

# **DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

## **PART ASSESSMENTS<sup>1</sup>**

<sup>1</sup>This document contains details of the most recent program assessments as of the date the 2005 Budget was published (February 2004). Programs originally assessed for the 2004 Budget were reassessed only where evidence showed an agency's rating was likely to change. Programs not reassessed are presented in this document in the form of reprints of the original worksheets and are footnoted "FY 2004 Budget".

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## Program Assessment Rating Tool (PART)

**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				Overall Rating
1	2	3	4	Ineffective
0%	38%	67%	27%	

**1.1 Is the program purpose clear?**

Answer: NO

Question Weight: 20%

**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 Weight: 20%

**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 Weight: 20%

**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 Weight: 20%

**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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0%	38%	67%	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: 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 met 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 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 contribute 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 principally 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 operationalize 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 performance 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 (COSDA) to develop a outcome-oriented framework for measuring 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 meet 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.



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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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Section Scores				Overall 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 Weight: 20%

**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 Weight: 20%

**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 Weight: 20%

**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.

## PART Performance Measurements

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

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**Measure:** Number of households that receive CDBG housing assistance  
**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> 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:**

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

## Program Assessment Rating Tool (PART)

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

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

**1.1 Is the program purpose clear?**

Answer: YES

Question Weight: 20%

**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 Weight: 20%

**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 Weight: 20%

**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 Weight: 20%

**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.

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Section Scores				Overall Rating
1	2	3	4	Moderately Effective
80%	100%	100%	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:** 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 Assessment Rating Tool (PART)

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

Section Scores				Overall 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.

**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.

## Program Assessment Rating Tool (PART)

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

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

**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.

## Program Assessment Rating Tool (PART)

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

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

**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/dispensed/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.



## Program Assessment Rating Tool (PART)

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

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

**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.

**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.

## Program Assessment Rating Tool (PART)

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

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

**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.

**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.

**Program Assessment Rating Tool (PART)**

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

Section Scores				Overall Rating
1	2	3	4	Moderately Effective
80%	100%	100%	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:** 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:**

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**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.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2002		418,595	
2003	500,000		
2004	500,000		
2005	500,000		
2006			

**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.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2002	16,500	17,869	
2003	18,000	17,695	
2004	33,000		

**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

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2004	40,000		
2005	40,000		
2006	40,000		

## PART Performance Measurements

**Program:** HOME Investment Partnerships Program  
**Agency:** Department of Housing and Urban Development  
**Bureau:**

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**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.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term (Efficiency Measure)
2002	<3.0%	2.1%	
2003	<3.0%		
2004	<3.0%		

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

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2002	60,643	52,344	
2003	62,019	62,549	
2004	60,778		

## Program Assessment Rating Tool (PART)

**Program:** HOPE VI  
**Agency:** Department of Housing and Urban Development  
**Bureau:** Public and Indian Housing  
**Type(s):** Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Ineffective
40%	75%	30%	40%	

- 1.1 Is the program purpose clear?** Answer: YES      Question Weight: 20%
- 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 opportunities 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 Weight: 20%
- 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 subsidized 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 Weight: 20%
- 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 appropriations, 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 Weight: 20%
- 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.

## Program Assessment Rating Tool (PART)

**Program:** HOPE VI  
**Agency:** Department of Housing and Urban Development  
**Bureau:** Public and Indian Housing  
**Type(s):** Competitive Grant

Section Scores				Overall 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 achievements made in prior years even though over \$3.3 billion in balances remain unspent.

## Program Assessment Rating Tool (PART)

**Program:** HOPE VI  
**Agency:** Department of Housing and Urban Development  
**Bureau:** Public and Indian Housing  
**Type(s):** Competitive Grant

Section Scores				Overall 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.



## Program Assessment Rating Tool (PART)

**Program:** HOPE VI  
**Agency:** Department of Housing and Urban Development  
**Bureau:** Public and Indian Housing  
**Type(s):** Competitive Grant

Section Scores				Overall 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 restructured 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 ability 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.

## Program Assessment Rating Tool (PART)

**Program:** HOPE VI  
**Agency:** Department of Housing and Urban Development  
**Bureau:** Public and Indian Housing  
**Type(s):** Competitive Grant

Section Scores				Overall 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 receive 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 soundness 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 available.  
 Evidence: Performance data is collected through the Quarterly Progress Reporting System.

## Program Assessment Rating Tool (PART)

**Program:** HOPE VI  
**Agency:** Department of Housing and Urban Development  
**Bureau:** Public and Indian Housing  
**Type(s):** Competitive Grant

Section Scores				Overall 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 Weight: 20%

**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 Weight: 20%

**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 Weight: 20%

**Explanation:** Program management does not focus on reducing costs or achieving efficiencies.

**Evidence:** Total development costs are set according to regional construction indexes 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 Weight: 20%

**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 public 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 Weight: 20%

**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-sufficiency 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

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**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.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2001		73,857	
2002		88,922	
2003	100,000		

**Measure:** Number of households relocated.  
**Additional Information:** Current households must be relocated before demolition and redevelopment can begin.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	2,300	6,923	
2002	4,749	4,986	
2003	3,160	6,859	
2004	3,300		

**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.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	12,000	14,144	
2002	13,000	15,065	
2003	13,000		
2004	10,000		

## PART Performance Measurements

**Program:** HOPE VI  
**Agency:** Department of Housing and Urban Development  
**Bureau:** Public and Indian Housing

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**Measure:** Number of public housing units constructed or rehabilitated under HOPE VI.

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	12,000	4,044	
2002	5,485	6,583	
2003	6,821	8,611	
2004	6,900		

**Measure:** Number of units occupied.

**Additional Information:** Number of HOPE VI units occupied after redevelopment is complete.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	11,100	3,579	
2002	4,987	6,123	
2003	6,201	7,512	
2004	6,200		

**Measure:** Number of severely distressed public housing units demolished under HOPE VI annually.

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	4,100	12,375	
2002	11,550	8,787	
2003	3,905	7,468	
2004	4,000		

## 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 <i>Is the program purpose clear?</i>	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 <i>Does the program address a specific interest, problem or need?</i>	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 <i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i>	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	<i>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)?</i>	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	<i>Is the program optimally designed to address the interest, problem or need?</i>	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, <u>Federal Housing Assistance, Comparing the Characteristics and Costs of Housing Programs</u> concluded that housing production under the 811 program is more costly than other alternatives such as vouchers.	20%	0.0

<b>Total Section Score</b>	<b>100%</b>	<b>40%</b>
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**Section II: Strategic Planning (Yes,No, N/A)**

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
1	<i>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?</i>	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	<i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i>	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	<i>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?</i>	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	<i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i>	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	<i>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?</i>	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	<i>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?</i>	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	<i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i>	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

<b>Total Section Score</b>					<b>100%</b>	<b>43%</b>
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**Section III: Program Management (Yes,No, N/A)**

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
1	<i>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?</i>	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	<i>Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?</i>	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	<i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i>	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	<i>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?</i>	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	<i>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?</i>	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	<i>Does the program use strong financial management practices?</i>	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	<i>Has the program taken meaningful steps to address its management deficiencies?</i>	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.)	<i>Are grant applications independently reviewed based on clear criteria (rather than earmarked) and are awards made based on results of the peer review process?</i>	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.)	<i>Does the grant competition encourage the participation of new/first-time grantees through a fair and open application process?</i>	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.) <i>Does the program have oversight practices that provide sufficient knowledge of grantee activities?</i>	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.) <i>Does the program collect performance data on an annual basis and make it available to the public in a transparent and meaningful manner?</i>	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

<b>Total Section Score</b>	<b>100%</b>	<b>18%</b>
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**Section IV: Program Results (Yes, Large Extent, Small Extent, No)**

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
1	<i>Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?</i>	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:	

**FY 2004 Budget**

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	<i>Does the program (including program partners) achieve its annual performance goals?</i>	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
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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	<i>Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?</i>	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
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4	<i>Does the performance of this program compare favorably to other programs with similar purpose and goals?</i>	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	<i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i>	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

<b>Total Section Score</b>					<b>100%</b>	<b>13%</b>
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## 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 <i>Is the program purpose clear?</i>	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 <i>Does the program address a specific interest, problem or need?</i>	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 <i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i>	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

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
4	<i>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)?</i>	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	<i>Is the program optimally designed to address the interest, problem or need?</i>	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, <u>Federal Housing Assistance, Comparing the Characteristics and Costs of Housing Programs</u> 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
<b>Total Section Score</b>					<b>100%</b>	<b>40%</b>



	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
<b>Section II: Strategic Planning (Yes,No, N/A)</b>						
1	<i>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?</i>	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	<i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i>	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	<i>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?</i>	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

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
4	<i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i>	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	<i>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?</i>	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	<i>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?</i>	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	<i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i>	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
<b>Total Section Score</b>					<b>100%</b>	<b>43%</b>

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
<b>Section III: Program Management (Yes,No, N/A)</b>						
1	<i>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?</i>	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	<i>Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?</i>	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	<i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i>	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	<i>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?</i>	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

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
5	<i>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?</i>	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	<i>Does the program use strong financial management practices?</i>	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	<i>Has the program taken meaningful steps to address its management deficiencies?</i>	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.)	<i>Are grant applications independently reviewed based on clear criteria (rather than earmarked) and are awards made based on results of the peer review process?</i>	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.)	<i>Does the grant competition encourage the participation of new/first-time grantees through a fair and open application process?</i>	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.) <i>Does the program have oversight practices that provide sufficient knowledge of grantee activities?</i>	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.) <i>Does the program collect performance data on an annual basis and make it available to the public in a transparent and meaningful manner?</i>	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
<b>Total Section Score</b>				<b>100%</b>	<b>18%</b>

**Section IV: Program Results (Yes, Large Extent, Small Extent, No)**

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?</i>	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	<i>Does the program (including program partners) achieve its annual performance goals?</i>	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	<i>Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?</i>	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

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
4	<i>Does the performance of this program compare favorably to other programs with similar purpose and goals?</i>	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	<i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i>	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
<b>Total Section Score</b>					<b>100%</b>	<b>13%</b>

**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 prevalence of HIV in very-low income populations.



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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, were 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.

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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).

## Program Assessment Rating Tool (PART)

**Program:** Housing Opportunities for Persons with AIDS  
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Section Scores				Overall Rating
1	2	3	4	Results Not Demonstrated
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.

Program Assessment Rating Tool (PART)

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Section Scores				Overall Rating
1	2	3	4	Results Not
92%	63%	100%	50%	Demonstrated

**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](http://www.hud.gov)).

**Program Assessment Rating Tool (PART)**

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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 Assessment Rating Tool (PART)

**Program:** Housing Opportunities for Persons with AIDS  
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**Type(s):** Block/Formula Grant

Section Scores				Overall Rating
1	2	3	4	Results Not
92%	63%	100%	50%	Demonstrated

**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 conducted 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 through 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 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%	

**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](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 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%	

**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 established 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, largely 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

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**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.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2003		39%	
2004	42%		
2008	50%		

**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.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2000		62%	
2003	64%		
2004	66%		
2008	74%		

**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 achieving self sufficiency. Target: Increase program reach by 1% annually.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2003		20%	
2004	21%		
2006	23%		
2008	25%		

## PART Performance Measurements

**Program:** Housing Opportunities for Persons with AIDS  
**Agency:** Department of Housing and Urban Development  
**Bureau:** Community Planning and Development

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**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.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
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 increase 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

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual (Efficiency Measure)
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	<i>Is the program purpose clear?</i>	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	<i>Does the program address a specific interest, problem or need?</i>	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	<i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i>	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	<i>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)?</i>	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	<i>Is the program optimally designed to address the interest, problem or need?</i>	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
<b>Total Section Score</b>					<b>100%</b>	<b>80%</b>

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score	
<b>Section II: Strategic Planning (Yes,No, N/A)</b>						
1	<i>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?</i>	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	<i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i>	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	<i>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?</i>	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	<i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i>	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

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
5	<i>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?</i>	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	<i>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?</i>	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	<i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i>	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
<b>Total Section Score</b>					<b>100%</b>	<b>86%</b>

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
<b>Section III: Program Management (Yes, No, N/A)</b>						
1	<i>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?</i>	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	<i>Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?</i>	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	<i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i>	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	<i>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?</i>	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	<i>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?</i>	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

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
6	<i>Does the program use strong financial management practices?</i>	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	<i>Has the program taken meaningful steps to address its management deficiencies?</i>	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.)	<i>Are grant applications independently reviewed based on clear criteria (rather than earmarked) and are awards made based on results of the peer review process?</i>	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.)	<i>Does the grant competition encourage the participation of new/first-time grantees through a fair and open application process?</i>	Yes	Participation is encouraged for all eligible applicants.		9%	0.1

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
10 (Co 3.) <i>Does the program have oversight practices that provide sufficient knowledge of grantee activities?</i>	Yes	SEMAP rating system and other reporting now provides a good base of information on local grantees.		9%	0.1
11 (Co 4.) <i>Does the program collect performance data on an annual basis and make it available to the public in a transparent and meaningful manner?</i>	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
<b>Total Section Score</b>				<b>100%</b>	<b>73%</b>

**Section IV: Program Results (Yes, Large Extent, Small Extent, No)**

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?</i>	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
<p>Long-Term Goal I: Increase the availability of affordable rental housing for low-income households.</p> <p>Target: The number of households with worst-case housing needs decreases by 3 percent by 2003 among families with children and elderly.</p> <p>Actual Progress achieved toward Number of households has been declining. 1997 = 4,331; 1999 = 3,921; 2001 est. = 3,807 (Actual 2001 data not yet reported); 2003 est. = goal: 3,730</p>					
<p>Long-Term Goal II: Help Families in public and assisted housing make progress toward self-sufficiency and become homeowners.</p> <p>Target: Number of Voucher households that have accumulated assets through the Family Self-Sufficiency program increase by 5 percent.</p> <p>Actual Progress achieved toward No data yet. In 2001, the actual number of households = 15,603. Goal for 2002 = 16,383, 2003 = 17,202 goal:</p>					
<p>Long-Term Goal III: Help Families in public and assisted housing make progress toward self-sufficiency and become homeowners.</p> <p>Target: The number of households who have used Housing Choice Vouchers to become homeowners increases by 20 percent</p> <p>Actual Progress achieved toward No data yet. PIC system has not gathered necessary data. goal:</p>					
2 <i>Does the program (including program partners) achieve its annual performance goals?</i>	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 development 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	<i>Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?</i>	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	<i>Does the performance of this program compare favorably to other programs with similar purpose and goals?</i>	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

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
5	<i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i>	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
<b>Total Section Score</b>					<b>100%</b>	<b>67%</b>

## Program Assessment Rating Tool (PART)

**Program:** Lead Hazard Grants  
**Agency:** Department of Housing and Urban Development  
**Bureau:** Lead Hazard Control  
**Type(s):** Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Moderately
90%	88%	90%	63%	Effective

**1.1 Is the program purpose clear?**

Answer: YES

Question Weight: 22%

**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 Weight: 22%

**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 Weight: 22%

**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 Weight: 22%

**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:**

## Program Assessment Rating Tool (PART)

**Program:** Lead Hazard Grants  
**Agency:** Department of Housing and Urban Development  
**Bureau:** Lead Hazard Control  
**Type(s):** Competitive Grant

Section Scores				Overall 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 Weight: 10%

**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 highest 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 Weight: 12%

**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 Weight: 12%

**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 Weight: 12%

**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 Weight: 12%

**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.

## Program Assessment Rating Tool (PART)

**Program:** Lead Hazard Grants  
**Agency:** Department of Housing and Urban Development  
**Bureau:** Lead Hazard Control  
**Type(s):** Competitive Grant

Section Scores				Overall 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 Weight: 12%

Explanation: Grantees have to meet minimum standards to continue receiving funds under the program. Grantees are now required 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 Weight: 12%

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 Weight: 12%

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 Weight: 12%

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 Weight: 10%

Explanation: The program uses detailed progress reports to track the completion of work by grantees.

Evidence: Program Progress Reports.

## Program Assessment Rating Tool (PART)

**Program:** Lead Hazard Grants  
**Agency:** Department of Housing and Urban Development  
**Bureau:** Lead Hazard Control  
**Type(s):** Competitive Grant

Section Scores				Overall 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 Weight: 10%

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 Weight: 10%

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 Weight: 10%

Explanation: The program does not use efficiency measures.

Evidence:

**3.5 Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 10%

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 Weight: 10%

Explanation: No control issues have been identified in audited financial statements. Grantees submit detailed information on spending.

Evidence: Audited Financial Statements, Grantee progress reports.

**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.

## Program Assessment Rating Tool (PART)

**Program:** Lead Hazard Grants  
**Agency:** Department of Housing and Urban Development  
**Bureau:** Lead Hazard Control  
**Type(s):** Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Moderately
90%	88%	90%	63%	Effective

- 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.
- 4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight: 22%
- 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

## Program Assessment Rating Tool (PART)

**Program:** Lead Hazard Grants  
**Agency:** Department of Housing and Urban Development  
**Bureau:** Lead Hazard Control  
**Type(s):** Competitive Grant

Section Scores				Overall Rating
1	2	3	4	Moderately
90%	88%	90%	63%	Effective

**4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?**

Answer: SMALL  
EXTENT

Question Weight: 22%

**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 Weight: 11%

**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 Weight: 22%

**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

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**Measure:** Number of children under age 6 with elevated blood lead levels.

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
1994		890,000	
2000		434,000	
2004	260,000		

**Measure:** Number of housing units made lead-safe with program grant funds.

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	7,000	8,212	
2002	7,200	8,040	
2003	7,600	9,098	
2004	8,390		
2005	9,500		

## Program Assessment Rating Tool (PART)

**Program:** National Community Development Initiative  
**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	Moderately
80%	100%	89%	75%	Effective

**1.1 Is the program purpose clear?**

Answer: YES

Question Weight: 20%

**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 Weight: 20%

**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.

**Program Assessment Rating Tool (PART)**

**Program:** National Community Development Initiative  
**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	Moderately Effective
80%	100%	89%	75%	

**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 Weight: 20%

**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 Weight: 20%

**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.

## Program Assessment Rating Tool (PART)

**Program:** National Community Development Initiative  
**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	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.

## Program Assessment Rating Tool (PART)

**Program:** National Community Development Initiative  
**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	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.

**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.

**Program Assessment Rating Tool (PART)**

**Program:** National Community Development Initiative  
**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	Moderately Effective
80%	100%	89%	75%	

**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 its 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.

**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.

Program Assessment Rating Tool (PART)

**Program:** National Community Development Initiative  
**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	Moderately Effective
80%	100%	89%	75%	

**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/NCDCI. 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.

**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.

## Program Assessment Rating Tool (PART)

**Program:** National Community Development Initiative  
**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	Moderately
80%	100%	89%	75%	Effective

**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.

**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.



## Program Assessment Rating Tool (PART)

**Program:** National Community Development Initiative  
**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	Moderately
80%	100%	89%	75%	Effective

**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](http://www.livingcities.org) and [www.urban.org](http://www.urban.org).

**4.1**     **Has the program demonstrated adequate progress in achieving its long-term performance goals?**     Answer: LARGE EXTENT     Question Weight: 25%

**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.

**Program Assessment Rating Tool (PART)**

**Program:** National Community Development Initiative  
**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	Moderately Effective
80%	100%	89%	75%	

**4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: LARGE EXTENT Question Weight: 25%

**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 Weight: 25%

**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 increase 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.

**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.

**Program Assessment Rating Tool (PART)**

**Program:** National Community Development Initiative  
**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	Moderately Effective
80%	100%	89%	75%	

**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:** 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

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**Measure:** Number of homes renovated, preserved or newly constructed

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2002	2,867	4,429	
2003	3,627		
2004	3,978		

**Measure:** Number of trainings created and provided to CDCs

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> 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:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> 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	<i>Is the program purpose clear?</i>	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	<i>Does the program address a specific interest, problem or need?</i>	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	<i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i>	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	<i>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)?</i>	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	<i>Is the program optimally designed to address the interest, problem or need?</i>	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
<b>Total Section Score</b>					<b>100%</b>	<b>80%</b>

<b>Section II: Strategic Planning (Yes,No, N/A)</b>						
	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
1	<i>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?</i>	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	<i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i>	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	<i>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?</i>	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	<i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i>	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

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
5	<i>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?</i>	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	<i>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?</i>	No	HUD does not estimate the effect of funding changes on program outcomes.		14%	0.0
7	<i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i>	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
<b>Total Section Score</b>					<b>100%</b>	<b>29%</b>

**Section III: Program Management (Yes,No, N/A)**

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
1	<i>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?</i>	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



	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
2	<i>Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?</i>	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	<i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i>	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	<i>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?</i>	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	<i>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?</i>	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

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
6	<i>Does the program use strong financial management practices?</i>	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	<i>Has the program taken meaningful steps to address its management deficiencies?</i>	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.)	<i>Does the program have oversight practices that provide sufficient knowledge of grantee activities?</i>	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.)	<i>Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?</i>	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
<b>Total Section Score</b>					<b>100%</b>	<b>56%</b>

**Section IV: Program Results (Yes, Large Extent, Small Extent, No)**

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
1	<i>Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?</i>	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	<i>Does the program (including program partners) achieve its annual performance goals?</i>	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	<i>Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?</i>	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	<i>Does the performance of this program compare favorably to other programs with similar purpose and goals?</i>	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%	

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
5	<i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i>	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
<b>Total Section Score</b>					<b>100%</b>	<b>0%</b>

## Program Assessment Rating Tool (PART)

**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				Overall Rating
1	2	3	4	Results Not
68%	27%	88%	34%	Demonstrated

**1.1 Is the program purpose clear?**

Answer: YES

Question Weight: 22%

**Explanation:** PATH was created by Congress in 1999 with language in a conference report accompanying 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 Independent 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 Weight: 22%

**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).

## Program Assessment Rating Tool (PART)

**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				Overall Rating
1	2	3	4	Results Not
68%	27%	88%	34%	Demonstrated

**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: 22%

**Explanation:** PATH was designed to be a unique public-private partnership 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 Weight: 22%

**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 usefulness 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 Weight: 10%

**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 facilitate 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.

## Program Assessment Rating Tool (PART)

**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				Overall Rating
1	2	3	4	Results Not
68%	27%	88%	34%	Demonstrated

**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:** 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 Weight: 13%

**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 Weight: 13%

**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 Weight: 13%

**Explanation:**

**Evidence:** NA

## Program Assessment Rating Tool (PART)

**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				Overall Rating
1	2	3	4	Results Not
68%	27%	88%	34%	Demonstrated

**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 Steering 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



## Program Assessment Rating Tool (PART)

**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				Overall Rating
1	2	3	4	Results Not
68%	27%	88%	34%	Demonstrated

**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 Assessment Rating Tool (PART)

**Program:** Partnership for Advancing Technology in Housing (PATH)  
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**Bureau:** Policy Development & Research  
**Type(s):** Research and Development

Section Scores				Overall Rating
1	2	3	4	Results Not
68%	27%	88%	34%	Demonstrated

**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.

## Program Assessment Rating Tool (PART)

**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				Overall Rating
1	2	3	4	Results Not
68%	27%	88%	34%	Demonstrated

**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 led 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 disbursements 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."

**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 Weight: 12%

**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 specify quality assurances, 2001-2003.

## Program Assessment Rating Tool (PART)

**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				Overall Rating
1	2	3	4	Results Not
68%	27%	88%	34%	Demonstrated

**4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight: 25%

**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 Weight: 25%

**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 Weight: 25%

**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.

**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.

**Program Assessment Rating Tool (PART)**

**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				Overall Rating
1	2	3	4	Results Not
68%	27%	88%	34%	Demonstrated

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

Answer: LARGE  
EXTENT

Question Weight: 25%

**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.

## PART Performance Measurements

**Program:** Partnership for Advancing Technology in Housing (PATH)

**Agency:** Department of Housing and Urban Development

**Bureau:** Policy Development & Research

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**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	<i>Is the program purpose clear?</i>	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	<i>Does the program address a specific interest, problem or need?</i>	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	<i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i>	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	<i>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)?</i>	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

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
5	<i>Is the program optimally designed to address the interest, problem or need?</i>	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
<b>Total Section Score</b>					<b>100%</b>	<b>40%</b>

<b>Section II: Strategic Planning (Yes,No, N/A)</b>						
	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
1	<i>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?</i>	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	<i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i>	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



	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
3	<i>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?</i>	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	<i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i>	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	<i>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?</i>	No	No comprehensive evaluation has ever been conducted focusing on the effects of this program on low-income residents.		13%	0.0
6	<i>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?</i>	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	<i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i>	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.) <i>Are acquisition program plans adjusted in response to performance data and changing conditions?</i>	N/A	This program does not make new acquisitions. It only funds existing developments.		0%	
9 (Cap 2.) <i>Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule and performance goals?</i>	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
<b>Total Section Score</b>				<b>100%</b>	<b>35%</b>

<b>Section III: Program Management (Yes,No, N/A)</b>					
Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>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?</i>	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 <i>Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?</i>	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 <i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i>	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

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
4	<i>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?</i>	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	<i>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?</i>	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	<i>Does the program use strong financial management practices?</i>	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	<i>Has the program taken meaningful steps to address its management deficiencies?</i>	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.)	<i>Does the program define the required quality, capability, and performance objectives of deliverables?</i>	N/A	See #1 above.		0%	
9 (Cap 2.)	<i>Has the program established appropriate, credible, cost and schedule goals?</i>	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.) <i>Has the program conducted a recent, credible, cost-benefit analysis that shows a net benefit?</i>	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.) <i>Does the program have a comprehensive strategy for risk management that appropriately shares risk between the government and contractor?</i>	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
<b>Total Section Score</b>				<b>100%</b>	<b>63%</b>

**Section IV: Program Results (Yes, Large Extent, Small Extent, No)**

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?</i>	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: Target:		Help families in assisted housing make progress toward self-sufficiency.			
	Actual Progress achieved toward goal:			Targets under development. No targets currently in place to monitor.		
2	<i>Does the program (including program partners) achieve its annual performance goals?</i>	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: Performance Target: Actual Performance:		Increase the availability of affordable rental housing. Number of households with worst-case needs decreases to 3,807,000 in 2001.			
	Key Goal II: Performance Target: Actual Performance:		Improve the quality of assisted housing. In 2001, 87% of properties will meet physical standards. Exceeded target, 93% met standards.			
	Key Goal III: Performance Target: Actual Performance:		Help families in assisted housing make progress toward self-sufficiency. Targets under development. No targets currently in place to monitor.			
3	<i>Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?</i>	Small Extent	Some efficiencies have been gained through the Mark-to-Market program to reduce above-market rents.		17%	0.1
4	<i>Does the performance of this program compare favorably to other programs with similar purpose and goals?</i>	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	<i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i>	No	Independent evaluations lacking.		17%	0.0
6 (Cap 1.)	<i>Were program goals achieved within budgeted costs and established schedules?</i>	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
<b>Total Section Score</b>					<b>100%</b>	<b>22%</b>