence: Reorganization in Program management clearly outlined responsibilities for program management and monitoring, created consistent national business procedures (see GE and GM Business Process Guidebooks) and introduced performance and capacity factors into the competitive process (see FY 2003 NOFA Rating Factor 1 and 5) and tracking program performance. Training has been conducted for both staff and grantees on the new business process. Increased used of program funds shows that some program efficiencies may have been achieved (see 4.2), but need to data that shows grantees are more efficiently or effectively producing outputs or outcomes over time.

PART Performance Measurements

Program: Indian Community Development Block Grant Program
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Type(s): Competitive Grant

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80%	88%	90%	27%	

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: SMALL EXTENT Question Weight20%

Explanation: The ICDBG Program offers a wide range of eligible activities targeted for Native American communities. A study that examines the extent to which ICDBG funds have made a community more viable or livable has not yet been attempted. ICDBG identifies the most needed projects which were not funded from another source or where funding is not available from some other source; however, the program has been unable to demonstrate the effect funds have had on people's lives or improved the surrounding community through performance measures or an evaluation.

Evidence: ICDBG has not yet been able to quantify its ability to impact the outcomes of Native American families or communities. Other programs, such as the HHS Indian Health Service program, are able to quantify how their program has changed individuals lives with the following measures: 1) reduced years of productive life lost; 2) control blood sugar levels in diabetics; and 3) decrease in unintentional injury mortality rates. In many ways it is more difficult to quantify the effects of common ICDBG projects such as public facilities (66 of 129 projects funded in FY03) and infrastructure projects (34 of 129 projects funded in FY03). Private financing of public facilities and infrastructure projects in Indian country is almost nonexistent and ICDBG funds are some of the few available to accomplish larger scale construction of facilities or rehabilitation.

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: NO Question Weight20%

Explanation: Currently, no comprehensive evaluation on the program exists. However, ONAP is working with the Office of Policy, Development and Research to provide another independent evaluation to determine program effectiveness.

Evidence: Individual audits are available for ICDBG grantees.

PART Performance Measurements

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Measure: Jobs Created or Retained

Additional Information: Based on the economic development applications approved in FY 2001, increase the number of jobs planned by 10%.

Year	Target	Actual	Measure Term: Annual
2004	198	300	
2005	340		

Measure: ICDBG grant balances

Additional Information: Reduce the ICDBG grant balances by 40% from FY 2003 to FY 2004 for grants awarded in 1997 through FY 2001

Year	Target	Actual	Measure Term: Annual
2004	40%	36-May	
2005			

Measure: Training for Grantees

Additional Information: Each Field Office to conduct training for new grantees on ICDBG program including reporting requirements

Year	Target	Actual	Measure Term: Annual
2004	6	8	
2005	6		

Measure: Reporting by Grantees

Additional Information: Achieve a 90% reporting rate for ICDBG grantees

Year	Target	Actual	Measure Term: Annual
2004	90%	85%-May	

PART Performance Measurements

Program: Indian Community Development Block Grant Program
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Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	88%	90%	27%	

2005	90%

Measure: Number of Public Facilities Constructed

Additional Information: Construct public facilities in Indian areas to develop viable communities based on funded applications in 2002 and 2001 and track costs

Year	Target	Actual	**Measure Term:** Annual
2004	103	91	
2005			

Measure: Housing Units Rehabilitated

Additional Information: Complete rehab of units as outlined in applications and track cost

Year	Target	Actual	**Measure Term:** Annual
2004	289	268	
2005			

PART Performance Measurements

Program: Lead Hazard Grants
Agency: Department of Housing and Urban Development
Bureau: Lead Hazard Control
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
90%	88%	90%	63%	Effective

1.1 Is the program purpose clear? Answer: YES Question Weight22%

Explanation: The purpose of the program is to eliminate childhood lead poisoning, which is life-threatening and detrimental to physical and mental development. Its focus is on eliminating lead hazards in low-income housing.

Evidence: This goal, slated to be achieved by 2010, is articulated in HUD's Strategic Plans and in a report by the interagency task force on children's health and safety.

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight22%

Explanation: The CDC documents that 434,000 children (as of 1999-2000) have elevated blood lead levels. A leading cause of elevated blood lead levels is residential exposure. Low-income children have higher than average prevalence of elevated blood lead levels. In 2000, HUD documented that 1.2 million housing units had lead hazards and housed low-income families with children under age 6.

Evidence: The National Health and Nutrition Examination Survey is one documentation of childhood lead poisoning.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: YES Question Weight22%

Explanation: There is no other federal program that focuses on eliminating residential lead hazards. (Assisted housing programs that are otherwise required to eliminate lead hazards are ineligible for this program). State and local programs exist but are not of sufficient scale to make significant contributions to solving the problem; they can however complement the federal effort. Grantees are required to put up matching funds. Although private investment does reduce lead hazards through renovation or demolition, the pace of these activities in low-income housing is slow.

Evidence: A report by the interagency task force on children's health and safety describes the various roles played by federal agencies.

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: YES Question Weight22%

Explanation: This program supports elimination of lead hazards in low-income housing that otherwise are not likely to be addressed through normal rehabilitation and demolition activities. Low-income housing tends to be older and unrenovated and consequently contains a high incidence of lead hazards. A regulatory approach that mandated elimination of lead hazards would result in increased housing costs, reducing the supply of affordable housing.

Evidence:

PART Performance Measurements

Program: Lead Hazard Grants
Agency: Department of Housing and Urban Development
Bureau: Lead Hazard Control
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
90%	88%	90%	63%	Effective

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: NO Question Weight10%

Explanation: There are mixed results for this program; hence the weight of this question is reduced. In some ways, it is well targeted. The program is required to serve housing affordable for low-income households. The grant application process favors those that show the most need and maximize the impact of funds. The program's effectiveness in targeting resources toward the higest level of beneficiaries should be enhanced by developing more aggressive targets for production. Its effectiveness at targeting resources toward the highest need is also threatened by funding set-asides that distribute grant funds using direct and indirect measures of need. The existing program's method for allocating funds is more effective at allocating resources because it relies solely on direct measures of need. Set-asides also complicate administration of the program.

Evidence: Requirements included in the Notice of Funding Availability.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight12%

Explanation: The program has an outcome goal of eliminating childhood lead poisoning. This is the primary benefit of reducing residential lead hazards.

Evidence: This goal is articulated in HUD's Strategic and Performance Plans.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight12%

Explanation: The program has set a goal of eradicating childhood lead poisoning by 2010.

Evidence: Performance Reports and Plans

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight12%

Explanation: Performance measures track the contribution of this program to making housing units lead-safe.

Evidence: Performance Reports and Plans

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: NO Question Weight12%

Explanation: While the program has good baselines, there is a wide gap between the targets set for the program and the targets that would be necessary to achieve the ambitious goal of eradicating childhood lead poisoning by 2010. The inter-agency strategy envisions that, on a per dollar basis, many more housing units will be made lead-safe than are reflected in this program's targets. For this program to make an aggressive contribution to this goal, higher targets are necessary and these and other resources must be used more efficiently.

Evidence: Performance Reports and Plans, inter-agency strategy.

PART Performance Measurements

Program: Lead Hazard Grants
Agency: Department of Housing and Urban Development
Bureau: Lead Hazard Control
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
90%	88%	90%	63%	Effective

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight12%

Explanation: Grantees have to meet minimum standards to conitnue receiving funds under the program. Grantees are now requireed to develop a statewide or jurisdiction-wide strategic plan to eliminate childhood lead poisoning.

Evidence: Grantee agreements, Notices of Funding Availability

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight12%

Explanation: Detailed, peer-reviewed studies are conducted that document reductions in lead hazards and children's blood levels as a result of rehabilitation funded by the program. Research has also been effective at identifying cost-effective ways of reducing lead hazards.

Evidence: The Lead Hazard Reduction Evaluation Report

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight12%

Explanation: The budget request for this program makes clear the amounts necessary for technical assistance as well that available for grants. Full cost data are also provided.

Evidence: HUD Budget Submission

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight12%

Explanation: The program has developed good performance measures and taken steps to streamline administration of the program and identify sound technologies for reducing lead hazards.

Evidence: Performance Reports and Plans, inter-agency strategy. Technical research studies.

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight10%

Explanation: The program uses detailed progress reports to track the completion of work by grantees.

Evidence: Program Progress Reports.

PART Performance Measurements

Program: Lead Hazard Grants
Agency: Department of Housing and Urban Development
Bureau: Lead Hazard Control
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
90%	88%	90%	63%	Effective

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight10%

Explanation: Grantees must meet minimum performance requirements to continue receipt of funding under the program. They are also eligible for competitive performance renewals if they exceed performance incentives. Program managers are appraised as to the quality of oversight and delivering performance.

Evidence: Grantee agreements, Notices of Funding Availability

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight10%

Explanation: The program does not have an excessive amount of carryover funds. Grantees that are slow to use funds are monitored by the program office and funds are recaptured if not used in a timely fashion.

Evidence: Grantee progress reports.

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: NO Question Weight10%

Explanation: The program does not use efficiency measures.

Evidence:

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight10%

Explanation: The program worked with other federal agencies to create a strategy for eliminating childhood lead poisoning by 2010. It has also worked with state and local governments to study the effectiveness of lead intervention strategies.

Evidence: A report by the interagency task force on children's health and safety describes the various roles played by federal agencies. Research studies on lead intervention strategies.

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight10%

Explanation: No control issues have been identified in audited financial statements. Grantees submit detailed information on spending.

Evidence: Audited Financial Statements, Grantee progress reports.

PART Performance Measurements

Program: Lead Hazard Grants
Agency: Department of Housing and Urban Development
Bureau: Lead Hazard Control
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
90%	88%	90%	63%	

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight 10%

Explanation: The program has taken steps to streamline the grant application and award process and to highlight cost-effective technologies for reducing lead hazards.

Evidence: Notice of Funding Availability and research studies.

3.CO1 **Are grants awarded based on a clear competitive process that includes a qualified assessment of merit?** Answer: YES Question Weight 10%

Explanation: The program distributes funds through a Notice of Funding Availability competitive process that clearly identifies rating factors for assessing applications.

Evidence: Notice of Funding Availability.

3.CO2 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight 10%

Explanation: Grantees must report on their progress and are subject to escalating levels of review should they be at risk of failure to perform.

Evidence: Grantee progress reports.

3.CO3 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: YES Question Weight 10%

Explanation: Grantee progress reports are made available on the World Wide Web.

Evidence: Grantee progress reports.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: LARGE EXTENT Question Weight 22%

Explanation: The prevalence of elevated lead blood levels has declined dramatically among children, from 890,000 in 1991-94 to 434,000 in 1999-2000. This program has made a notable contribution by making over 44,000 units lead-safe, helping to establish an infrastructure of worker skills and training, funding research on the effectiveness of technology, and fostering broader awareness of the issue. While it has been successful, it is necessary for it to achieve a broader reach and be more cost-effective (while employing sound technologies) to make more of an impact on the long-term goal of eliminating childhood lead poisoning.

Evidence: The National Health and Nutrition Examination Survey. Program Progress Reports.

PART Performance Measurements

Program: Lead Hazard Grants
Agency: Department of Housing and Urban Development
Bureau: Lead Hazard Control
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
90%	88%	90%	63%	

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight22%

Explanation: As noted above, the program has met its annual targets but these need to be more aggressive and funds must be used more efficiently to warrant higher ratings.

Evidence: Performance Reports

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: SMALL EXTENT Question Weight22%

Explanation: The program has exhibited some decrease in gross costs per unit treated, declining from $16,000 per unit to just under $10.000 per unit. It is difficult, however, to make a definitive conclusion on efficiency trends given that support costs have varied over the life of the program and cannot be separated from direct costs easily.

Evidence: Program cost data.

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: YES Question Weight11%

Explanation: Although there are no equivalent programs, HUD has supported a study comparing the effectiveness of lead hazard control treatments mandated by a Massachusetts law with treatments conducted by HUD-funded programs within that state. The findings indicated that the average blood-lead levels of children were significantly lower in the homes treated through the HUD-funded programs vs. those treated in compliance with state law. Due to the lack of closely comparable programs, however, the weighting for this question is reduced.

Evidence: Massachusetts study.

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: YES Question Weight22%

Explanation: Detailed, peer-reviewed studies have documented that significant reductions in lead hazards have resulted from work funded by the program.

Evidence: The Lead Hazard Reduction Evaluation Report

PART Performance Measurements

Program: Lead Hazard Grants
Agency: Department of Housing and Urban Development
Bureau: Lead Hazard Control
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
90%	88%	90%	63%	

Measure: Number of children under age 6 with elevated blood lead levels.

Additional Information:

Year	Target	Actual
1994		890,000
2000		434,000
2004	260,000	

Measure Term: Long-term

Measure: Number of housing units made lead-safe with program grant funds.

Additional Information:

Year	Target	Actual
2001	7,000	8,212
2002	7,200	8,040
2003	7,600	9,098
2004	8,390	
2005	9,500	

Measure Term: Annual

PART Performance Measurements

Program: National Community Development Initiative
Agency: Department of Housing and Urban Development
Bureau: Community Planning and Development
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	89%	75%	Effective

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: The purpose of the program is to strengthen the capacity of community-based organizations engaged in community development activities with operating support, training, technical assistance and project financing provided through experienced national intermediary organizations that must match every federal dollar they receive with at least three dollars of private funding.

Evidence: NCDI was formed in 1991 by eight private foundations and financial institutions. The initiative, currently in its second decade, was established with the stated goals of 1) assisting in the development and maturation of local systems that support community development; and 2) increasing the availability of usable long term financing for community development corporation (CDC) developed projects. Congress directed HUD to join the initiative in 1994 for Round 2. The program was enacted as Section 4 of the 'HUD Demonstration Act of 1993' (P.L. 103-120) and amended in the fiscal year 1997 'Emergency Supplemental Appropriations Act' (P.L. 105-18.).

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight20%

Explanation: There is a clear and present need to have effective organizations that foster sustainable community development in low-income neighborhoods. Many urban and rural communities are distressed and in need of revitalization. The federal government has long recognized the vital role that community based organizations, including faith-based groups play in strengthening low-income families and communities. The Section 4 program addresses this specific need, by strengthening locally accountable community development corporations (CDCs) to address immediate and ongoing neighborhood revitalization goals in low-income communities. In addition, the Section 4 program effectively mobilizes private sector involvement, leveraging private resources at a ratio of at least three to one, and by ensuring that CDCs effectively utilize other federal production programs, such as HOME, CDBG, Low Income Housing Tax Credits, etc.

Evidence: Researchers have noted challenges in urban centers and rural areas including market disinvestment, lack of housing and housing affordability, concentrations of poverty in many neighborhoods, etc. In 2000, 7.9 million persons lived in high poverty-areas (census tracts with poverty rates above 40 percent), of which 3.5 million were poor. Persons living within poverty areas, compared to persons outside, are more than twice as likely to be unemployed, nearly twice as likely to have female householder, three times as likely to have a household with seven or more members, less than half as likely to have a bachelors's degree, twice as likely to be suffering from health condition for 6 months, and earn 2/3 as much income. Thus, neighborhood quality plays an important role in positive outcomes of families. Replacing or upgrading distressed properties is a precondition for neighborhood revitalization and public investment in housing often triggers private investment that ultimately improves quality of life and increases economic opportunity.

PART Performance Measurements

Program: National Community Development Initiative
Agency: Department of Housing and Urban Development
Bureau: Community Planning and Development
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	89%	75%	Effective

1.3 **Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: NO Question Weight20%

Explanation: While possessing some unique qualities such as a steady funding stream, HUD's contribution to the initiative duplicates private contributions. Several other HUD programs and funders provide resources for capacity building through NCDI and otherwise. The Urban and Rural Community Economic Development program also provides competitive grants to CDCs, for projects that create employment, training and business opportunities for low-income residents. Private organizations also provide funding for these activities.

Evidence: The Section 4 program emerged from a partnership ' the National Community Development Initiative (NCDI) ' that is a consortium of national foundations, corporations and financial institutions and HUD (now known as Living Cities/NCDI). Other HUD programs that provide capacity building funds include: Housing Assistance Council, Rural Housing Capacity Building, HOPWA, Resident Opportunity and Self Sufficiency, Fair Housing Assistance/Initiative Program, Mark to Market, and Lead-Based Paint Initiative. CDBG and HOME funds can also be used for this purpose. However, the Section 4 program is unique in its sole focus on strengthening community capacity to undertake specific activities such as economic development, job generation, and affordable housing within a broader and long-term community strategy, while requiring substantial private matching funds.

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight20%

Explanation: The program design is free of major flaws. Several independent evaluations have indicated that this program is effective in strengthening the capacity of community-based organizations and achieving significant leverage of private resources -- both requirements of the program.

Evidence: Independent evaluations completed by The Urban Institute and Weinheimer & Associates have demonstrated the program's efficiency and effectiveness. The program has mobilized resources for formal operating support programs or funder collaboratives. Across the NCDI cities, the number of operating support programs grew from 8 to 21 from 1991-2001. The Urban Institute found that these operating support programs attracted new funders and instituted more rigorous planning protocols and performance measures in order for CDCs to obtain funding. On average NCDI funds, (inclusive of private and Section 4 funds) supplied only 37 percent of funds pooled in local operating support programs with nearly two-thirds leveraged from local funders. NCDI funds also filled gaps in the local production system. The number of CDCs able to produce 10 units or more annually and considered to have solid local reputations for effective management, governance and ties to the neighborhood as measured in NCDI cities increased from 4.5 to 8.3 per city from 1990 to 1998.

PART Performance Measurements

Program: National Community Development Initiative
Agency: Department of Housing and Urban Development
Bureau: Community Planning and Development
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	89%	75%	Effective

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight 20%

Explanation: The program design ensures efficient administration, significant private funding leverage and sustained community-based capacity in assisting hundreds of small organizations with disparate needs serving hundreds of communities facing widely varying conditions. Section 4 NCDI funds are targeted to a finite number of urban and rural communities where Local Initiatives Support Corporation (LISC) and Enterprise have local expertise and a sustained effort is possible.

Evidence: The Enterprise Foundation and LISC have been the primary national intermediaries working to building capacity in the nonprofit industry in urban communities since 1982, 12 years prior to the creation of the Section 4 program. The intermediaries that administer the program provide funds directly to community-based groups, primarily for organizational development support of various kinds. The remaining funds pay for the delivery of training and technical assistance to community development corporations by intermediary staff and outside service providers, another explicit statutory purpose of the program. The intermediaries provide most funding through local and regional offices around the country whose staff are in regular contact with the organizations, assuring strong program oversight and quality control ' ensuring that funds are most effectively used for their intended purposes.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight 12%

Explanation: The program's long term measures of performance focus on the program's purpose of increasing the capacity of CDCs. HUD will also work with the intermediaries to develop indicators that measure the change in the condition of neighborhoods in which the CDCs operate.

Evidence: Current long-term measures focus on the following priorities: (1) to improve the overall capacity of CDCs; (2) to improve CDCs' ability to produce tangible project results (e.g., units, square footage of nonresidential space); (3) to strengthen community development systems in local areas; and (4) to engage the private sector at the national and local levels to participate in community development. Main measure focuses on number of CDCs per city that are able to produce more than 10 houses. HUD should work with LISC and Enterprise develop quantitative measures of performance that demonstrate the program's impact on the community or lives of persons assisted by organizations. For example, a recent analysis showed that housing price trends increased in five urban neighborhood studied and that "policy interventions of the sort represented by CDCs' community developments can produce real results that are scientifically measurable."

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight 12%

Explanation: NCDI lacks targets for its long-term measures; however, LISC and the Enterprise Foundation have developed sustained three-to-four year strategies and work plans for each grantee that include performance indicators as well as baselines and annual targets to measure progress.

Evidence: HUD reviews and approves these work plans. Measures are designed with annual benchmarks that measure progress and serve as an evaluative tool for any mid-course correction. The intermediaries provide most funding through local and regional offices and have developed customized strategies and performance measures for each local field program that receives Section 4 funding.

PART Performance Measurements

Program: National Community Development Initiative
Agency: Department of Housing and Urban Development
Bureau: Community Planning and Development
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	89%	75%	Effective

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight 12%

Explanation: The intermediaries, LISC and Enterprise, ensure that sub-grantees' work plans establish specific objectives and outcomes and submit annual reports to the intermediaries on their usage of funds as well as a final report at the end of the grant term. HUD receives quarterly and annual updates that correspond to measures listed.

Evidence: Annual measures should focus on steps intermediaries and CDCs are taking to improve capacity of organizations. For example, dollars leveraged, total development costs, and other outputs are useful measures of progress toward improving the capacity of CDCs--the primary mission of Section 4.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight 12%

Explanation: Baselines and benchmarks have been produced by each field office of LISC and Enterprise receiving Section 4 funds under NCDI. HUD receives annual reports on progress toward these benchmarks.

Evidence: See response to 2.3.

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight 15%

Explanation: Enterprise and LISC work plans explicitly reflect discussions with and commitments by local private and public sector partners. The program allows intermediary recipients to establish goals for their specific uses of funds, within the parameters of the law, in accordance with local needs and conditions and subject to HUD review and approval. This flexibility is a key component of the program's success. Grantees, sub-grantees, contractors and other parties to the program grant agreements perform work in support of specified work plan objectives that have been approved by HUD pursuant to the program goals.

Evidence: One of the most innovative and effective partnerships the program has helped build are local 'operating support collaboratives.' These collaboratives, which exist in dozens of cities where the program is most widely utilized, pool public and private resources to support community-based groups. The collaboratives also provide a mechanism for assessing and enhancing community group capacity, developing appropriate goals and outcomes and building strong and enduring local support for grassroots groups and their community development activities.

Program: National Community Development Initiative
Agency: Department of Housing and Urban Development
Bureau: Community Planning and Development
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	89%	75%	Effective

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight:14%

Explanation: The program has been and continues to be the subject of extensive independent evaluations, all of which to date have shown a high degree of efficiency and effectiveness. A report to Congress in 1998 that found the program highly effective.

Evidence: Evaluations have been performed by the Urban Institute and Weinheimer & Associates. Metis Associates is conducting continuing evaluations of a major aspect of the program, using standardized tools that could prove applicable across the entire program and throughout the community development field. Previous assessments of the Section 4 and NCDI program completed by the Urban Institute and Weinheimer & Associates found that HUD Section 4 funds were invested well and wisely - particularly structured through this program that increases the scale of the projects to be undertaken, as well as accelerates the completion of projects.

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight:10%

Explanation: This program meets several of HUD's strategic goals: increase homeownership opportunities; promote decent, affordable housing; strengthen communities; and promote participation of faith-based and community organizations.

Evidence: As noted in 2.1, LISC and the Enterprise Foundation set appropriate program priorities which support several objectives in HUD's Annual Performance Plan for FY 2004 including (1) Objective FC.2: conduct outreach to inform potential partners of HUD opportunities; (2) Objective FC.3: expand technical assistance resources deployed to faith-based and community organizations; (3) encourage partnerships between faith-based and community organizations and HUD's traditional grantees; (4) Objective C.1: provide capital and resources to improve economic conditions in distressed communities; (5) Objective C.2: help organizations access the resources they need to make their communities more livable; (6) Objective C.4: mitigate housing conditions that threaten health.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:10%

Explanation: Weinheimer's report noted several shortcomings, which the intermediaries have taken steps to address: 1) Section 4 work plans were narrowly drafted and could not assess whether important gaps were addressed; 2) lacked assessment of local CDC capacities; 3) work plans did not facilitate peer learning and knowledge sharing; 4) intermediaries should concentrate Section 4 in fewer program areas, but in multiple CDCs within program areas; and 5) intermediaries should assure that it works with local partners who work with CDCs. The intermediaries have addressed these shortcomings as noted in Evidence/Data column.

Evidence: HUD and intermediaries have responded to these deficiencies with the following: 1) NCDI sites go through a rigorous assessment called 'City Portraits,' which comprehensively looked at the capacity of CDCs and the local system, to develop strategies to address identified needs; 2) LISC has developed CapMap, a diagnostic tool that assesses CDCs in nine core areas of operations (e.g., human resources, asset management, board governance, information systems, etc.) and measures growth along a continuum of organizational development. Enterprise Foundation applies a similar tool in its cities operating collaboratives; 3) Enterprise has tapped is Network Advisory Committee, a nonprofit advisory board comprised of mature CDCs, to identify the most pressing issues facing the larger, more complex nonprofits; 4) the intermediaries are located in 55 sites and in rural areas; and 5) 75 percent of all Section 4 funds are allocated as pass through grants to CDCs to help them strengthen their organizational capacity.

PART Performance Measurements

Program: National Community Development Initiative
Agency: Department of Housing and Urban Development
Bureau: Community Planning and Development
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	89%	75%	Effective

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight:11%

Explanation: HUD collects performance information from LISC and the Enterprise Foundation at regular intervals.

Evidence: First, LISC and Enterprise submit to HUD work plans outlining specific measurable outcomes that will be achieved with the funding during the period. Second, several levels of reporting are submitted by the intermediaries. This is also an opportunity for the intermediaries to report challenges that may arise and indicate steps that they are taking to address them. LISC and Enterprise report annually on progress toward annual targets and outcomes. The intermediaries also report to HUD on its compliance with the program's private funding matching requirement on a quarterly basis. Finally, the intermediaries invoice HUD monthly for reimbursement of costs incurred. The invoices include detailed information on the activities being invoiced with discussion on their progress against goals.

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight:11%

Explanation: There are several processes by which HUD ensures accountability in cost schedule and performance results. See Evidence/Data column.

Evidence: Program funds only flow to reimburse either the intermediaries or their sub-grantees for eligible costs already incurred. HUD requires the intermediaries to verify that all costs are consistent with HUD approved work plans and federal spending requirements. HUD also requires the intermediaries to receive regular financial reports from sub-grantees (quarterly or monthly depending on the disbursement schedule contained in each grant agreement) that the intermediaries and HUD both review for appropriateness and eligibility. In addition, HUD requires the intermediaries to provide quarterly and annual reports to HUD on their and their sub-grantees' progress towards achieving the performance outcomes identified in their annual plans for utilizing funds.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight:11%

Explanation: HUD ensures that LISC and the Enterprise Foundation obligate federal funds in a timely manner and spend them for the intended purposes within the contract period. The intermediaries achieve this goal by working with each of their regional offices to create specific work plans (which are reviewed and approved by HUD) delineating proposed program service delivery methods to be achieved within the period, and outlining the budgets with proposed spending for the year.

Evidence: There are no unobligated funds or carryover balances for Section 4/NCDI. All funds are obligated in the year of appropriation. Program funds only flow to reimburse either the intermediaries or their sub-grantees for eligible costs already incurred. LISC and Enterprise track and report on program performance progress through quarterly and annual reports to HUD; they track spending through compliance reports and submit eligible, appropriate expenditures to HUD for reimbursement.

PART Performance Measurements

Program: National Community Development Initiative
Agency: Department of Housing and Urban Development
Bureau: Community Planning and Development
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	89%	75%	Effective

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight:11%

Explanation: LISC and Enterprise Foundation have implemented IT system upgrades to improve the management of program funds and ensure consistently monitoring for future improvements. While the program does not currently measure gains resulting from IT upgrades, they have procedures to measure and achieve efficiency in program execution.

Evidence: Many of the awards to CDC's have go through a competitive process. Those awards made not using procurement procedures are subject to internal allocation processes that consider programmatic impact and specific outcomes to be achieved. Progress against these detailed work plans are monitored by the intermediaries and reported back to HUD.

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight:11%

Explanation: The program's three-to-one match requirement mandates combination of program funds with private resources from many sources, which substantially increases the program's impact and effectiveness. One of the program's primary purposes is to ensure that community-based groups can effectively access and utilize the widest feasible range of public and private support for their activities. The program's statutory purpose and regulatory flexibility enable community-based groups to use it effectively in collaboration with other capacity building, training and technical assistance programs, as well as programs to fund particular projects, such as an affordable housing development or day care center.

Evidence: Community-based groups that receive assistance under the program utilize numerous federal state and local program and access private financing from a broad range of organizations. Program leverage occurs through local funding collaboratives, described earlier. Community-based sub-grantees are major users of HOME and CDBG funds and Low Income Housing Tax Credits, among many other federal, state and local community development programs. They must compete at the state and local level for the majority of these resources. CDCs increased their total amount of funding available for/expended for development costs from $400 million to $800 million from 1991 to 2001. The Weinheimer report concluded that Section 4 grant funds leveraged private funds at more the 7:1, far exceeding the 3:1 match required by Congress.

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight:11%

Explanation: Intermediary fund recipients have strong financial management and auditing procedures in place to appropriately administer these funds.

Evidence: HUD releases money on these grants on a cost reimbursable basis. Vouchers for funds are accompanied by detailed evidence of expenditures. HUD reviews the vouchers for eligibility, appropriateness, and progress toward goals. Only then is money released to the grantees. Both LISC and Enterprise have strong Finance/Accounting departments, and receive annual A-133 and Financial audits. Both organizations ensure compliance with federal OMB Circulars and other federal and contract regulations; both prepare regular financial reports tracking: the spending of government funds; both submit regular reports to HUD for reimbursement of funds expended appropriately. LISC and Enterprise likewise closely manage the administration of funds by sub-grantees.

PART Performance Measurements

Program: National Community Development Initiative
Agency: Department of Housing and Urban Development
Bureau: Community Planning and Development
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	89%	75%	Effective

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight 11%

Explanation: Neither of the grantees, LISC and the Enterprise Foundation, has had any management deficiencies identified in audits or in the 2002 GAO audit of HUD technical assistance programs. The intermediaries, working with HUD, have ensured that internal and external systems are in place for evaluating program management and correcting any deficiencies identified.

Evidence: Both LISC and the Enterprise Foundation have effective internal systems in place to evaluate sub-recipients use of these funds, including regular reporting on the achievement of performance goals, monthly/quarterly financial reporting, and site visits to community development corporations. Externally, while both organizations receive regular single audits (for which there have been no findings), there have also been several independent reviews of the Section 4 and NCDI programs as a whole. To date, 16 groups have been defunded. Also see response for Q 2.8.

3.BF1 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight 11%

Explanation: HUD is involved as an oversight agency in monitoring grantee activities. HUD works very closely with LISC and the Enterprise Foundation to ensure program compliance. In cities where Enterprise and LISC have local offices, every CDC has at least one site visit annually, to evaluate the strength of CDCs' infrastructures and their ability to provide the planned development activities. LISC and Enterprise require that all funded CDCs have independent organizational audits and/or A-133 audits completed annually. Through the subrecipient monitoring process, CDCs are formally notified of any audit findings and given corrective action recommendations. CDC findings and the status of corrective action are taken into account when reviewing any future funding requests.

Evidence: HUD ensures that LISC and the Enterprise Foundation perform the following: a) develop and submit work plans for review outlining all program outcomes to be achieved during the period, as well as the plan for achieving them; b) submit regular reports - quarterly and annually - documenting program performance in achieving the outcomes outlined in the work plans; c) submit regular financial reports - drawdowns - delineating exactly how program funds were spent (for reimbursement on funding that LISC/Enterprise have advanced to CDCs); d) conduct site visits to each of the sub-grantee sites during the period to ensure that the program activities are being carried out as planned, and to provide on-site technical assistance; e) provide regular training and support to build CDC capacity so that program funds are more efficiently utilized in the communities being served.

3.BF2 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: NO Question Weight 11%

Explanation: LISC and the Enterprise Foundation report annually to HUD on the performance of Section 4; however, this information is not made available to the public in a detailed manner.

Evidence: HUD, LISC, and Enterprise should determine ways to make aggregated or local performance information available to the public. Evaluation reports by Living Cities/NCDI and the Urban Institute are available on their public websites, www.livingcities.org and www.urban.org.

PART Performance Measurements

Program: National Community Development Initiative
Agency: Department of Housing and Urban Development
Bureau: Community Planning and Development
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	100%	89%	75%	

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: LARGE EXTENT Question Weight25%

Explanation: Evaluations of the Section 4 program have demonstrated progress toward the program's long term goals. These reports have noted notable improvement in community development systems as a result of Section 4 and HUD's participation in NCDI. HUD has also begun to work with stakeholders to develop a framework to better assess its technical assistance programs.

Evidence: NCDI demonstrated success in several areas relating to increasing the organizational capacity of CDCs. For example, the number of top tiered CDCs with strong reputations for efficient production, governance and management grew from 100 to 184 from 1990 to 1998. Furthermore, capable CDCs (those able to produce more than 10 units of housing per year) doubled in the 1990s. Total development costs also doubled from 1991 to 2001. Support systems for capacity building improved most significantly as Section 4 and NCDI funds capitalized performance-based operating support collaboratives.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: LARGE EXTENT Question Weight25%

Explanation: The initiative met or exceeded most of its targets and collaboratives leveraged significant local financial support as well as stronger leadership for community development.

Evidence: NCDI aggregates the indicators listed in each cities' work plan to represent their annual performance goals and results. See measures tab.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: LARGE EXTENT Question Weight25%

Explanation: While demonstrating improved efficiencies over time is not a primary focus of the program, LISC, Enterprise and HUD should work to develop efficiency measures to monitor progress (e.g., cost per unit measures). NCDI support should increases the capacity of community development corporations to expand the scale of, and accelerate the rate of, lasting project outcomes in low income communities. However, there are no measures in place to document improved efficiencies over time.

Evidence: With a rather flat Federal investment, NCDI funding has grown in each round. In 1991, the initial round of NCDI was funded at $62.86 million in grants and loans from 8 private foundations and financial institution. HUD joined NCDI in 1994 for Round II and the private partners (now numbering ten) increase their share to $67.65 million in grants and loans. For Round III, the private NCDI partners increase their participation, raising $87 million in grants and loans from 15 foundations, corporations and financial institutions. Finally, in the current phase of NCDI, the private partners again raised their stake, to $96.7 million in grants and loans from 16 foundations, corporations and financial institutions.

PART Performance Measurements

Program: National Community Development Initiative
Agency: Department of Housing and Urban Development
Bureau: Community Planning and Development
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	89%	75%	Effective

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: NA Question Weight: 0%

Explanation: The LISC and Enterprise Foundation NCDI programs are not comparable to other government programs as they are subject to the oversight and monitoring of HUD and the other funders through Living Cities/NCDI. The Section 4/NCDI programs have been the subject of intensive, independent analyses and evaluations by institutions such as The Urban Institute and GAO.

Evidence: Few comparisons have been made among capacity building programs, but several components such as high leveraging ratio, involvement of private sector, and the ability of the intermediaries to increase capacity of CDCs compare favorably to other programs. The Section 4 program is unlike other HUD programs in that it is a Congressionally designated grant to a few specified grantees. The program requires a three for one match. The program is cost reimbursable and funds are released for only appropriate eligible expenditures.

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: YES Question Weight25%

Explanation: The evaluations by the Urban Institute, Weinheimer & Associates, and Metis Associates currently are sufficient in scope and independence to provide a measured and responsible review of program effectiveness and efficiency. The completed evaluations by the Urban Institute and Weinheimer & Associates have found the program to be efficient and effective at achieving both its short-term and long-term goals. In addition, a recent GAO report (September, 2003) found that "lenders and funders indicated that Section 4 funding had both a psychological and a real impact on private sector involvement in the initiative...and... have leveraged nearly $800 million in cash and in-kind contributions from the private sector."

Evidence: The Urban Institute found that community group strength, production and local support systems in many cities have grown significantly as a result of Enterprise and LISC's support with program funds, supplemented by private resources. As a result, community-based groups 'in many cities are now the most productive developers of affordable housing, outstripping private developers and public housing agencies,' according to the Institute. According to a report by Weinheimer & Associates for HUD on Enterprise and LISC's use of Section 4 funds in urban as well as nearly 120 rural areas, 'by and large the Section 4 program met and exceeded the goal established by Congress to develop the capacity of community development corporations [CDCs] to undertake community development and affordable housing projects and programs.'

PART Performance Measurements

Program: National Community Development Initiative
Agency: Department of Housing and Urban Development
Bureau: Community Planning and Development
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	89%	75%	Effective

Measure: Number of homes renovated, preserved or newly constructed

Additional Information:

Year	Target	Actual	Measure Term: Annual
2002	2,867	4,429	
2003	3,627		
2004	3,978		

Measure: Number of trainings created and provided to CDCs

Additional Information:

Year	Target	Actual	Measure Term: Annual
2002	18	35	
2003	21		
2004	22		

Measure: Total development cost estimate of community development projects funded by CDCs in millions of dollars (shows increased capacity of CDC industry).

Additional Information:

Year	Target	Actual	Measure Term: Long-term
2002	$300	$457	
2003	$439		
2004	$462		

OMB Program Assessment Rating Tool (PART)

Block/Formula Grants

Name of Program: Native American Housing Block Grants

Section I: Program Purpose & Design (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Is the program purpose clear?*	No	There is disagreement over the purpose of the Native American Housing Block Grant (NAHBG). HUD believes the program allows tribes to determine and address their low-income housing needs, while a number of tribes believe the program has a broader mandate including economic development activities. Recent legislation (PL 107-292), which allows for "housing related community development" that is necessary to the construction of reservation housing, may resolve disputes over the program's purpose.	The objectives of the NAHBG are outlined in Title II of the Native American Housing and Self Determination Act of 1996 which authorizes tribal governments to pursue affordable housing activities including: 1) subsidizing existing HUD-developed units; 2) developing new units or rehabilitating existing ones; 3) providing housing related services such as housing counseling as it relates to homeownership; 4) creating safer communities with crime prevention activities; and 5) proposing "model activities" specifically approved by the Secretary of HUD.	20%	0.0
2	*Does the program address a specific interest, problem or need?*	Yes	The NAHBG addresses low-income housing needs. There continues to be a lack of quality, affordable housing on tribal lands. Legal issues surrounding tribal trust lands combined with high unemployment rates create a difficult environment to access capital from the private financial markets.	According to a 1996 HUD/Urban Institute study, 21% of Native Americans living on tribal lands experience overcrowding, compared with just 3% of households experiencing overcrowding in total for the US.	20%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
3	*Is the program designed to have a significant impact in addressing the interest, problem or need?*	Yes	The NAHBG, the largest single source of funding for affordable housing on tribal lands, was designed to give direct control to tribes in identifying and addressing their affordable housing needs.	The $1.4 billion appropriated for the NAHBG between FY 1998 and FY 2001 has funded the construction of 28,000 new units, assisted 156,000 families to maintain their properties, and assisted 325,000 families through "model" activities.	20%	0.2
4	*Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?*	Yes	This program does not duplicate other Federal, state, or local efforts. It is unique in that it provides grant dollars to tribes to determine and address affordable housing needs within their communities. See #5 below.	There is no other Federal, state, or local affordable housing grant program that allows tribes to determine and address their unique housing needs.	20%	0.2
5	*Is the program optimally designed to address the interest, problem or need?*	Yes	The NAHBG enables tribes to determine and serve their local housing needs. Prior to 1997, affordable housing was provided through a variety of HUD programs that dictated unit counts and building types, and were generally designed to serve households who reside in cities. Tribal interests, cultural values, and traditions were not considered in the administration of housing programs on tribal lands.	Prior HUD policies and program designs that have lead to poor quality housing on reservations include a manufactured housing imitative in the 1980s, inappropriate cost, construction, and design guidelines for some regions of the country, and the termination of HUD housing inspections.	20%	0.2
Total Section Score					**100%**	**80%**

Section II: Strategic Planning (Yes,No, N/A)

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?*	No	There are no long-term goals established for the NAHBG. Tribal governments negotiated this program's regulatory framework and the terms under which its performance would be measured. In order to guarantee flexibility and their rights to self-determination, tribes chose not to have a standard set of performance measures or long-term goals to evaluate the program. However, HUD still attributes NAHBG as contributing to its strategic objectives.	Strategic Objective 2.3: Increases the availability of affordable rental housing. [FY 2003 Annual Performance Plan]	14%	0.0
2	*Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?*	No	The NAHBG's annual measure has a direct relationship to HUD's statutory purpose of increasing the availability of decent, safe, and affordable housing. However, the goal fails to establish a baseline, target, or a timeline that extends past FY 2003.	Goal: 2.3.4 The number of households receiving housing assistance with NAHBG increases. [FY 2003 Annual Performance Plan]	14%	0.0
3	*Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?*	No	By design, there are no long-term standardized performance goals for the NAHBG. (See question #1.) Tribes submit both an Indian Housing Plan (IHP) which outlines affordable housing goals specific to tribes and an Annual Performance Report (APR) which details how tribes are progressing with implementation of their IHPs. There is no standardization among tribal goals and HUD lacks the technical capability to aggregate any common data among these reports.		14%	0.0
4	*Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?*	Yes	HUD collaborates with other Federal agencies to provide training, compile reports, and disseminate program information as it relates to Native American affordable housing and economic development issues. NAHBG grantees use other Federal and state housing programs, such as the low-income housing tax credit, to leverage NAHBG funds.	HUD has worked with the Departments of Treasury, Veterans Affairs, and Agriculture to offer training, create the One-Stop Mortgage Report, and Native Edge website which directs tribes to Federal housing and economic development resources. Tribes have used their NAHBG funds to leverage over 50 different low-income housing tax credit projects. They have also used their NAHBG in combination with the Department of Agriculture's Section 515 multifamily housing program to complete financing packages.	14%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	*Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?*	No	The NAHBG does not receive independent evaluations of sufficient scope on a regular basis. Since its inception in FY 1997, the program has received one, rather limited, formal performance evaluation by HUD's Office of Inspector General. However, the NAHBG is on the list of programs to be reviewed by HUD's Office of Policy Development and Research in FY 2004.	HUD's Office of Inspector General completed a report (#2001-SE-107-0002) on program performance in August 2001.	14%	0.0
6	*Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?*	No	HUD does not estimate the effect of funding changes on program outcomes.		14%	0.0
7	*Has the program taken meaningful steps to address its strategic planning deficiencies?*	Yes	HUD is currently reviewing the accuracy of grantee performance data and developing an automated process for collecting and reporting this data in the future.	HUD will complete the development of an IT system for the NAHBG in FY 2003.	14%	0.1
Total Section Score					**100%**	**29%**

Section III: Program Management (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?*	No	HUD collects information through the APRs submitted by tribes. However HUD does not have the systems in place to aggregate the data and is unable to use it for general program management purposes. Individual grantees can be held accountable to their stated goals, but HUD cannot easily assess aggregate program performance.	Reports are filed and reviewed manually. Aggregating data in this format is labor intensive.	11%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	*Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?*	Yes	NAHBG grantees are held accountable when they are not in compliance with reporting requirements or when funds are misused. However, HUD cites cumbersome enforcement mechanisms and the need for quicker and stronger sanctions as barriers to pursuing even more non-compliant grantees.	HUD reports 25 to 30 percent of grantees are not in compliance with performance reporting requirements. Many of the non-reporters are smaller tribes who find the reporting requirements administratively burdensome and costly. In the past year, 73 grantees (13 percent) received letters of warning, with most correcting their deficiencies without the imposition of sanctions. Five grantees (less than 1 percent) have been sanctioned since the program's inception.	11%	0.1
3	*Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?*	Yes	NAHBG funds are obligated in a timely manner. The rate of spending matches or exceeds that of other programs which include housing construction among the eligible activities.	On average, NAHBG funds spend out over four years which is a realistic rate for a program that supports new construction.	11%	0.1
4	*Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?*	No	The NAHBG does not include measures of or targets to achieve program efficiencies such as per unit cost, quality, or timing of outputs. The negotiated rulemaking committee, which designed the regulations for the NAHBG, resisted imposing specific measurements upon themselves. However, in regulation HUD outlines cost and quality guidelines for new construction.		11%	0.0
5	*Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?*	Yes	The FY 2004 Budget identifies the required FTEs in both headquarters and the field to administer the NAHBG in FY 2002, 2003, and 2004. However, those FTE are not paid for with program dollars, but rather out of a central Salaries and Expense account for the entire Department.	HUD 2004 Congressional Justifications	11%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
6	*Does the program use strong financial management practices?*	Yes	Under program regulations, grantees are required to establish and maintain sound financial management systems according to OMB Circular A-87 and obtain audits according to A-133. Financial management systems are reviewed during on-site monitoring by HUD staff.	The HUD Office of Inspector General, in an August 2001 report (2001-SE-107-0002), found some financial management weaknesses within the NAHBG. HUD addressed all of the weaknesses identified in that report.	11%	0.1
7	*Has the program taken meaningful steps to address its management deficiencies?*	Yes	HUD is currently reviewing the accuracy of grantee performance data and developing a consistent process for collecting and reporting this data in the future. The NAHBG is on the list of IT systems to be completed in FY 2003, and creating a new, more useful format of the APR is at the top of the program's list of priorities.	NAHBG IT system is on the list of approved projects for FY 2003.	11%	0.1
8 (B 1.)	*Does the program have oversight practices that provide sufficient knowledge of grantee activities?*	No	Statute and regulation require HUD to conduct reviews of grantee compliance with program requirements as well as their ability to achieve program goals. However, HUD cites inadequate staffing levels as well as tribal self-determination issues as impediments to developing strong relationships with tribes or conducting routine on-site monitoring at more frequent intervals.	HUD oversees the program through off-site reviews of tribal APR as well as on-site reviews of program implementation. Currently, HUD reviews just over 100 grantees (18 percent) a year selecting those with the highest risk and others at random.	11%	0.0
9 (B 2.)	*Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?*	No	HUD collects information through APRs submitted by tribes. However it does not have the IT systems in place to aggregate the data and thus is unable to make the information available to the public in an easily accessible or meaningful way.	Reports are filed and reviewed manually. Aggregating data is labor intensive.	11%	0.0
Total Section Score					**100%**	**56%**

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?*	No	There are no long-term goals stated for the NAHBG. However, HUD has and continues to identify the program as serving one of HUD's strategic objectives.	Strategic Objective 1.2: Affordable rental housing is available for low-income households. [FY 2001 Performance and Accountability Report]	25%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
	Long-Term Goal I: The percent of overcrowded houses on tribal lands. Target: (New measure, targets under development.) Actual Progress achieved toward goal:					
	Long-Term Goal II: Target: Actual Progress achieved toward goal:					
	Long-Term Goal III: Target: Actual Progress achieved toward goal:					
2	*Does the program (including program partners) achieve its annual performance goals?*	No	There is one annual goal for the NAHBG. However, in the past, HUD has not set a baseline, timeline, or target for this goal.		25%	0.0
	Key Goal I: The percent of overcrowded houses on tribal lands. Performance Target: (New measure, targets under development.) Actual Performance:					
	Key Goal II: The number of households receiving assistance. Performance Target: The number of households receiving assistance is estimated to be 19,967 in 2003 and 23,960 in 2004. Actual Performance: Unpublished in prior years.					
	Key Goal III: Performance Target: Actual Performance:					
3	*Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?*	No	HUD does not calculate per unit costs for the program in order to determine whether efficiencies are being achieved. Cost may not be an appropriate measure of efficiency for this program given development costs on remote reservations are known to be higher.		25%	0.0
4	*Does the performance of this program compare favorably to other programs with similar purpose and goals?*	NA	The NAHBG is usually not compared to other housing assistance programs. Issues confronting tribal housing entities (tribal sovereignty, isolated locations, limited access to capital, land rights, extremely high unemployment rates) are unique to NAHBG recipients. There is no other similar jurisdiction in which a Federal housing program operates.		0%	

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	*Do independent and quality evaluations of this program indicate that the program is effective and achieving results?*	No	There have not been enough formal reviews of this program to indicate whether it is effective at achieving results.	The NAHBG has been formally reviewed once by HUD's Office of Inspector General. The report (#2001-SE-107-0002) evaluated grantee compliance with the program requirements, and not whether the program is effective in achieving results.	25%	0.0
Total Section Score					**100%**	**0%**

PART Performance Measurements

Program: Partnership for Advancing Technology in Housing (PATH)
Agency: Department of Housing and Urban Development
Bureau: Policy Development & Research
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
68%	27%	88%	34%	

1.1 Is the program purpose clear? Answer: YES Question Weight22%

Explanation: PATH was created by Congress in 1999 with language in a conference report acompanying HUD appropriations. HUD was directed to cooperate with other federal agencies and the housing industry to "provide research, development, testing, and engineering protocols for building materials and methods" in support of the Residential National Construction Goals. Without formal program authorization, PATH initially articulated an overly ambitious mission, focusing broadly on energy efficiency, affordability, and durability. Last year the program clarified its purpose by revising both the overall goals and strategic objectives. The new plan focuses on the process of technological change in homebuilding as opposed to the products of that change; the new mission is, simply, to "facilitate the development of new technology and advance the adoption of new and existing technologies to improve US housing...". Consequently, four distinct goals were created in the areas of "barriers," "information dissemination and outreach," "R&D," and general "management and operations."

Evidence: The initial program language appeared in the congressional conference report accompanying the Veterans Administration, HUD, and Indpendent Agencies Appropriate Act of 1999 (P.L. 105-275). The clarified mission statement appears in internal PATH documents. Preliminary criticism of the original goals came from the "Year 2000 Progress Assessment of the PATH Program" from the National Academy of Science/National Research Council. The NAS/NRC provided a new mission and refocused goals in its "Year 2001 Interim Report." The RAND Report, "Building Better Homes" (2003) confirmed the focus recommended by the NAS/NRC. Also, RAND drafted a more thorough evaluation of the recommended specific mission, goals, and program objectives in the document "Assessment of PATH Performance Metrics." (July 2002).

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight22%

Explanation: The housing industry is slow to develop and adopt innovative technologies that can lower costs and conserve energy. There are many economic, industrial, political, and cultural reasons for this slow pace of change. The most widely cited is the decentralized and fragmented nature of homebuilding. Even though there is a public benefit from pursuing innovative housing technologies, private sector actors have little incentive to test and develop innovations because their competitors are more likely to reap the benefits without paying any costs. Adopting beneficial technologies is also hindered by the "culture of tradition" in building production that localizes processes and information, thereby reducing chances for efficiencies and economies from new techniques that would benefit the public as a whole.

Evidence: The National Construction Goals and the first NAS/NRC Evaluation of PATH (2000) best describes the overarching problems that exist in the US homebuilding industry. The RAND monograph (2003) adequately describes the need for a Federal role in this process in collaboration with industry (as opposed to mandates to industry). Numerous scholarly publications also describe the technology crisis in US building from the post-war era to the present: Ventre (1973); The Business Roundtable (1983); Tatum (1987, 1989, 1992); US House of Representatives (1987); Nam (1991); Bernstein & Lemer (1996); Slaughter (1997); and Haas (2002).

PART Performance Measurements

Program: Partnership for Advancing Technology in Housing (PATH)
Agency: Department of Housing and Urban Development
Bureau: Policy Development & Research
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
68%	27%	88%	34%	

1.3 **Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight22%

Explanation: PATH was designed to be a unique public-private parternship requiring the cooperation of numerous federal agencies. However, cooperation among federal agencies was hindered by competition between PATH and other Federal and industry program (Building America, Energy Star, private consultancies) because PATH's initial goals repeated those of these programs (particularly in terms of improved energy-efficiency in homes). PATH has redefined its program goals to address technological change rather than technologies, technological products, or technology performance.

Evidence: See DOE-HUD Marketing Coordination Minutes, April 2003 (internal program protocols); DOE Building America workshop minutes, April 2003; and Federal Housing Research Coordination Meeting, October 2002.

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: NO Question Weight22%

Explanation: Congress appropriated resources for this program without clearly defined objectives. Consequently, program staff in consultation with its industry partners initially pursued an agenda well beyond the program's capacity. This was a major programmatic flaw that contributed to the selection of activities which served some of the partner's individual needs rather than the program as a whole. This also made it difficult to develop performance metrics to measure progress. The program refocused its orientation and activities in 2002 by articulating a theoretical framework for all activities based on scholarly knowledge, reviewing program activities for their usefullness within the new framework, and creating new programs to fill the theoretical omissions of the earlier plans.

Evidence: Discussion of the removal of PATH's central flaws can be found in the NAS/NRC 2001 Interim Report and NAS/NRC 2002 PATH Evaluation.

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: NO Question Weight10%

Explanation: Originally, a broad range of beneficiaries were identified by the PATH program, leading the program to pursue ad hoc activities loosely aimed at these participants. Since then, PATH has focused efforts on improving its understanding of the industry actors most likely to faciliate the adoption of innovative technologies. PATH has begun numerous market studies to determine which segments of the homebuilding industry have the greatest potential for diffusing change, and what methods are most effective in reaching them. The weighting of this question has been lowered because the program now has protocols in place, such as the Roadmapping Process, that allows industry and government to cooperatively set research agendas and ensure the awarding of funds to grantees that support PATH's revised mission.

Evidence: The most recent and revealing evidence of this attempt to understand housing technology's beneficiaries is the PATH publication "Diffusion of Innovation in the Residential Building Industry," which included a survey of early adopters in homebuilding to determine their propensity for change and the channels and processes for technological awareness.

PART Performance Measurements

Program: Partnership for Advancing Technology in Housing (PATH)
Agency: Department of Housing and Urban Development
Bureau: Policy Development & Research
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
68%	27%	88%	34%	

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: NO Question Weight13%

Explanation: PATH has revised its strategic goals and objectives but has yet to develop and adopt long-term performance measures that can track the impact of the program. While the nature of the program to support R&D and disseminate information pose particular challenges to identifying appropriate measures, some tentative qualitative measure have been suggested by a task force of experts. Additionally, PATH is pursuing the development of metrics for many of the critical areas in housing which will eventually feed into the PATH measures; these include measure for durability and affordability as discussed in the PATH-funded NIST metrics and baseline projects.

Evidence: See PATH 2002 Interim Evaluation by the NAS/NRC for the long-term goals and suggested measures. Also internal documents between NAS/NRC and PATH list specific potential measures.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: NO Question Weight13%

Explanation: Quantitative measures and targets will be developed in the upcoming year based on the qualitative measures suggested by the NAS/NRC.

Evidence: See above.

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: NO Question Weight13%

Explanation: The next phase in program evaluation will be establishing annual performance measures, targets and measuring tools.

Evidence: NA

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: NO Question Weight13%

Explanation:

Evidence: NA

PART Performance Measurements

Program: Partnership for Advancing Technology in Housing (PATH)
Agency: Department of Housing and Urban Development
Bureau: Policy Development & Research
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
68%	27%	88%	34%	

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: NO Question Weight: 5%

Explanation: PATH has a wide range of program partners. The core group of partners (as embodied in the PATH Industry Steering Committee) are well-versed in the goals. Members of the Industry Sterring Committee serve as a virtual board of directors for PATH. The involvement of industry represent one of the unique aspect of the program. The PATH Marketing Committee (composed of PATH staff, marketing contractors, and the lead outreach staff for all of PATH's contractors) meet monthly to discuss PATH's dissemination and outreach plan, goals, and activities. PATH Technology Roadmapping committee meets bi-annually for updates on the PATH R&D. Other contractors, however, are not familiar with the full range of PATH goals and activities because of their focus on an individual activity; this does not pose a problem in leadership but merely one of administrative coordination. The weighting of this question has been lowered to reflect the high level of engagement with industry partners regarding revised program goals and objectives despite the absence of program performance measures.

Evidence: PATH ISC Meeting Minutes, 1999-2003. PATH Contract Agreement Statements of Work, 1999-2003 (particularly insightful linkages can be found in those agreements for ToolBase, PATH Marketing, PATH Demonstrations, and PATH Field Evaluations).

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight:13%

Explanation: PATH has engaged in extensive third-party assessment. The NAS/NRC evaluations have been critical to the refocusing of the program. Based on the recommendations of this evaluation effort, PATH will identify more detailed measures in the coming year. The NAS/NRC is viewed as a premier, independent evaluation organization, with a particular expertise in analyzing Federal programs and policies.

Evidence: Please note documents cited previously with regard to evaluation and oversight. Of particular note is the PATH 2001 Interim Report and the 2002 Evaluation which describe the influence of the PATH 2000 Evaluation on the content and structure of the PATH program.

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: NA Question Weight: 0%

Explanation: As PATH was not included in Administration proposed budgets, no costs of administration have ever been allocated or accounted for.

Evidence: NA

PART Performance Measurements

Program: Partnership for Advancing Technology in Housing (PATH)
Agency: Department of Housing and Urban Development
Bureau: Policy Development & Research
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
68%	27%	88%	34%	

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:13%

Explanation: Because of the original program flaws, the PATH program has undergone major transitions in strategy and operations over the past two years. These transitions include identifying better goals, responding to feedback, and preparing for the development of a strategic plan. While PATH is in the process of producing an operating plan, the recommendations by the NAS/NRC evaluation committee have been consistently acknowledged and placed into action. PATH is in the planning stages of reviewing the quantitative performance measures suggested by the NAS/NRC and developing a full operating plan.

Evidence: The NAS/NRC 2003 Evaluation of PATH acknowledges the major changes that have transpired since the inception of the program, due in large part to their ongoing evaluation and guidance. (Note especially pp. 12-14). See also internal statement of work for "PATH Dissemination Measures and Operating Plan."

2.RD1 **If applicable, does the program assess and compare the potential benefits of efforts within the program to other efforts that have similar goals?** Answer: NA Question Weight: 0%

Explanation: Because significant effort was paid to insure that PATH did not overlap with other Federal efforts and that PATH offered unique activities in the area of housing technology, the program's benefits are no longer comparable to other efforts.

Evidence: See RAND 2003 for additional justification for the original differentiation.

2.RD2 **Does the program use a prioritization process to guide budget requests and funding decisions?** Answer: YES Question Weight:13%

Explanation: Each of the individual PATH activities included prioritization steps, along with the overall PATH program's priority-setting for resources among these activities.For individual activities, the process of prioritization ranges from peer-reviewed evaluations of R&D (NSF-PATH Grants), to committee established priorities (PATH Marketing Committee), to direction from leading scholarship (institutional barriers). Between activities, PATH relies on consensus discussions (PATH Technology Roadmapping) and ongoing evaluations.

Evidence: See individual Statements of Work in internal contracting documents for the PATH program activities.

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: NO Question Weight:12%

Explanation: Historically, PATH activities included many cooperative partnerships with other Federal agencies and industry groups. Many of these partnerships have resulted in active dialogue and reporting of activity progress, while others have been less successful in facilitating the collection of credible performance information. Many activities which were supported by PATH funds did not report the impact of their work in a systematic way which could be useful to others in the field. To respond to this deficiency, PATH has restructured priorities and resources for each activity, including web-tracking for PATHNet, focus group assessments of ToolBase content and structure, and soliciting reports from NSF-PATH university grantees.

Evidence: See Monthly Reporting (internal contracting documents) for each activity, 1999-2003. A full listing of reporting mechanisms and feedback can be provided by activity listings.

Program: Partnership for Advancing Technology in Housing (PATH)
Agency: Department of Housing and Urban Development
Bureau: Policy Development & Research
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
68%	27%	88%	34%	

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight:12%

Explanation: The majority of PATH activities that are performed by external partners are held accountable through Federal and HUD contracting regulations, so that costs, schedule, and deliverables are regularly scrutinized. On occasion, it has been difficult to determine accountability on some of PATH's activities that fall outside of these contracting regulations (such as Interagency Agreements). The final deliverables in some of these research projects maintain little to no peer review due to both agency publication needs and limited resources for external review. Many of PATH's activities do receive sufficient analysis and have mechanisms for accountability. For those groups that are PATH partners but do not receive PATH funds, there is little room for accountability though many of these organizations are very responsive.

Evidence: See PATH Contracts, 1999-2003 terms and conditions. Also, annual congressional appropriations budgets for PATH describe reviews and accountability.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight:12%

Explanation: PATH funds are allocated and disbursed completely each year. While PATH has been successful annually in ultimately obligating its funding, this process has often taken substantial resources away from program management and strategic planning. PATH's annual budget allocations and contract disbursements demonstrate a clear ability to manage funds despite changing contractual and procurement environments.

Evidence: PATH Budget Records, 1999-2003 (from HUD Office of Policy Development and Research).

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight:12%

Explanation: As a research management program, PATH cannot easily exact efficiencies in grant awarding or monitoring other than relying on constant communications with contractors and awardees. As a consequence, PATH relies on general contracting procedures as established for all Federal agencies and HUD to measure efficiencies and incentives in activity execution. However, PATH's competitive sourcing programs have been extensive: a Notice of Public Interest (NOPI) was issued to announce research plans; the PATH Roadmap specifies areas for research for which projects can be submitted by the general public; a major initiative to include small business and 8(a) contractors has been incorporated; and all grants (other than Inter Agency) are procured through open competition as allowed by HUD and GSA.

Evidence: See PATH Notice of Public Interest 2001; PATH procurement announcements in HUD small business listings; and PATH internal review of projects based on the Roadmap guidance.

PART Performance Measurements

Program: Partnership for Advancing Technology in Housing (PATH)
Agency: Department of Housing and Urban Development
Bureau: Policy Development & Research
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
68%	27%	88%	34%	

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight:12%

Explanation: Because PATH's goals have been redesigned to remove all redundancies and competitions with other programs, an entirely new collaboration has emerged between all Federal housing technology initiatives. This is best demonstrated by recent activities with NSF, NIST, DOE, and EPA--the largest program agencies outside of HUD. Several major initiatives have been proposed to collaborate in marketing each program's individual message to overlapping audiences and to share Technology Roadmaps. One example best summarizes this new collaboration: after years of maintaining separate plans for homebuilding conferences and trade shows, PATH successfully brought 5 different Federal agencies together (DOE Codes, DOE Energy Star, EPA Energy Star, DOE Building America, and PATH) to share one large show floor exhibit at the International Builders' Show which will be titled the "Federal Triangle" to provide a one-stop shop for conference participants. This coordination has lead to plans for many additional collaborative opportunities in marketing and policy analysis.

Evidence: See Meeting Minutes of Federal Housing Technology Research Working Group (2000-2003); and DOE-PATH Marketing Planning Meeting Agendas (2003).

3.6 Does the program use strong financial management practices? Answer: YES Question Weight:12%

Explanation: PATH utilizes financial management procedures as established by Federal contracting regulations. Overall, comparisons of PATH annual budget commitments, obligations, and dispursements demonstrate adequate financial management. For each projects, individual monthly records are maintained to track incurred costs in relation to the project activities.

Evidence: See internal invoices for PATH programs, 1999-2003, and financial management reporting for all projects.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight:12%

Explanation: PATH, having self-identified major deficiencies in its overall mission and organization, actively sought out assistance for fully articulating these deficiencies and responding to subsequent recommendations. Along with the dramatic effect of the NAS/NRC evaluations of PATH in restructuring PATH's goals and strategic planning, the group specified more appropriate management techniques for addressing operational deficiencies.

Evidence: The NAS/NRC 2003 Evaluation of PATH acknowledges the major changes that have transpired since the inception of the program, due in large part to their ongoing evaluation and guidance. (Note especially pp. 12-14). See also pending internal statement of work for "PATH Dissemination Measures and Operating Plan."

PART Performance Measurements

Program: Partnership for Advancing Technology in Housing (PATH)
Agency: Department of Housing and Urban Development
Bureau: Policy Development & Research
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
68%	27%	88%	34%	

3.RD1 **For R&D programs other than competitive grants programs, does the program allocate funds and use management processes that maintain program quality?** Answer: YES Question Weight12%

Explanation: All of the PATH R&D-related activities undergo significant review and competition in some manner before awarding and execution. There are four R&D programs in PATH, and each has a different strategy for program quality. The NSF-PATH awards for universities are subject to the NSF peer review standards. The PATH interagency research programs are reviewed by the NAS/NRC PATH evaluation council as well as the coordinating bodies of Federal housing research agencies. The last two (directed PATH research awards and cooperative agreements from unsolicited industry proposals) are unique in that PATH does not have the resources to annually review these proposals with a quality review team. To compensate, both are subjected to review based on the PATH Technology Roadmapping criteria by PATH staff (the Roadmaps were set by industry and government to determine the R&D areas with most potential for institutional change in the industry).

Evidence: See program protocols; and statements of work for all PATH program activities that specifiy quality assurances, 2001-2003.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight25%

Explanation: The 2003 PATH Evaluation by the NAS/NRC is the first to evaluate the individual activities of PATH based on the new long-term mission and strategic goals and objectives. The evaluation was favorable though it provided numerous constructive criticisms of specific programs. Because specific performance targets for these strategic goals and objectives have not been developed yet, however, PATH's progress cannot be measured.

Evidence: See the 2003 PATH Evaluation by the NAS/NRC.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: NO Question Weight25%

Explanation: Annual performance goals are under development.

Evidence: NA

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: LARGE EXTENT Question Weight25%

Explanation: Though annual performance goals are under development, the creation of a conceptual structure to the entire program has lead to dramatically improved efficiencies in analyzing existing programs and selecting new ones. As the preliminary phases of this adjustment are enacted, PATH has already reduced the amount of time to develop new directed R&D because of the Roadmaps, for example.

Evidence: See PATH Technology Roadmaps and subsequent R&D project selections. See also PATH Marketing Meeting Coordination Minutes.

PART Performance Measurements

Program: Partnership for Advancing Technology in Housing (PATH)
Agency: Department of Housing and Urban Development
Bureau: Policy Development & Research
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
68%	27%	88%	34%	

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: NA Question Weight: 0%

Explanation: While other Federal programs focus on research, PATH now focuses on research dissemination and barriers to research. As such, it is a unique program in the Federal government. Despite this, PATH now complements these other agencies' purpose and, as such, can be viewed as favorable in comparison. PATH is the first housing technology program in the government to perform self-analysis and evaluation while it is still active and functioning. Numerous other current programs have not been externally reviewed nor have they gone through the scrutiny of both the Federal Government and industry.

Evidence: See RAND discussion of comparable housing technology research programs, 2003.

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: LARGE EXTENT Question Weight25%

Explanation: The NAS/NRC evaluation has been critical in demonstrating both the need and potential for PATH to fulfill the need for advancing housing technology. Additional reports and analyses in academic publications and policy reports support this sentiment, as well, including the RAND 2003 report "Building Better Homes." The PATH Evaluations and RAND report suggest that PATH is not only the first program to address the totality of institutional barriers to technological change in the industry, but that it is also the only program that acknowledges the need to work with industry partners and within the existing industrial structure to effect change. Though this task is certainly daunting, both documents suggests that PATH has taken the correct first steps towards this. As such, external reviewers state that this is a significant contribution.

Evidence: See NAS/NRC, 2003, and RAND 2003.

Measure:

Additional Information:

Year	Target	Actual	**Measure Term:**

OMB Program Assessment Rating Tool (PART)

Capital Assets & Service Acquisition Programs

Name of Program: Project-Based Rental Assistance

Section I: Program Purpose & Design (Yes,No)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Is the program purpose clear?*	No	There are several clear objectives for subsidized housing (increasing access to affordable housing, promoting economic self-sufficiency, independence for elderly and disabled populations), but there is little consensus on the balance between these objectives and program focus has been blurred by other objectives such as neighborhood revitalization and housing production.	These goals are articulated in HUD Strategic and Performance Plans.	20%	0.0
2	*Does the program address a specific interest, problem or need?*	Yes	By providing housing subsidies, provides access in most cases to better housing (if not better neighborhoods). Lower housing costs free income for other household needs.	Around 5 million low-income households have "worst case" housing needs, i.e., not in affordable or standard quality housing.	20%	0.2
3	*Is the program designed to have a significant impact in addressing the interest, problem or need?*	Yes	About 1.3 million households are assisted by this program. Federal rental assistance funds the gap between rents necessary to support developments and tenant contributions that are affordable to low-income households. A reduction in federal funding would imply fewer households assisted or increased rents for tenants.		20%	0.2
4	*Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?*	No	There are a variety of rental housing assistance programs. Other subsidy approaches such as vouchers, HOME, and low-income housing tax credits could achieve same or greater benefits at comparable cost.	Most (60%) units were built to serve elderly, whereas greatest needs are for large families and disabled.	20%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	*Is the program optimally designed to address the interest, problem or need?*	No	Housing vouchers have been shown to be more cost-effective in aiding low-income families. Less information is available on the elderly. Vouchers provide greater mobility and choice, avoid direct Federal liability for aging or failing real estate. Many properties are subsidized above the level necessary to fund vouchers. Contribution to supply should be discounted for loss of competing private low-cost housing.		20%	0.0
Total Section Score					**100%**	**40%**

Section II: Strategic Planning (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?*	Yes	HUD has long-term goals for increasing housing affordability, improving housing quality, and economic self-sufficiency.	These goals are articulated in HUD Strategic and Performance Plans.	13%	0.1
2	*Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?*	Yes	HUD has good specific goals for improving physical quality but not yet for improving the economic self-sufficiency of families receiving project-based assistance (these are under development). Hence, they are given a yes but with reduced weight. Project-based assistance is a static program--no new units are produced--so it cannot significantly contribute to increasing housing affordability.	HUD Strategic and Performance Plans.	9%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
3	*Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?*	Yes	Property data provide accurate third-party measures of unit quality, financial management. However, no measures are available of the effects of housing assistance on households' economic or personal well-being.	Real Estate Assessment Center produces comprehensive data on property physical and financial conditions.	13%	0.1
4	*Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?*	No	There is no collaboration with other government programs, such as TANF and job training programs, that support self-sufficiency. The program does collaborate with the voucher program when properties are converted to vouchers but this is rarely done and is largely a simple administrative process.		13%	0.0
5	*Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?*	No	No comprehensive evaluation has ever been conducted focusing on the effects of this program on low-income residents.		13%	0.0
6	*Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?*	No	Program is budgeted on number of outstanding units and expected cost increases. There is no process for linking budget decisions to variations in performance. Renewal of contracts is subject to annual appropriations but is semi-automatic.	HUD Budget documents	13%	0.0
7	*Has the program taken meaningful steps to address its strategic planning deficiencies?*	No	HUD has not taken sufficient steps to translate program objectives into performance measures. There is no evidence of the kind of systematic planning and control of costs and services implied by this question. Local owners are responsible for budgeting and maintenance of properties.		13%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
8 (Cap 1.)	*Are acquisition program plans adjusted in response to performance data and changing conditions?*	N/A	This program does not make new acquisitions. It only funds existing developments.		0%	
9 (Cap 2.)	*Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule and performance goals?*	No	HUD has not considered alternatives such as providing regular vouchers or project-based vouchers as a way of improving program performance.		13%	0.0
Total Section Score					**100%**	**35%**

Section III: Program Management (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?*	Yes	HUD does collect meaningful information on physical condition and uses it to manage properties. It lacks measures in other areas. Also, a broader management rating tool would be advantageous for properties. Due to these concerns, the weight of this factor is reduced to indicate a mild "yes."	Real Estate Assessment Center reports	8%	0.1
2	*Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?*	Yes	Properties with low physical ratings are subject to increased oversight and possible enforcement actions. However, given the limited scope of these mechanisms relative to the larger objectives of this program, this factor is given a low weight.	Property enforcement protocols are used to improve properties.	8%	0.1
3	*Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?*	Yes	Funds are obligated but, given the long-term nature of HUD's relationships with properties, this is largely a mechanical process.	HUD rental assistance contracts and procedures dictate obligations.	13%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	*Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?*	Yes	Program has procedures to mark rents down to market level. Achievement of full savings has been elusive but recent reorganization may help maximize savings.	Rental assistance contract renewal provisions dictate reduction of rents to market levels. Performance reports document properties where rents are reduced.	8%	0.1
5	*Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?*	Yes	The FY 2004 Budget request identifies the required FTEs in both headquarters and the field to administer the program in FY 2002, 2003, and 2004. However, those FTE are not paid for with program dollars, but rather out of a central Salaries and Expense account for the entire Department.	2004 HUD Budget Request and Congressional Justifications	13%	0.1
6	*Does the program use strong financial management practices?*	No	There are often excess balances and poor information on outstanding contracts. HUD field staff routinely grant rent increases based on owners' analysis of costs or, in some cases, based on inflation.	Rental assistance provisions allow for flexible rent adjustments.	12%	0.0
7	*Has the program taken meaningful steps to address its management deficiencies?*	Yes	Inspection data are being used to target properties for management attention and improvement. Though benefits have not yet been documented, contract administrators have been employed to improve oversight. The Mark-to-Market program is restructuring properties for physical and financial viability.	REAC data and Mark-to-Market performance reports.	13%	0.1
8 (Cap 1.)	*Does the program define the required quality, capability, and performance objectives of deliverables?*	N/A	See #1 above.		0%	
9 (Cap 2.)	*Has the program established appropriate, credible, cost and schedule goals?*	No	There is no evidence of the kind of systematic planning and control of costs and services implied by this question. Local owners are responsible for budgeting and maintenance of properties.		12%	0.0

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
10 (Cap 3.) *Has the program conducted a recent, credible, cost-benefit analysis that shows a net benefit?*	N/A	While cost-benefit analysis could be applied to this program, cost and effectiveness comparisons to other programs, as described in Section 1 #5 and Section 2 #9, are a preferred means of evaluation. Given that the number of households served under this program is not increasing, it has been more appropriate to assess alternative methods of providing low-income housing assistance rather than assessing the benefits relative to cost of making incremental investments.		0%	
11 (Cap 4.) *Does the program have a comprehensive strategy for risk management that appropriately shares risk between the government and contractor?*	No	The structure of the program puts owner equity at risk if there is a failure to perform, but most profits were front-loaded. Owner financial interest is not full substitute for risk management strategy given incentive structure of the program. Contracts are written so that unanticipated costs are covered by higher federal payments and losses from default are paid entirely by FHA.		13%	0.0
Total Section Score				**100%**	**63%**

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 *Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?*	Small Extent	The program does support a large number of affordable housing units. New time series shows improvement in physical quality of units. Progress toward increasing self-sufficiency is unclear, however.	Performance Reports	17%	0.1

Long-Term Goal I:	Increase the availability of affordable rental housing.
Target:	Number of households with worst-case needs decreases to 3,730,000 by 2003
Actual Progress achieved toward goal:	Data not yet available.
Long-Term Goal II:	Improve the quality of assisted housing.
Target:	By 2005, 92 percent of project-based housing will meet physical standards.

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
	Actual Progress achieved toward goal:		In 2001, 93 percent of properties met this test.			
	Long-Term Goal III:		Help families in assisted housing make progress toward self-sufficiency.			
	Target:		Targets under development.			
	Actual Progress achieved toward goal:		No targets currently in place to monitor.			
2	*Does the program (including program partners) achieve its annual performance goals?*	Small Extent	Targets for physical quality have been met. However, there are few meaningful targets for other objectives.	Performance Reports	17%	0.1
	Key Goal I:		Increase the availability of affordable rental housing.			
	Performance Target:		Number of households with worst-case needs decreases to 3,807,000 in 2001.			
	Actual Performance:		Data not yet available.			
	Key Goal II:		Improve the quality of assisted housing.			
	Performance Target:		In 2001, 87% of properties will meet physical standards.			
	Actual Performance:		Exceeded target, 93% met standards.			
	Key Goal III:		Help families in assisted housing make progress toward self-sufficiency.			
	Performance Target:		Targets under development.			
	Actual Performance:		No targets currently in place to monitor.			
3	*Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?*	Small Extent	Some efficiencies have been gained through the Mark-to-Market program to reduce above-market rents.		17%	0.1
4	*Does the performance of this program compare favorably to other programs with similar purpose and goals?*	No	Available performance information tends to favor housing vouchers, which provide greater personal mobility. However, there is little information on the effects of different subsidy approaches over time on households' opportunity and well-being.	Preliminary analysis under a Common Low-Income Housing Cost Measure supports this conclusion.	17%	0.0
5	*Do independent and quality evaluations of this program indicate that the program is effective and achieving results?*	No	Independent evaluations lacking.		17%	0.0
6 (Cap 1.)	*Were program goals achieved within budgeted costs and established schedules?*	Small Extent	If goals are defined narrowly, then yes. Cost increases are generally in line with inflation, ignoring default losses when projects fail. Some subsidy savings resulted from Mark to Market restructuring		17%	0.1
Total Section Score					**100%**	**22%**

PART Performance Measurements

Program: Rural Housing and Economic Development
Agency: Department of Housing and Urban Development
Bureau: Office of Rural Housing and Economic Development
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
80%	63%	30%	7%	

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: The purpose of the Rural Housing and Economic Development Program is to develop capacity at the State and local level for developing rural housing and for economic development. HUD awards grants to local rural nonprofits, community development corporations and federally recognized Indian tribes to support capacity building and technical assistance. HUD also awards grants for innovate housing and economic development awards in rural areas to federally recognized Indian tribes, State housing finance agencies, State community and/or economic development agencies, local rural nonprofits, and community development corporations.

Evidence: Public Law 105-276 (October 21, 1998) established the Office of Rural Housing and Economic Development which includes the Rural Housing and Economic Development Program and a clearinghouse of ideas for innovative strategies for rural housing and economic development and revitalization.

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight20%

Explanation: The Rural Housing and Economic Development Program is designed to address the problems of rural poverty, inadequate housing and lack of economic opportunity. In quantifying the need of the program, applicants provide data on poverty and unemployment rates of the target area compared to the national data on poverty and unemployment rates.

Evidence: Data shows rural areas, especially certain regions, have poverty levels above the national rate that indicate broader economic problems. For example, poverty rates among African Americans in nonmetro areas of the Lower Mississippi Delta is 40 percent compared to 12 percent for the nation as a whole. Nearly one-third of Native Americans living on reservations and tribal lands and non-metro Hispanics in the border/colonias region live in poverty. In Central Appalachia, the poverty rate among white non-Hispanics is twice the poverty of whites nationwide. HAC found that over half of all nonmetro counties with 20% or higher poverty rates since 1960 are located in these high need regions.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: NO Question Weight20%

Explanation: There are a variety of Federal programs that fund activities similar to RHED. Specifically, HUD and USDA programs are duplicative. The U.S. Department of Agriculture oversees many of these programs.

Evidence: The USDA Community Facilities Loan and Grants programs construct or improve rural facilities for healthcare, telecommunications, public safety and public services. The Intermediary Relending Program finances business facilities and community development projects in rural areas. The Rural Business Enterprise Grants program allows rural communities to buy and develop land, construct buildings, plants, access roads, and other infrastructure to facilitate the development of small and emerging private businesses. Within HUD, RHED activities are also eligible under the Non-entitlement Community Development Block Grant program, in which States pass funds to rural areas for housing rehabilitation, public facility improvement, economic development, and assistance to nonprofit entities for community development activities.

PART Performance Measurements

Program: Rural Housing and Economic Development
Agency: Department of Housing and Urban Development
Bureau: Office of Rural Housing and Economic Development
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
80%	63%	30%	7%	

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight20%

Explanation: A competitive grant process is the appropriate design for this type of rural economic development and capacity building program.

Evidence: Applicants are funded directly to carry out specific initiatives, which gives HUD the ability to target resources to rural areas or regions that lack capacity.

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight20%

Explanation: The Rural Housing and Economic Development Program aims to support the poorest of the poorest communities. There is a specific focus on beneficiaries in underserved areas including rural areas with very small populations (2,500 population or less), federally recognized Indian tribes, Colonias, The Lower Mississippi Delta Region (8 states, 240 counties/parishes), and Appalachia's Distressed Counties.

Evidence: In quantifying the need of the program, applicants provide data on poverty and unemployment rates of the target area. The average poverty rate of funded applicants is 29.4%, compared to the national average of 11.3%. The average unemployment rate of grantees is 17.1%, compared to the average unemployment rate of 5.9 percent.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight13%

Explanation: HUD requires grantees to provide a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program.

Evidence: Long-term oucome measures include: 1) percentage change in earnings as a result of employment for those participants; 2) percent of participants trained who find a job; 3) annual estimated savings for low-income families as a result of energy efficiency improvements; 4) increase in program accomplishments as a result of capacity building assistance (e.g. number of employees hired or retained, efficiency or effectiveness of services provided); and 5) increase in organizational resources as a result of assistance (e.g. dollars leveraged).

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: NO Question Weight13%

Explanation: HUD is in the process of developing baselines and setting goals for relatively new measures.

Evidence: HUD has included measures in 2003 and 2004 NOFAs and applicants have begun to report targets.

PART Performance Measurements

Program: Rural Housing and Economic Development
Agency: Department of Housing and Urban Development
Bureau: Office of Rural Housing and Economic Development
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Ineffective
80%	63%	30%	7%	

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight 13%

Explanation: Grantees include a limited number of specific annual performance measures that demostrate progress toward achieving the program's long-term goals as part of their NOFA application. While the program does not currently have efficiency measures they will build the collection of this information into their performance tracking system. The measures will show costs per job created, housing unit rehabilitated, and per business assisted.

Evidence: These performance measures are: 1) number of housing units constructed; 2) number of jobs created; 3) number of participants trained; 4) number of new businesses created; and 5) number of existing businesses assisted.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight 13%

Explanation: The program has baselines for all its measures, but only one goal for number of housing units rehabilitated or constructed. However, the program does not have efficiency measures so they are not able to receive a Yes on this question.

Evidence: The program has baselines and has revised its targets to reflect 10 percent increases for 2005 above 2004 accomplishments. Additionals targets based on the actual data for the output measures include: 1) number of jobs created (1,623); 2) number of participants trained (7,678); 3) number of new businesses created (303); and 4) number of existing businesses assisted (987). While these measures are not included in the Annual Performance Plan, they are tracked and collected through the performance goal of HUD's Management Plan.

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight 13%

Explanation: The Rural Housing and Economic Development Program grant agreement includes a term that requires all grantees to provide data on performance measures in their semi-annual reports.

Evidence: Data is collected on an annual basis through HUD's local field offices. HUD headquarters has also developed a system for tracking and monitoring these goals. In the future, there is a plan to develop an automated system to track and monitor grantee's performance measurement data which will include economic development programs including the Rural Housing and Economic Development Program.

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: NO Question Weight 13%

Explanation: Given the small size and low-priority for the Department, there are no plans to dedicate funds for a study of this program.

Evidence: No studies have been or are planned to completed for this program.

PART Performance Measurements

Program: Rural Housing and Economic Development
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2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: NO Question Weight13%

Explanation: Budget requests are not explicitly tied to accomplishment of the annual and long-term performance goals.

Evidence: The FY 2002, 2003, 2004, and 2005 Budgets have not proposed funding for the Rural Housing and Economic Development As a result of this proposal,

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight13%

Explanation: In the 2003 NOFA, HUD adopted several rigorous outcome measures to measure the change in capacity of grantees as well as the change in persons and families assisted.

Evidence: The Administration also included performance measures for the RHED program in HUD's FY2005 Annual Performance Plan (APP).

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: NO Question Weight10%

Explanation: Grantees submit performance information in their semi-annual reports. Initially, applicants submit performance goals under Rating Factor 5 (Achieving Results and Program Evaluation) of the NOFA. HUD uses this information is to adjust program priorities, allocate resources, or take other appropriate management actions. These adjustments and allocations are communicated in the NOFA process.

Evidence: The Rural Housing and Economic Development Notices of Funding Availability (NOFA) requires grantees to include projections of the annual performance measures as a part of the NOFA application. Actual data are collected on an annual basis through HUD's local field offices. As a result, RHED used performance information to adjust program priorities in NOFA. For example, the FY2002 RHED NOFA required applicants to project specific performance measures under a reconstructed Rating Factor 5. The focus was converted from coordination, self-sufficiency and sustainability to achieving results and program evaluation.

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight10%

Explanation: HUD managers are rated for performance based upon the Performance Accountability and Communication System (PACS) and the Leadership Development and Recognition System (LDRS) and have been for the last several years. Through a delegation of authority, HUD's Community Planning and Development (CPD) Field Office Directors are charged with the monitoring and oversight of the Rural Housing and Economic Development Program grantees.

Evidence: Under this system, the elements used to rate a manager's performance are linked to the Department's GPRA goals. Ratings, promotions and monetary awards are appropriate to the manager's accomplishments, or lack thereof.

PART Performance Measurements

Program: Rural Housing and Economic Development
Agency: Department of Housing and Urban Development
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Section Scores				Rating
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3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight:10%

Explanation: Award announcements for the Rural Housing and Economic Development Program must be announced by June 1st. This is a congressionally mandated deadline. After the Secretary makes the official announcements to the Congress, the funds are obligated within a 90-day period. The point of obligation for the Rural Housing and Economic Development Program is the executed grant agreement between HUD and the grantee.

Evidence: Unobligated balances carried forward in 2003 totalled $26 million. Public Law 105-276 (October 21, 1998) establishes the Office of Rural Housing and Economic Development which includes the Rural Housing and Economic Development Program.

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: NO Question Weight:10%

Explanation: No system is currently in place to measure efficiencies and cost effectiveness. However, HUD is currently designing a grants management system called 'EdSys' to support the reporting requirement of economic development programs including the Rural Housing and Economic Development Program.

Evidence: EdSys will be used by the grantees, field office staff and headquarters staff. This system will monitor grantees draw-downs of funds and track information including performance measures (outputs and outcomes).

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: NO Question Weight:10%

Explanation: Although some partnerships do exist. There is not sufficient evidence that the program coordinates its activities with other similar programs.

Evidence: The Office has coordinated with the Southwest and Colonias initiatives; however, there are no examples of how these partnerships have affected the program operations in a signficant way.

3.6 **Does the program use strong financial management practices?** Answer: NO Question Weight:10%

Explanation: The program's financial management practices are consistent with the cash management and grants management laws and procedures.

Evidence: The funds are managed in accordance with the Funds Control Plan.

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: NO Question Weight:10%

Explanation: The program does not have a system for evaluating program management and correcting for deficiencies, aside from HUD-wide controls.

Evidence: Once in place, the "EdSys" system mentioned above will allow HUD to identify and correct program management deficiencies.

PART Performance Measurements

Program: Rural Housing and Economic Development
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3.CO1 **Are grants awarded based on a clear competitive process that includes a qualified assessment of merit?** Answer: YES Question Weight10%

Explanation: All grants are awarded on a competitive basis and subject to peer review. HUD employees review, rate, and rank applications based on public criteria. While making funding decisions HUD employees are prohibited from providing advance information to any person (other than an authorized employee of HUD) concerning funding decisions or otherwise giving any applicant an unfair competitive advantage.

Evidence: HUD's regulations implementing Section 103 of the Department's Reform Act of 1989 (42 U.S.C. 3537 a), codified at 24 CFR 4.26(c) and 4.28, apply to the funding competition. Each year, as a result of the competition, HUD funds approximately 100 new grantees.

3.CO2 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: NO Question Weight10%

Explanation: The program has no reporting system in place to ensure a high level of understanding of what grantees do with the resources allocated. While grantees submit performance information in the semi-annual reports to HUD field offices, the number of site visits and audits and tracking of actual expenditures is unclear.

Evidence: Currently, HUD headquarters does not have data organized in a way that gives them adequate oversight of grantee activities.

3.CO3 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: NO Question Weight10%

Explanation: Performance informatioin is collected, but not disseminated in a meaningful way. HUD will work to make public planned and actual performance information available for each grantee.

Evidence: Actual data is collected annually, however, it is kept in HUD field offices and not made transparent.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight20%

Explanation: The program has not collected information on its outcome measures to demonstrate progress.

Evidence: See questions 2.1 and 2.2 and measures tab.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight20%

Explanation: The program did not establish targets for its output measures. For the first time, the program has set 2005 targets for some of its performance measures. The program can demonstrate some accomplishments for 2001-2003 grant years.

Evidence: See questions 2.3 and 2.4 and measures tab. The program has set targets for future years, but had not set them for prior years.

PART Performance Measurements

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4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: NO Question Weight20%

Explanation: While the program collects performance information from grantees, it has no targets for these measues or developed efficiency measures, making it difficult to demonstrate efficiency improvements over time in achieving program goals or targets.

Evidence: The program does not have data on improved effectiveness or efficiencies.

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: NO Question Weight20%

Explanation: No evaluations or other documents have compared the Rural Housing program to similar programs.

Evidence: Programs in other agencies such as USDA may be better suited to deal with the problems in rural America this program seeks to address.

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: NO Question Weight20%

Explanation: No evaluations have been done on this program.

Evidence: To a large degree, the lack of evaluations or studies is due to the small size of this program. The program has only been mentioned in a few GAO reports and HUD studies.

PART Performance Measurements

Program: Rural Housing and Economic Development
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Measure: Number of jobs created

Additional Information:

Year	Target	Actual
2001		1475
2002		2035
2003		1908

Measure Term: Annual

Measure: Number of housing units rehabilitated or constructed

Additional Information: Includes assistance to existing homeowners and newly constructed affordable housing units.

Year	Target	Actual
2001		1047
2002		3928
2003		6065
2004		
2005	3338	

Measure Term: Annual

Measure: percentage change in earnings as a result of employment for those participants

Additional Information:

Year	Target	Actual

Measure Term: Long-term

PART Performance Measurements

Program: Rural Housing and Economic Development
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Measure: percent of participants trained who find a job

Additional Information:

Year	Target	Actual	Measure Term:	Long-term

Measure: Annual estimated savings for low-income families as a result of energy efficiency improvements

Additional Information: Represents true benefit, in terms of dollars that result from assistance

Year	Target	Actual	Measure Term:	Long-term

Measure: Percent increase in program accomplishments as a result of capacity building assistance

Additional Information: Could include increases in number of employees hired or retained, efficiency or effectiveness of services provided as a result of capacity building assistance

Year	Target	Actual	Measure Term:	Long-term

Measure: Increase in organizational resources as a result of assistance

Additional Information: Quantifies the degree to which the organization grows, expands as a result of capacity building assistance.

Year	Target	Actual	Measure Term:	Long-term