

FISCAL YEAR 2011
ANNUAL PERFORMANCE PLAN

Mission: Create strong, sustainable, inclusive communities
and quality, affordable homes for all



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT





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HUD's Fiscal Year 2010–2015 Strategic Framework

Mission: Create strong, sustainable, inclusive communities and quality, affordable homes for all

Goal 1. Strengthen the Nation's Housing Market To Bolster the Economy and Protect Consumers	Goal 2. Meet the Need for Quality Affordable Rental Homes	Goal 3. Utilize Housing as a Platform for Improving Quality of Life	Goal 4. Build Inclusive and Sustainable Communities Free From Discrimination
Subgoals			
1A. Stem the foreclosure crisis	2A. End homelessness and substantially reduce the number of families and individuals with severe housing needs	3A. Utilize HUD assistance to improve educational outcomes and early learning and development	4A. Catalyze economic development and job creation, while enhancing and preserving community assets
1B. Protect and educate consumers when they buy, refinance, or rent a home	2B. Expand the supply of affordable rental homes where they are most needed	3B. Utilize HUD assistance to improve health outcomes	4B. Promote energy-efficient buildings and location-efficient communities that are healthy, affordable, and diverse
1C. Create financially sustainable homeownership opportunities	2C. Preserve the affordability and improve the quality of federally assisted and private unassisted affordable rental homes	3C. Utilize HUD assistance to increase economic security and self-sufficiency	4C. Ensure open, diverse, and equitable communities
1D. Establish an accountable and sustainable housing finance system	2D. Expand families' choices of affordable rental homes located in a broad range of communities	3D. Utilize HUD assistance to improve housing stability through supportive services for vulnerable populations, including the elderly, people with disabilities, homeless people, and those individuals and families at risk of becoming homeless	4D. Facilitate disaster preparedness, recovery, and resiliency
		3E. Utilize HUD assistance to improve public safety	4E. Build the capacity of local, state, and regional public and private organizations

Goal 5. Transform the Way HUD Does Business

Subgoals

- 5A. Build capacity—create a flexible and high-performing learning organization with a motivated, skilled workforce
- 5B. Focus on results—create an empowered organization that is customer-centered, place-based, collaborative, and responsive to employee and stakeholder feedback
- 5C. Bureaucracy busting—create flexible, modern rules and systems that promote responsiveness, openness, and transparency
- 5D. Culture change—create a healthy, open, flexible work environment that reflects the values of HUD's mission

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Measures of Success

Programmatic

(The FY 2011 Annual Performance Plan goals are displayed in **bold font**.)

1. Reduce the number of completed foreclosures.
 - 1a. Assist 3.1 million homeowners who are at risk of losing their homes due to foreclosure.**
2. Restore FHA's excess capital reserve ratio to the congressionally mandated 2-percent level by 2014.
3. Reduce the average residential vacancy rate in Neighborhood Stabilization Program (NSP) investment areas.
 - 3a. Reduce the average residential vacancy rate in NSP2 investment areas.
4. Reduce the number of households with worst case housing needs.
5. Increase the total number of affordable rental homes constructed and rehabilitated in communities with the greatest unmet needs.
 - 5a. HUD programs will meet more of the growing need for affordable rental homes by serving 5.38 million families by the end of FY 2011, which is 207,000 more than in FY 2009.**
6. Reduce homelessness.
 - 6a. Reduce the number of homeless families.
 - 6b. Reduce the number of chronically homeless individuals.
 - 6c. Reduce the number of homeless veterans to 59,000 by June 2012 (jointly with the Department of Veterans Affairs).**
7. Increase the number of HUD-assisted households with school-aged children who have access to schools scoring at or above the local average.
8. Provide access to information and opportunities by increasing the proportion of units in HUD public and multifamily housing with an available broadband Internet connection.
9. Improve the health of HUD-assisted residents.
10. Increase the average income of HUD-assisted households.
11. Improve the quality of housing and available community opportunities reported by HUD residents.
12. Reduce the share of household income spent on the combined costs of housing and transportation in communities that receive assistance from the Office of Sustainable Housing and Communities.
- 13. Complete cost-effective energy and green retrofits of 159,000 public, assisted, and other HUD-supported affordable homes by the end of 2011.**
14. Increase the proportion of HUD-assisted families in low-poverty and racially diverse communities.

15. Increase the percentage of Gulf Coast homes in Louisiana, Mississippi, and Texas that have been reoccupied or converted to another viable purpose after being severely impacted by Hurricanes Katrina and Rita in 2005.

Operational

16. Make HUD the “Most Improved Large Agency” in the *Best Places to Work in the Federal Government* report.
17. Increase the percentage of HUD partners who are “satisfied” or “very satisfied” with the “Timeliness of Decision-Making at HUD.”
18. Increase the percentage of HUD partners who are “satisfied” or “very satisfied” with “Employee’s Knowledge, Skills, and Ability.”
- 19. Increase the percentage of employees who “agree” or “strongly agree” they are given a real opportunity to improve their skills in their organization.**
- 20. Increase the number of decisions delegated to field offices.**
21. Reduce the number of burdensome regulations and reports.
22. Reduce end-to-end hiring time.

Introduction

Secretary Shaun Donovan arrived at the U.S. Department of Housing and Urban Development (HUD) with a strong vision and commitment to create places that effectively connect people to jobs, transportation, quality public schools, and other amenities—“geographies of opportunity.” This concept of place plays a role in each of HUD’s programs. **HUD’s mission is to “create strong, sustainable, inclusive communities and quality, affordable homes for all.”** The Department is meeting the challenges of this mission statement by focusing on people and places through policies and activities that reflect the unique conditions and needs of communities.

The *HUD Strategic Plan FY 2010–2015*, issued in May 2010 after an extensive process involving the input of more than 1,500 stakeholders, is guiding this effort. The plan’s 5 strategic goals and 22 key outcome measures—referred to as Measures of Success—reflect HUD’s need to engage new local and federal partners, adjust policies and programs to address common problems across a broader metropolitan geography, and fundamentally change the agency’s operating model.

Concurrent with the development of HUD’s strategic plan, the Obama administration challenged agencies during the fiscal year (FY) 2011 budget process to identify opportunities to significantly improve near-term performance. These opportunities, or priority goals, were incorporated as key outcome measures into HUD’s strategic plan, represent challenging, near-term, high-impact outcomes that reflect the Department’s commitment to “moving the needle” on some of the most fundamental challenges facing America. Thus, as part of a broader set of efforts, HUD selected 4 of its 22 outcome measures as agency priority focuses for FY 2010 and 2011.¹ These 4 programmatic measures of success—to be addressed in this *Fiscal Year 2011 Annual Performance Plan*—are as follows.

Programmatic Measures of Success

- Assist 3.1 million homeowners who are at risk of losing their homes due to foreclosure, jointly with the Treasury Department—to address the current foreclosure crisis.
- Provide 207,000 new families with affordable rental housing—to address the insufficient supply of affordable rental housing, particularly among low-income households.
- Help 36,500 homeless veterans, jointly with the Department of Veterans Affairs, move into permanent housing—to address the issue of homelessness confronting this nation’s service-men and women.
- Enable the cost-effective green and energy retrofits of 159,000 HUD-assisted and public housing units—to reduce energy costs and greenhouse gas emissions. This is a joint goal with the Department of Energy to retrofit some 1 million units of housing.

Strategic Plan Goals

- Goal 1. Strengthen the Nation’s Housing Market To Bolster the Economy and Protect Consumers
- Goal 2. Meet the Need for Quality Affordable Rental Homes
- Goal 3. Utilize Housing as a Platform for Improving Quality of Life
- Goal 4. Build Inclusive and Sustainable Communities Free From Discrimination
- Goal 5. Transform the Way HUD Does Business

¹ Full achievement of these four measures was established at 2 years, beginning in FY 2010, with the exception of veterans’ homelessness, which has a full achievement target date of June 2012 (3rd quarter of 2012). FY 2010 results are reported in HUD’s *FY 2010 Annual Performance Report*, <http://portal.hud.gov/hudportal/documents/huddoc?id=fy2010apr.pdf>.

HUD cannot achieve success on its own. HUD needs strengthened partnerships among federal, state, and local entities across the public, nonprofit, and private sectors, as well as investment in and encouragement of HUD employees to create a high-performing organization that is customer centered and outcome focused. Therefore, in addition to the four programmatic outcome measures, HUD is including in the *Fiscal Year 2011 Annual Performance Plan* the following two operational measures of success.

Operational Measures of Success

- Increase the percentage of employees given real opportunity to improve their skills—to ensure a highly motivated, skilled workforce.
- Increase the number of decisions delegated to field offices—to improve decision-making by improved response time and quality of local input.

HUDStat, the Department's newly-created performance management and accountability process that facilitates the alignment of program and support function to HUD's strategic goals and mission, meets monthly. Each session focuses on a different strategic goal. Meetings are attended by program, support, and field office staff to review and discuss synthesized data, highlight successes, identify barriers, and engage in collective problemsolving.

Each Strategic Goal section of this plan provides the following information on each of the six performance outcome measures:

- **Problem To Be Addressed.** Describes the scale and elements of the problem.
- **Measure of Success.** States the specific outcome measure HUD is using to determine success in goal achievement.
- **Strategies for Achieving Success.** Describes the approach for how HUD is achieving its goals. This narrative includes contributing programs for each outcome goal (❖), with identified supporting performance measures (■), activity milestones (◆), or tracking indicators (▶) used to gauge progress. Quarterly data on tracking indicators are used to establish baselines and targets.
- **Progress to Date.** Provides information on HUD's current achievement of these multiyear performance indicators.

In addition, the *Fiscal Year 2011 Annual Performance Plan* includes two appendixes. Appendix A contains changes to the performance goals approved by the Office of Management and Budget since publication of the original goals in the Analytical Perspectives volume of the *Budget of the U.S. Government Fiscal Year 2011*. Appendix B contains the data source used for each measure, discusses the reliability and the completeness of the data, and identifies steps being undertaken to ensure data validity and resolve identified data problems.

Finally, the Department is committed to working with the Office of Inspector General to reduce fraud, waste, and abuse. The task covers a number of areas as HUD addresses potential fraud related to the collapse of the housing market, monitors the rollout of new Federal Housing Administration (FHA) loan programs to reduce exploitation of program vulnerabilities, continues oversight of disaster and Recovery Act funds, and operates its block grant and rental assistance programs.

Annual Performance Plan Goals

Strategic Goal 1.

Strengthen the Nation's Housing Market To Bolster the Economy and Protect Consumers

Problem To Be Addressed

Following an unprecedented and unsustainable rise in home prices that began in 2003, the so-called “housing bubble” began to deflate in late 2006. Falling home prices triggered an increase in mortgage delinquencies and foreclosures. In this first wave of foreclosures, the homeowners hardest hit were those with subprime mortgages—mortgages made to higher risk borrowers, many of which had nontraditional features such as low introductory “teaser” rates or interest-only loans, which often resulted in sharp payment increases over time.

When home values began to decline during 2006, the ability to refinance into more affordable and sustainable mortgages became difficult, because home values would not support a new loan large enough to pay off the old loan and because lending standards tightened.

As the nation slipped into a deep recession, with declines in Gross Domestic Product and a subsequent rise in unemployment, a second wave of foreclosures hit homeowners holding prime loans, which had been considered to be relatively safe. These foreclosures put additional downward pressure on home prices, causing a large number of homeowners to be “under water” on their mortgages (that is, they owed more on their loans than their properties were worth), even if they were not behind in payments.²

The effect of this crisis on the nation has been significant. In February 2011, about 6 million homeowners had missed at least one mortgage payment. Of these homeowners, nearly 2 million are in the process of foreclosure and more than 2 million others are seriously delinquent and at high risk of foreclosure. Furthermore, roughly 11 million homeowners (as of December 2010) are considered underwater borrowers; these underwater homeowners include some who are current on their mortgage payments and some who have missed at least one payment.

The foreclosure crisis has seriously impacted families and communities. A home is typically a family's most expensive and valuable asset. Losing a home through foreclosure can be a traumatic life experience that leads to significant deterioration in a person's or family's living conditions. Foreclosure affects the stability of neighborhoods and economic viability of communities, as well as the homeowner's opportunity to improve his or her quality of life. State and local governments are financially strained and have cut essential safety-net services. Nonprofit service providers and other community-based organizations also are struggling to meet steep increases in need and demand.

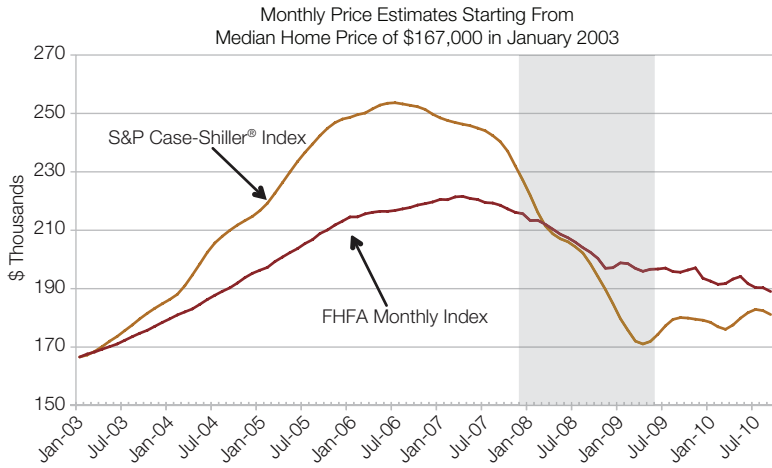
Basic Steps in the Foreclosure Process

Foreclosure is the legal process that allows a lender to recover the amount owed on a defaulted loan by selling or taking ownership (that is, the repossession of the property securing the loan).

1. **Default**—If a borrower cannot make payments on the mortgage, a Notice of Default is recorded in most states, alerting the borrower of a potential foreclosure, typically after 3 to 6 months of missed payments.
2. **Auction**—If the mortgage is not made current, a Notice of Sale is filed, followed by an auction sale of the property with the opening bid set by the foreclosing lender, usually equal to the outstanding loan balance plus interest accrued and other fees.
3. **Real Estate Owned**—If the opening bid is not met by a third-party bidder (in which the lender would be made whole—a relatively rare occurrence), the lender will take title to the foreclosed property (the bid and amount owed are offsetting for the lender) and proceed to dispose of the real estate owned to recover a portion of the amount owed.

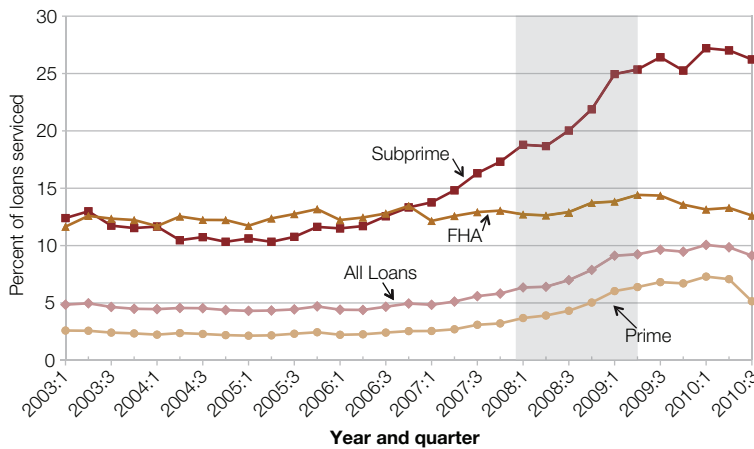
² Section 1517 of the Housing and Economic Recovery Act of 2008 (P.L. 110-289) mandated preliminary and final reports to Congress on the root causes of the foreclosure crisis. HUD issued the report on January 2010. http://www.huduser.org/portal/publications/hsgfin/foreclosure_09.html.

House Price Trends Illustrated by Two Commonly Cited Price Indices



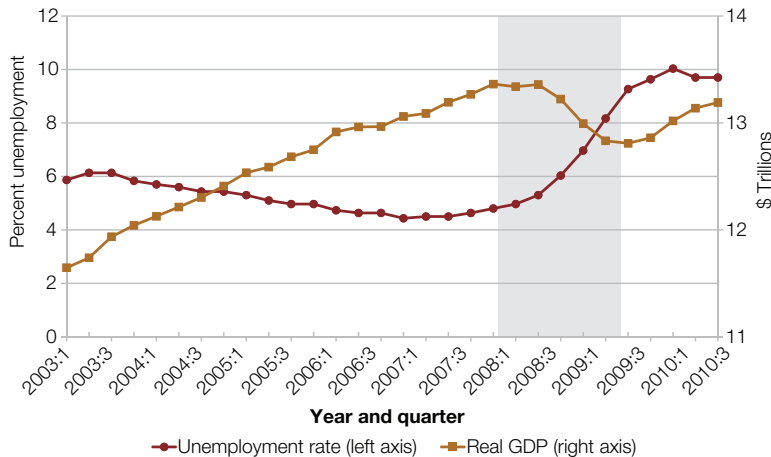
FHFA = Federal Housing Finance Agency.
 The Case-Shiller® index trend line contains most of the subprime mortgages, while the Federal Housing Finance Agency monthly index trend line is more geographically dispersed and contains fewer subprime mortgages and more conventional mortgage (that is, Fannie Mae and Freddie Mac).
 The gray area in the chart signifies the period of recession as determined by the National Bureau of Economic Research.
 Sources: Standard and Poor's Case-Shiller® 20-Metro Composite Index (not seasonally adjusted); FHFA Monthly Purchase Only Index for the United States (seasonally adjusted); National Association of REALTORS®: Median Price of Existing Homes Sold

Mortgage Delinquency Trends: Percent of Total Loans Past Due by Product Type



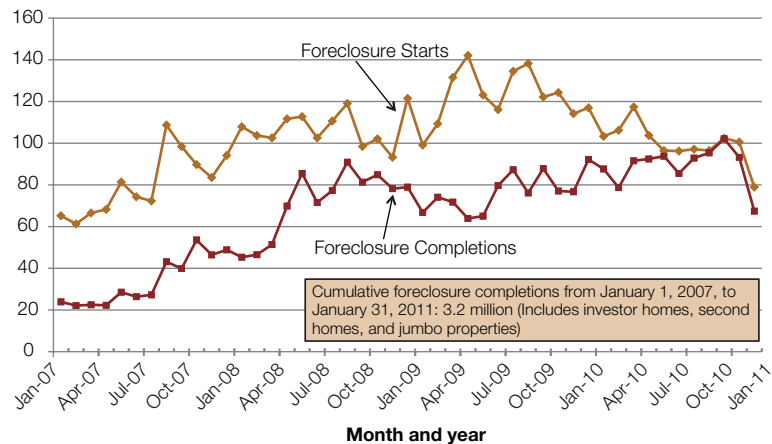
FHFA = Federal Housing Finance Agency.
 Data are seasonally adjusted.
 The gray area in the chart signifies the period of recession as determined by the National Bureau of Economic Research.
 Source: Mortgage Bankers Association, National Delinquency Survey

Trends in Unemployment Rate and Real Gross Domestic Product



GDP = Gross Domestic Product.
 Real GDP expressed as seasonally adjusted annual rates in 2005 dollars.
 Source: IHS Global Insight

Foreclosure Starts and Completions Remain Elevated Monthly Foreclosure Action (thousands)



Measures of Success³

Strategic Plan—Measure 1a.

Assist 3.1 million homeowners who are at risk of losing their homes due to foreclosure.

- ❖ 400,000 homeowners will be assisted through FHA early delinquency intervention.
- ❖ 300,000 homeowners will be assisted through FHA loss mitigation programs.
- ❖ For all FHA borrowers who receive loss mitigation assistance, achieve a Consolidated Claim Workout⁴ Ratio of 75 percent, and for those receiving a Consolidated Claim Workout achieve a 6-month re-default rate of 20 percent or less.⁵
- ❖ 2.4 million homeowners will be assisted through joint HUD-Treasury programs.

Strategies for Achieving Success

The Federal Housing Administration, in partnership with the White House, the Department of the Treasury, and other federal regulatory agencies, is tackling the housing crisis on multiple fronts. HUD is playing a central role in helping struggling homeowners avoid foreclosure through a range of programs and interventions.

The Office of Fair Housing and Equal Opportunity, and its partners in the Fair Housing Assistance Program enforce the fair lending provisions of the Fair Housing Act when fraudulent refinance schemes are targeted to communities or neighborhoods because of one of the protected characteristics. This office does this enforcement directly and through the Fair Housing Initiatives Program, which provides some grants specifically to address discriminatory mortgage rescue schemes. In addition to enforcement, the Office of Fair Housing and Equal Opportunity provides education and outreach to homeowners on fair lending and foreclosure prevention. It also ensures that mortgage rescue programs are available to all people, regardless of race, color, religion, national origin, sex, disability, or familial status.

³ The period of performance for full achievement of the performance measures is FY 2010 and FY 2011, with the exception of the joint HUD-Treasury goal. The period of performance for that metric began in May 2009, the launch date of the Obama administration's Making Home Affordable Program.

⁴ Consolidated Claim Workouts combine FHA partial claims, loan modifications, and new Home Affordable Modification Program modifications that represent affordable solutions but exclude less affordable forbearance programs.

⁵ Since most re-defaults tend to occur in the first 6 months after the workout, the 6-month period was selected to allow measurement of goal performance within a given year.

Strategy: Assist homeowners facing foreclosure, using prevention, loan modification, and loan refinancing programs.

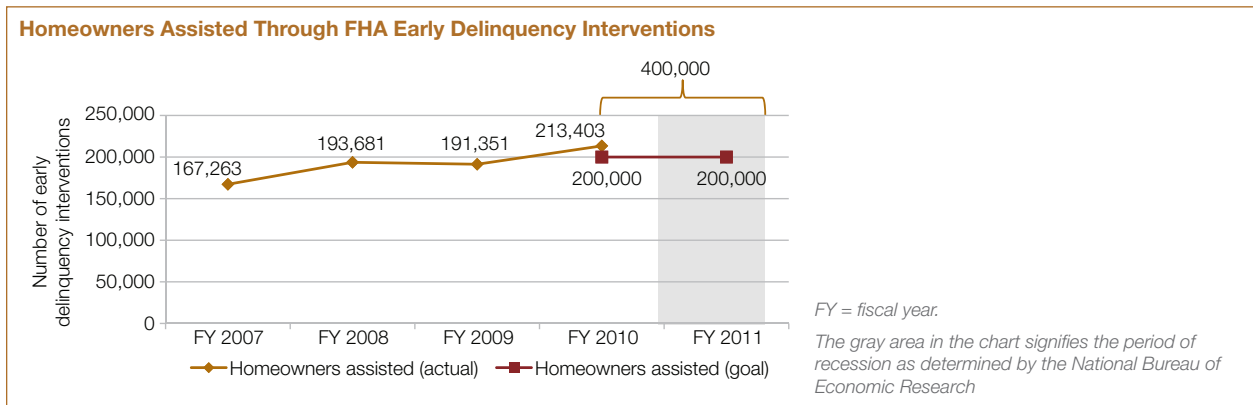
❖ **400,000 homeowners will be assisted through FHA *early delinquency intervention*.**

Loan servicers most often offer *early delinquency intervention* assistance to homeowners who are less than 90 days in default. Providing assistance to homeowners who are in the early stages of mortgage payment distress averts the potential for more serious delinquencies, defaults, and foreclosures at a later date. These interventions include—

Special Forbearance. A repayment plan that allows a borrower who misses payments because of temporary loss or reduction in income to resume the monthly mortgage payments plus a portion of the missed payments (including principal, interest, taxes, and insurance).

Repayment. An agreement in which the borrower agrees to repay delinquent amounts to bring the mortgage current, but is not a special forbearance.

Military Indulgence. A repayment plan for a service member in delinquency because the ability to pay has been affected by the military service.



❖ **300,000 homeowners will be assisted through FHA *loss mitigation programs*.**

The early delinquency interventions have been effective over the years, but as the housing crises grew, HUD implemented both new and improved *loss mitigation programs* to better assist homeowners most in danger of losing their homes. These loss mitigation products include—

FHA Home Affordable Modification Plan. This program reduces the monthly mortgage payment for eligible homeowners, who have FHA-insured mortgages, to 31 percent of gross (pretax) income.

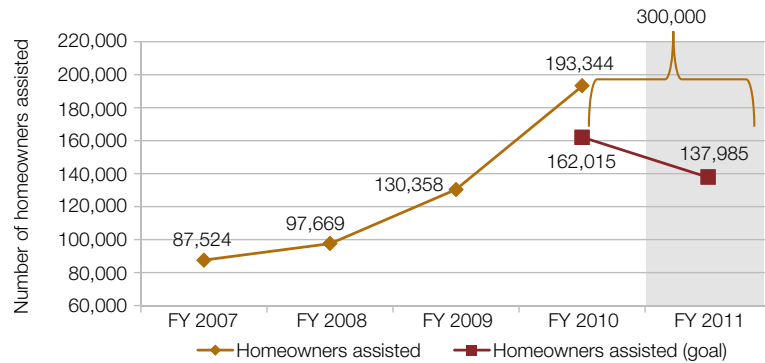
Mortgage Modifications. This program permanently changes one or more of the terms of a loan to make the mortgage payment affordable. Mortgage modifications can be combined with a special forbearance action.

Partial Claims. This option allows the lender to advance funds to make a delinquent loan current when a borrower is unable to pay the delinquency through special forbearance or loan modification options. Partial claims can be combined with a special forbearance action.

Preforeclosure Sales. This program allows a borrower in default to sell the home and use the sales proceeds to satisfy the mortgage debt, even if the proceeds are less than the amount owed.

Deeds in Lieu. This option allows a defaulting borrower, who does not qualify for any other HUD loss mitigation option to sign the house back to the mortgage company.

Homeowners Assisted Through FHA Loss Mitigation Programs



FY = fiscal year.

The gray area in the chart signifies the period of recession as determined by the National Bureau of Economic Research

Ensuring that homeowners receive appropriate foreclosure assistance requires a concerted and collaborative effort on the part of HUD, loan servicers, and borrowers. Consequently, HUD's ability to achieve this goal is dependent on its efforts to **train HUD staff, educate distressed homeowners** about their options, and **monitor loan servicers** in the performance of required loss mitigation activities.

By the Department's significant field presence, as well as a network of approved nonprofit housing counseling agencies, HUD is undertaking a variety of activity to meet the goal. One **milestone** HUD is using to track progress in support of this strategy is as follows:

- ◆ **Conduct 12 servicer visits in FY 2011.** Servicers of FHA-insured mortgages are required to take several steps to avoid foreclosure and must supply documentation stating that they have attempted to implement each of the various tools available to assist homeowners who are having difficulty making their monthly mortgage payments. For loan services with a high volume of delinquencies and foreclosures, HUD reviews the flow of processing to ensure the servicer has provided adequate support for loss mitigation efforts.
- ❖ **Consolidated claim workout ratio of FHA borrowers that received loss mitigation.**

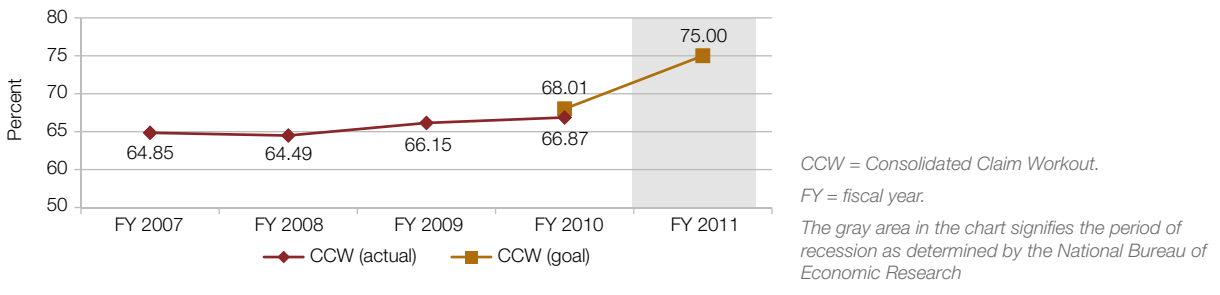
FHA's success at meeting this goal is crucial to ending the foreclosure crisis and will ensure the financial stability of its insurance funds.⁶ The Consolidated Claim Workout Ratio aggregates claims types (FHA partial claims, special forbearances, loan modifications, FHA Home Affordable Modification Program [HAMP] modifications, preforeclosure sales, and Deeds in Lieu of foreclosure) as a share of all FHA borrowers that become 30-days late and are at risk of foreclosure. *It is an indicator of the activity that is taking place to reduce defaults, thus preventing foreclosures, with increasing ratios indicating more effective resolutions for borrowers receiving loss mitigation.* Full achievement of this goal in FY 2011 means that the

⁶ The FHA provides mortgage insurance to lenders. By insuring mortgages, FHA makes it easier for homeowners to borrow the funds they need. Mortgage lenders are more willing to provide mortgage loans because they know that, in the case of borrower default, the federal government will protect them from losses.

loss mitigation activities resulted in the Department not being required to pay claims against the FHA insurance fund for 75 percent of FHA borrowers that received loss mitigation assistance because their properties were not ultimately foreclosed.

Although achieving this goal rests largely with lenders, HUD is actively taking steps to ensure improved performance. These steps include working with the five largest servicers in the FHA portfolio to improve the effectiveness and efficiency of their loss mitigation activities and reporting. In addition, HUD is implementing new rules, such as requiring special forbearance before loan modifications and partial claims, as well as increasing the numbers of preforeclosure sales and Deeds in Lieu of foreclosure.

Consolidated Claim Workout Ratio of FHA Borrowers That Received Loss Mitigation

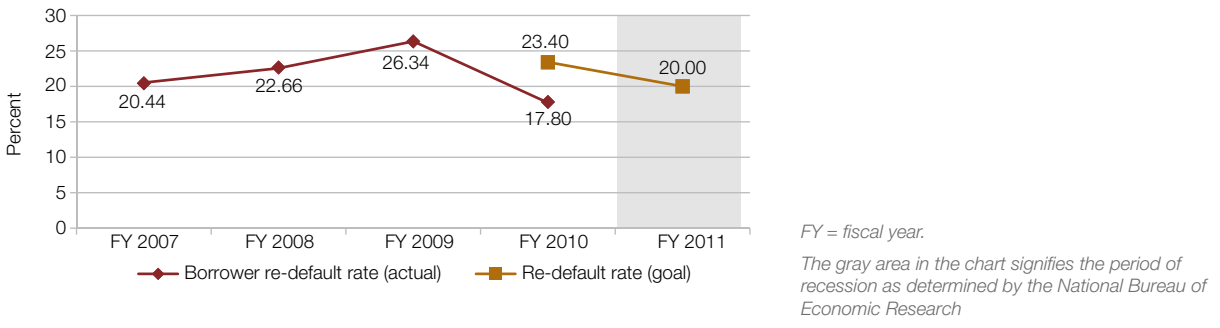


❖ **Six-month re-default rate of FHA borrowers that received a consolidated claims workout.**

HUD’s loss mitigation efforts can be considered successful only if they provide effective solutions for homeowners in both the short and long term. This goal ensures that FHA is working with borrowers to provide realistic and sustainable options for homeowners to retain their homes and satisfy the terms of their mortgages. HUD’s success at providing such sustainable options can be assessed by looking at borrower re-default rates.

As with the Consolidated Claims Workout ratio goal, HUD is actively taking steps to ensure improved performance on borrower re-defaults. HUD is assisting the five largest servicers with loss mitigation process redesign and borrower program customization to reduce the number of re-defaults. In addition, changes to the trial payment plans are being considered to provide borrowers with an opportunity to keep their payment plans current, leading to successful sustainable trial modifications.

Six-Month Re-Default Rate of FHA Borrowers That Received a Consolidated Claims Workout



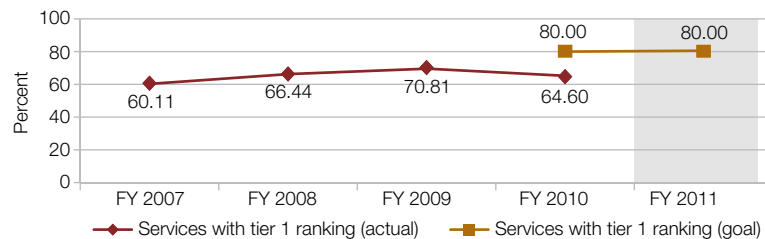
The following two **supporting measures** are important components of HUD's efforts in this area.

■ **Percentage of servicers with tier 1 ranking in engagement in loss mitigation is 80 percent.**

HUD uses the Tier Ranking System to determine which servicers are proactively using HUD's loss mitigation and forbearance actions. Servicers are ranked into four tiers; with tier one considered the best rating. Every active FHA servicer's use of available loss mitigation tools is reviewed to ensure that all tools are being used appropriately. Tier 3 and 4 ranked servicers are routinely targeted for training by the National Servicing Center as well as possible investigation or audit by the Office of Lender Activities.

At this time, lenders are measured only by use of the loss mitigation tools and must have a workout ratio that equals or exceeds 80 percent to receive a tier 1 ranking. The National Servicing Center is piloting a scorecard that is designed to be more comprehensive in its evaluation of loss mitigation activity. It considers levels of success (for example, foreclosure prevention and re-defaults after loss mitigation re-instatement) in addition to lender use of loss mitigation tools. This servicer performance scorecard was rolled out initially as a pilot in August and is currently being tested on 55 lenders. The scorecard will monitor servicer compliance with HUD and FHA delinquent servicing guidelines and regulations and alert HUD to potential servicer-specific or industrywide delinquent servicing issues, which will allow HUD to take additional enforcement action, if necessary.

Percentage of Servicers With Tier 1 Ranking in Engagement in Loss Mitigation



FY = fiscal year.

The gray area in the chart signifies the period of recession as determined by the National Bureau of Economic Research

■ **1,000 quality assurance reviews are completed in FY 2011.**

Due to changes in programs and products, along with increases in delinquencies, it became essential that HUD increase its monitoring and oversight of servicer's loss mitigation activities to provide guidance and enforcement, as needed. Consequently, this supporting measure tracks HUD's efforts to ensure that the Department has a deep understanding of servicers' operational processes and application of loss mitigation programs and policies.

❖ **2.4 million homeowners will be assisted through joint HUD-Treasury programs.**

In February 2009, the Obama administration introduced a comprehensive financial stability plan to address key economic challenges. A critical piece of that effort—**Making Home Affordable** <http://makinghomeaffordable.gov/>—helps stabilize the housing market by assisting struggling homeowners to modify or restructure mortgages. By helping homeowners retain their homes, the initiative prevents the destructive effect of foreclosure on families and communities.

A number of programs are included under this initiative.⁷ Programs that contribute to HUD's goal of assisting 2.4 million homeowners are the HAMP and the FHA Refinance Option.

Home Affordable Modification Program. This program, launched in May 2009 (and expiring December 31, 2012), reduces housing payments for eligible households to 31 percent of their gross monthly income for 5 years. HAMP affects homeowners who have conventional mortgages and receive a conventional workout.

When initially introduced to the public, Making Home Affordable excluded FHA-insured mortgages, stating that FHA would develop its own standalone program. In July 2009, FHA did announce its new Loss Mitigation option, the FHA-HAMP. This program will provide homeowners in default a greater opportunity to reduce their mortgage payments to sustainable levels. The FHA-HAMP program does not expire in 2012 as it has independent statutory authority.

Family A. Standard HAMP Modification

- **In 2006:** Family A took out a 30-year fixed mortgage with a balance of \$250,000, an interest rate of 9 percent and a monthly payment of \$2,000. Their monthly income was \$6,500 per month.
- **Today:** Family A's income was reduced to \$4,500 per month because one family member lost a job and had to take a lower paying job.
- **With a HAMP modification:** Family A's payment will be set at 31 percent of monthly income, or about \$1,400 per month. **They will pay \$600 less per month and save \$36,000 in interest over 5 years.**

	Existing Mortgage	Loan Modification
Balance	\$240,000	\$240,000
Remaining years	26	26
Interest rate	9%	5.1%
Monthly payment	\$2,000	\$1,400
Savings		\$600 per month in reduced payments

FHA Refinance Option. The FHA Refinance Option, launched in March 2010, permits lenders to provide additional refinancing options to non-FHA-insured homeowners who are current on their mortgages but owe more than their homes are worth because of large falls in home prices in their local markets. These borrowers are refinanced into FHA-insured loans, with lower interest rates.

Family B. FHA Refinance

- **In 2006:** Family B took out two 30-year fixed mortgages with a combined balance of \$250,000, an interest rate of 9 percent, and a monthly payment of \$2,000.
- **Today:** Home prices in the market have dropped nearly 30 percent and Family B's home is worth \$180,000.
- **With an FHA Refinance:** The lender will write down Family B's loan balance to \$207,000 and their monthly payment will decrease to about \$1,300 per month. **This will reduce their principal balance by about \$33,000 and reduce their monthly payments by about \$700.**

	Existing Mortgage	Loan Modification
Balance	\$240,000	\$207,000
First lien	\$208,500	\$175,500
Second lien	\$31,500	\$31,500
Remaining years	26	30
Interest rate	9%	6.51%
Monthly payment	\$2,000	\$1,300
Savings		\$33,000 principal reduction \$700 in savings per month

⁷ Other programs include Home Affordable Refinancing Program (HARP) (expires June 30, 2012), which helps borrowers whose loans are held by Fannie Mae and Freddie Mac refinance into more affordable mortgage loans; Second Lien Modification Program (2MP), which offers homeowners a way to lower payments on their second mortgage when their first mortgage is modified under HAMP (began first quarter 2010); and Home Affordable Foreclosure Alternatives (HAFA), which offers homeowners \$3,000 to help transition to more affordable housing when they complete a short sale or Deed in Lieu of foreclosure (began April 2010).

Progress to Date

By the end of FY 2010, 1.78 million homeowners—of the expected 3.1 million by the end of FY 2011—who were at risk of losing their homes due to foreclosure received assistance through FHA early delinquency interventions and loss mitigation programs, as well as through joint HUD-Treasury programs. Of the 1.78 million homeowners, 213.4 thousand received early delinquency interventions and 193.3 thousand received assistance through FHA loss mitigation programs in FY 2010. Of the 1.37 million homeowners who have received assistance through joint HUD-Treasury programs since April 2009, 806.2 thousand received help in FY 2010.

In addition, although the Department had not reached its projected Consolidated Claim Workout ratio of 68.01 percent by the end of FY 2010, its achievement of 66.87 percent still represents an improvement over historical rates. The Department, however, surpassed its 6-month re-default target by achieving a re-default rate of 17.8 percent.

→ Key milestone activities undertaken included—

- ◆ **Loss mitigation training for HUD field staff.** To ensure that HUD field staff possess complete and up-to-date knowledge regarding FHA loss mitigation options in order to provide assistance to FHA borrowers facing difficulties, the National Servicing Center representatives provided loss mitigation training at a Foreclosure Prevention Train the Trainer workshop held in Washington, D.C.
- ◆ **Servicer visits.** Servicers of FHA-insured mortgages are required to take several steps to avoid foreclosure and must supply documentation stating that they have attempted to implement each of the various tools available to assist homeowners who are having difficulty making their monthly mortgage payments. For loan servicers with a high volume of delinquencies and foreclosures, HUD reviews the flow of processing to ensure there is adequate support for loss mitigation efforts. Managers and staff from HUD's Office of Single Family Housing conducted 10 visits in FY 2010, targeting these visits on servicers whose high volume pose the greatest risk to FHA.
- ◆ **Piloting of a Servicer Performance Scorecard.** The Servicer Performance Scorecard allows for a more comprehensive measurement of servicing lenders' performance that will help improve their performance. The measurements (1) determine servicer compliance with HUD/FHA guidelines and regulations; (2) protect borrowers from servicer noncompliance with HUD/FHA guidelines and regulations; and (3) alert HUD to potential servicer-specific or industrywide delinquent servicing issues.

Strategic Goal 2.

Meet the Need for Quality Affordable Rental Homes

Problem To Be Addressed

Rise in Demand

The number of families struggling to make ends meet in the face of severe rent burdens has increased substantially during this decade. Affordability problems have been exacerbated by the recession and the increasing demand for rental housing generated by the foreclosure crisis. Only about one in four families eligible for federal rental assistance programs receives assistance. In addition, according to a recent HUD report on worst case housing needs, in 2009, 7.1 million very low-income rental households had worst case housing needs because they were unassisted (that is, they receive no government rental subsidy) and had severe rent burden (that is, they pay more than one-half of their monthly income for rent) or lived in severely inadequate housing conditions (that is, they live in housing with a variety of serious physical problems related to heating, plumbing, electricity, or maintenance).⁸ Worst case needs rose more sharply both in absolute and percentage terms from 5.91 to 7.10 million, more than 20 percent, between 2007 and 2009, which is more than in any previous 2-year period since at least 1985.

Reduction in Supply

Despite HUD's programs support more than 5.2 million units of housing, the supply of affordable and available rental housing for the lowest income groups is insufficient. As shown in the following chart, fewer than two in three very low-income renters have access to adequate and affordable units. For extremely low-income renters, the situation is more acute; only one in three has access to adequate and affordable units.

For every 100 extremely low-income renter households, only 61 rental units are affordable to them and fewer than 36 affordable units are available to them (that is, the units are either occupied by renters in this income group or are vacant and available for rent). For renters with very low incomes, nearly 100 affordable units exist per 100 renters, which is nearly enough overall but

Unit Preservation

During the past 75 years, the federal government has invested billions of dollars in the development and maintenance of public and multifamily housing. Despite the sizable investment and the great demand for affordable rental housing, units continue to be lost. While some units have been lost because of their deteriorated physical condition, others—both publically and privately owned—have been removed from the affordable inventory because of owners' decisions or because periods of affordability have expired. Some multifamily housing programs either offer no option for owners to renew their subsidy contracts with HUD, and thus risk losing units from the housing stock, or cannot renew on terms that attract sufficient capital to preserve long-term affordability. Moreover, the public housing stock faces a capital needs backlog that will be difficult to meet given federal fiscal constraints.

Rental Housing Stock by Income Category, 2009 (Rental units per 100 renters)

Income	Affordable	Affordable and Available	Affordable, Available, and Adequate
Extremely low-income renters (0–30% AMI)	61.0	35.7	32.2
Very low-income renters (0–50% AMI)	98.7	67.2	60.3
Low-income renters (0–80% AMI)	135.9	104.6	95.1

AMI = Area Median Income.

HUD uses AMI calculated on the basis of local family incomes, with adjustments for household size.

Source: Department of Housing and Urban Development, Office of Policy Development and Research. 2011. Worst Case Housing Needs 2009: Report to Congress. Page 14.

⁸ U.S. Department of Housing and Urban Development. 2011 (February). *Worst Case Housing Needs 2009: A Report to Congress*.

is still a mismatch between need and affordable units that are also available. Only 67 affordable units are available for every 100 very low-income renters, and only 60 available units per 100 renters are physically adequate. For low-income renters, only 95 rental units per 100 renters are affordable, available, and physically adequate.

Moreover, a reduction in the federally subsidized production of rental housing has affected the availability of affordable rental housing. In recent years, federal expenditures for the production of rental housing largely have been made through the Low-Income Housing Tax Credit, HOME Investment Partnerships, Section 202 Supportive Housing for the Elderly, and Section 811 Supportive Housing for Persons with Disabilities programs. Major purchasers of housing tax credits experienced sharp declines in profits during the recent financial crisis, thus reducing their need for the tax shelter such credits offer. This decrease in need resulted in a significant reduction in available financing for many proposed affordable housing developments.

Compounding the supply problem is a loss of private affordable rental stock. Between 2005 and 2007, while the overall rental stock had a net increase of 1.4 million units, the total change concealed a loss of 1.2 million private rental units (rows 2 and 3 in the following chart) that had been affordable to families whose incomes were under 50 percent of median income (very low-income and extremely low-income families).

Changes in Rental Unit Affordability, 2005–2007 (All counts in thousands)

Affordability of Rent, by Income of Renters Relative to AMI	Rental in 2005	Rental in 2007	Change	Percent Change
Nonmarket (subsidized or zero rent)	8,363,000	8,186,000	- 177,000	- 2.1
Extremely low (0–30% AMI)	2,262,000	2,201,000	- 61,000	- 2.7
Very low (30–50% AMI)	10,566,000	9,429,000	- 1,137,000	- 10.8
Low (50–60% AMI)	5,914,000	6,309,000	395,000	6.7
Moderate (60–80% AMI)	6,526,000	7,608,000	1,082,000	16.6
High (80–100% AMI)	1,916,000	2,367,000	451,000	23.6
Very high (100–120% AMI)	899,000	1,385,000	486,000	54.0
Extremely high (>120% AMI)	1,473,000	1,840,000	366,000	24.9
Total	37,919,000	39,324,000	1,405,000	3.7

AMI = Area Median Income.

Source: U.S. Department of Housing and Urban Development, Office of Policy Development and Research and 2009 (June). Rental Market Dynamics: 2005–2007: 5.

Measures of Success⁹

Strategic Plan—Measure 5a.

- ❖ HUD programs will meet more of the growing need for affordable rental homes by serving 5.38 million families by the end of 2011, which is 207,000 more than in 2009.

Strategies for Achieving Success

Although more than one-third of U.S. families rent their homes, the housing market does not create a sufficient supply of affordable rental homes for very low-income households. Housing affordable to very low-income and extremely low-income renters without government assistance is scarce in many local markets. Most unsubsidized new apartments are not affordable for these households. HUD is focused on closing the long-term structural gap between the cost of building and operating a standard quality housing unit and the ability of lower income households to afford such units. Through the combined efforts of programs across the agency, HUD continues to address the persistent

⁹ The period of performance for full achievement of the performance measures is FY 2010 and FY 2011, with the exception of the joint HUD-Treasury goal. The period of performance for that metric began in May 2009, the launch date of the Administration's Making Home Affordable program.

unaffordability of housing. A number of HUD programs and tools fund or otherwise support affordable housing development, preservation of existing rental units, or rental assistance to low-income families.

Families in Occupied Rental Units Receiving Assistance

Program	FY 2009 Baseline	FY 2010 Cumulative Actual	FY 2011 Cumulative Target	Net Increase/ Decrease FY 2009 to 2011
Multifamily Project Based Rental Assistance*	1,181,525	1,186,534	1,165,478	- 16,047
Other Multifamily Subsidies**	205,573	188,090	191,363	- 14,210
Project Rental Assistance Contract (Sections 202 and 811)	129,980	136,341	139,979	9,999
Insured Tax Exempt or Low-Income Housing Tax Credit	103,514	109,228	115,570	12,056
TOTAL Multifamily Housing Programs	1,620,592	1,620,193	1,612,390	- 8,202
PIH Mainstream and Tenant Based Rental Assistance	2,112,353	2,142,668	2,224,732	112,379
Public Housing	1,059,189	1,060,392***	1,092,332	33,143
Indian Housing Block Grant	7,615	8,290	8,978	1,363
PIH Mod Rehab	26,872	25,550	25,148	- 1,724
TOTAL Public and Indian Housing	3,206,029	3,236,900	3,351,190	145,161
HOME Tenant Based Rental Assistance	25,020	23,220	23,838	- 1,182
HOME rental	199,894	205,792	208,702	8,808
Housing Opportunities for Persons Living With AIDS	23,862	25,006	20,260	- 3,602
Homeless Assistance Grants	95,064	102,913	99,320	4,256
Neighborhood Stabilization Program	0	2,070	5,200	5,200
Tax Credit Assistance Program	0	1,019	35,686	35,686
Gulf Coast (disaster)	5,204	13,411	21,076	15,872
TOTAL Community Planning and Development	349,044	373,431	414,082	65,038
HUD unallocated			5,003	5,003
TOTAL	5,175,665	5,230,524	5,382,665	207,000

AIDS = acquired immunodeficiency syndrome. PIH = Office of Public and Indian Housing.

*Multifamily Project Based Rental Assistance includes Section 8, Rent Supplement, and Rental Housing Assistance Programs.

** Other Multifamily Subsidies includes Old Section 202, Section 221(d)(3) Below Market Interest Rate, and Section 236 Interest Reduction Payment only.

***Public Housing result is of December 31, 2010.

Strategy: Provide additional individuals and families with rental housing subsidies.

Contributing programs and activities

Public Housing. Public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and people with disabilities. Public housing comes in all sizes and types, from scattered single-family houses to highrise apartments for the elderly. Approximately 1.1 million households are living in public housing units, managed by some

3,300 housing agencies. HUD administers federal aid to public housing agencies that manage the housing for low-income residents at rents they can afford. HUD furnishes technical and professional assistance in planning, developing, and managing those developments.

To help increase the occupancy of public housing, HUD will work with public housing agencies to achieve operating efficiencies so that units can more quickly be leased by those in need.

The Office of Public and Indian Housing will engage both Headquarters and field office staff to develop comprehensive strategies and tools for assisting public housing agencies with increasing occupancy.

Housing Choice Vouchers. The tenant-based component of Section 8 is the Housing Choice Voucher program, which is administered by public housing agencies. With a voucher, an eligible family can seek housing in the private market, and in a neighborhood of their choice. The family pays approximately 30 percent of its adjusted income toward the rent while the voucher is used to make up the difference between what the family pays and the approved rent for an adequate housing unit.

HUD's goal for the tenant-based program is to lease approximately 112,000 additional units under the Housing Choice Voucher program by the end of FY 2011 (more than one-half of the HUD-wide goal). It is important to note, however, that attainment of the goal was predicated on a number of legislative actions that HUD has proposed but that have not yet become law. Furthermore, the lateness of the FY 2011 appropriations and uncertainty regarding the level of 2011 renewal and administrative fee funding have significantly affected HUD's ability to meet this goal while responsibly managing the Tenant-Based Rental Assistance account.

As a result, HUD's efforts in FY 2011 will focus on maintaining an optimal utilization rate for vouchers in the renewal base for each public housing agency that can be supported by the individual public housing agency's available funding, as well as increase the utilization of new incremental vouchers that become available, with the understanding that the goal of leasing an additional 112,000 units is secondary to responsible management of the program. The Office of Public and Indian Housing will engage both Headquarter and field office staff to develop comprehensive strategies and tools for increasing utilization at those public housing agencies where it can be done responsibly.

In addition, the Office of Public and Indian Housing has developed a forecasting tool that facilitates a more informed approach to voucher utilization, assisting public housing agencies with stabilizing and balancing leasing rates with estimated resource constraints. In 2010, across the nation, many public housing agencies were trained on this tool and continue to be trained in 2011.

The following two **milestones** will track progress.

- ◆ **Develop and implement strategies to increase utilization of vouchers and occupancy of public housing.** Work has begun to develop strategies and tools to increase utilization of vouchers and occupancy of public housing. HUD has completed the tools for the voucher program and made them available to the field, where they are being widely used. HUD has identified and trained staff to aggressively monitor and improve utilization rates. Staff capacity building remains an ongoing function, and HUD is planning for additional training, subject to the availability of resources.
- ◆ **Conduct follow-up to assess progress of strategies to increase utilization of vouchers and occupancy in public housing.** After implementing strategies to increase utilization of vouchers and occupancy in public housing, HUD will conduct an assessment of effectiveness, best practices, and lessons learned.

Project-based rental assistance. Project-based Section 8 assistance differs from the Housing Choice Voucher program in that the assistance is linked to a specific unit in a multifamily housing property, ensuring that these properties remain affordable to low-income families. Funding in this account renews and amends project-based Section 8 rental assistance contracts originated through moderate rehabilitation, loan management, new construction/substantial rehabilitation, property disposition, and preservation programs.

The following **supporting measure** will track renewals.

■ **In FY 2011, 98 percent of multifamily project-based contracts renewed that were set to expire (Section 8).**

The rental assistance contracts that HUD has with private landlords under Section 8 can run for terms of between 1 and 40 years. As contracts expire, HUD must renew the contract (after determining that the rents are reasonable and the owner is compliant with program rules) in order to ensure the units remain affordable to low-income families.

HOME Investment Partnerships. States and eligible local government participating jurisdictions are provided funds through a formula that reflects the severity of local affordable housing needs. Funding may be used to provide, among other eligible activities, tenant based rental assistance. Currently, 79 percent of households receiving HOME-funded tenant-based rental assistance have incomes below 30 percent of area median income.

Homeless Assistance Grants. Permanent supportive housing is provided for homeless people with disabilities, primarily those with serious mental illness, chronic problems with alcohol and drugs, and acquired immunodeficiency syndrome (AIDS) and related diseases. Permanent supportive housing may be provided to homeless people who choose the housing in which they reside or through contracts with owners or with private nonprofit sponsors or community health agencies established as public nonprofit sponsors with dwelling units.

Housing Opportunities for Persons With AIDS. States and localities are provided resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of low-income people living with human immunodeficiency virus (HIV) and AIDS. Funds support tenant-based rental assistance, operating costs for community residents providing transitional and permanent housing, and short-term rental payments to prevent homelessness. This assistance enables these special needs households to establish or maintain stable housing, reduce their risks of homelessness, and improve their access to healthcare, mainstream resources, and other supportive services. Access to appropriate supportive services must be available as part of the assisted housing.

Strategy: Support the construction, rehabilitation, and acquisition of quality affordable housing by providing and leveraging capital.

Contributing programs and activities

Public Housing. HUD is focusing its efforts on reducing vacancy of chronically vacant public housing. This effort will be assisted primarily through funds provided through both the American Recovery and Reinvestment Act of 2009 (Recovery Act) and the HOPE VI program. For example, these funds will be used to rehabilitate a number of long-term vacant units. Additional units will be brought into the public housing inventory through development. Public and Indian Housing staff are monitoring and providing technical assistance to public housing agencies in making considerable progress in obligating and expending Recovery Act money. To date, this support has enabled public housing agencies to complete rehabilitation and development with funds awarded through the Recovery Act.

The Offices of Public Housing Investments and Multifamily Housing will jointly administer the Choice Neighborhoods program, which will build on the successes and lessons learned from the HOPE VI program. Choice Neighborhood is a signature HUD initiative that will provide competitive grants to assist in the transformation, rehabilitation and preservation of public and privately owned HUD-assisted housing as part of an overall plan to revitalize neighborhoods of concentrated poverty. The program aims to transform neighborhoods of poverty into viable mixed-income neighborhoods with access to economic activities by revitalizing severely distressed public and assisted housing and investing and leveraging investments in well-functioning services, effective schools, and education programs, public assets, public transportation, and improved access to jobs.

Indian Housing Block Grant. This program provides grants to maintain and expand the supply of affordable rental housing on tribal lands through construction and acquisition of rental units.

Moderate Rehabilitation. Renewal funding is provided to those units, which are part of the Project-Based Rental Assistance account.

Section 202 Supportive Housing for the Elderly and Section 811 Supportive Housing for Persons with Disabilities. These programs are designed to enable very low-income elderly people, including the frail elderly, and very low-income people with disabilities (physical, developmental, or chronic mental illness disabilities) to live independently by increasing the supply of rental housing that includes supportive services.

HUD is focusing its efforts on both supportive housing construction and limiting reductions in units. Losses of units are being reduced by tracking contract expiration dates, renewals, and terminations and by offering incentives for keeping projects under contract. The following **supporting measure** tracks HUD's efforts in this area.

■ **100 percent of Project Rental Assistance Contracts (Sections 202 and 811) renewed that were set to expire.**

When Sections 202 and Section 811 projects are first approved, HUD provides up to 5 years of funding to cover the portion of project operating costs that is not covered by the low-income elderly and disabled residents. As these initial Project Rental Assistance Contracts expire, HUD needs to renew the contracts on a timely basis to ensure that the units remain affordable to eligible low-income households.

Other multifamily subsidies. Other multifamily subsidies involve programs (old Section 202, Section 221(d)(3) Below Market Interest Reduction, Section 236 Interest Reduction Payment only) that helped finance construction or rehabilitation of affordable multifamily units or projects by providing mortgage subsidies. A focus of HUD will be to limit reductions in units with decoupling incentives. Decoupling occurs when a Section 236 subsidized mortgage is prepaid, but the Interest Reduction Payment originally provided to subsidize the Section 236 mortgage is kept in place to support the new debt needed to rehabilitate and otherwise preserve the project.

Insured Tax Exempt/Low-Income Housing Tax Credit. These units are developed using FHA-insured debt derived from tax-exempt financing (low-interest bond issuances from units of local government or housing finance agencies) and equity from Low-Income Housing Tax Credits. HUD will focus on increasing multifamily units developed with these tax-exempt financing programs.

HOME Investment Partnerships Program. This program is the primary departmental program and principal tool of state and local governments for the production of affordable housing for low- to extremely low-income families. HOME funds may be used for a wide variety of eligible housing activities, including rehabilitation, new construction, and acquisition. In addition,

HOME funds typically provide the critical gap financing that makes Low-Income Housing Tax Credit projects feasible. Under current market conditions, in many parts of the country, scarce HOME funds must actually take the place of reduced or nonexistent Tax Credit proceeds.

Homeless Assistance Grants. Hard costs (acquisition, rehabilitation, and new construction) are provided for housing developments. Permanent supportive housing programs help meet the needs of this particularly vulnerable population by providing housing and other support necessary to obtain and maintain permanent housing in the community.

The following two **milestones** are in response to enactment of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act.

- ◆ **Publish HEARTH Act regulations.** The HEARTH Act amended and reauthorized the McKinney-Vento Act, which has guided HUD's homeless assistance programs for more than 20 years. The HEARTH Act consolidates HUD's competitive homeless grant programs, creates a new rural program, redefines homelessness, increases authorized resources, and institutes new performance standards.
- ◆ **Issue 2011 McKinney-Vento Notice of Funding Availability according to new HEARTH Act regulations.** HUD is working on regulations that will substantially change how applicants apply for HUD's competitive homeless assistance grants. Consequently, the McKinney-Vento Notice of Funding Availability needs to be updated according to the new requirements as established under the new HEARTH Act regulations.

Neighborhood Stabilization Program. Grantee communities use this program funding to support affordable rental housing through housing rehabilitation activities and construction of new units. This program includes a requirement that at least 25 percent of each grant must be used for units affordable for households whose income is 50 percent or less of area median income.

Tax Credit Assistance Program. The Recovery Act provided \$2.25 billion to the HOME program to make available to State housing credit agencies for low income housing tax credit projects. Tax credits are sold in the private market to raise capital for affordable housing.

Community Development Block Grant Disaster Recovery on the Gulf Coast. The Community Development Block Grant program received supplemental appropriations in response to Hurricanes Katrina, Rita, and Wilma that are being used by grantee communities to provide support for affordable rental housing. Congress directed that at least \$1 billion, shared across five states (Alabama, Florida, Louisiana, Mississippi, and Texas), be used for affordable rental housing.

Progress to Date

By the end of FY 2010, more than 5.2 million families occupied units receiving rental assistance from HUD, an increase of almost 55,000 families from FY 2009.

→ Key milestone activities undertaken included—

- ◆ **A proposed HOME rule for comment and publish a final rule to encourage more rapid use of Community Housing Development Organization funds.** This regulatory reform milestone will amend program requirements to ensure funds are spent more quickly. A proposed draft rule is being prepared for departmental clearance.
- ◆ **Enhance the Disaster Recovery Grant Reporting system to enable the capture of tenure data.** Through quarterly reports, the enhancement provides HUD with a more comprehensive view of outcomes in the Neighborhood Stabilization Program and the Community Development Block Grant Disaster Recovery programs. The data system was updated to enable a grantee to indicate the tenure (owner or renter) for each housing activity and whether the program is for single-family housing (1 to 4 units) or multifamily housing (5 or more units).
- ◆ **Develop a report on pending opt-outs and prepayment activities for Multifamily Housing programs.** A report has been completed that is expected to increase communications between the Office of Multifamily Housing and the Office of Public and Indian Housing by providing more up-to-date data on pending multifamily opt-outs and prepayment activities.

Strategic Goal 3.

Utilize Housing as a Platform for Improving Quality of Life

Problem To Be Addressed

Despite recent inroads, homelessness continues to be a challenge for communities across the United States. Of the nearly 1.56 million people (or 1 in every 200 Americans) experiencing homelessness in a shelter last year, more than 10 percent are veterans.¹⁰ Many veterans confront the same issues that lead others into homelessness, such as lack of affordable housing and inadequate income and savings. But service men and women returning from active duty may also have specific challenges, such as lingering effects of post-traumatic stress disorder and substance abuse, which can make it more difficult for them to find and maintain gainful employment and, consequently, to pay for housing.

On a single night in January 2009, 75,609 veterans were homeless; 57 percent were staying in an emergency shelter or transitional housing program; and the remaining 43 percent were living on the street, in an abandoned building, or another place not meant for human habitation (that is, unsheltered). An estimated 136,334 veterans spent at least one night in an emergency shelter or transitional housing program between October 1, 2008, and September 30, 2009. Although homeless veterans make up less than 1 percent of all veterans, within the poverty population veterans are at greater risk of homelessness than nonveterans. Of veterans in poverty, 10 percent became homeless at some point during the year compared with slightly more than 5 percent of adults in poverty.¹¹

Homeless Veteran Characteristics

The typical sheltered homeless veteran has the following characteristics:

- Male (93 percent).
- White non-Hispanic/Latino (49 percent).
- Between the ages of 31 and 50 (45 percent).
- Disabled (52 percent).

Demographic Characteristics of Sheltered Homeless Veterans, all Veterans, and all U.S. Adults, 2009

Characteristics	Sheltered Homeless Veterans	All Veterans	All U.S. Adults
Number	136,334	22,906,784	231,718,105
Gender			
Female	7.5%	6.8%	51.5%
Male	92.5%	93.2%	48.5%
Ethnicity			
Non-Hispanic/non-Latino	88.9%	94.8%	86.4%
Hispanic/Latino	11.1%	5.2%	13.6%
Race			
White, non-Hispanic/non-Latino	49.2%	81.2%	68.1%
White, Hispanic/Latino	8.3%	3.6%	8.6%
Black or African American	34.0%	10.5%	11.8%
Asian	0.3%	1.2%	4.6%
American Indian or Alaska Native	3.4%	0.7%	0.8%
Native Hawaiian or other Pacific Islander	0.4%	0.1%	0.1%
Other/Several races	4.4%	2.7%	6.0%
Age			
18–30	8.4%	8.0%	24.2%
31–50	44.6%	23.1%	36.5%
51–61	38.1%	21.4%	18.5%
62 and older	8.9%	47.4%	20.8%

Sources: 2009 Homeless Management Information Systems; U.S. Census Bureau 2006–2008 American Community Survey 3-Year Estimates

¹⁰ “Nearly 1.56 million people used an emergency shelter or a transitional housing program during the 12-month period (October 1, 2008 through September 30, 2009).” The 2009 Annual Homeless Assessment Report to Congress, Executive Summary: iii.

¹¹ *Veteran Homelessness: A Supplemental Report to the 2009 Annual Homeless Assessment Report to Congress*. 2011. Executive Summary.

Measures of Success

Strategic Plan—Measure 6c.

HUD and the Department of Veterans Affairs will jointly reduce homelessness among veterans.

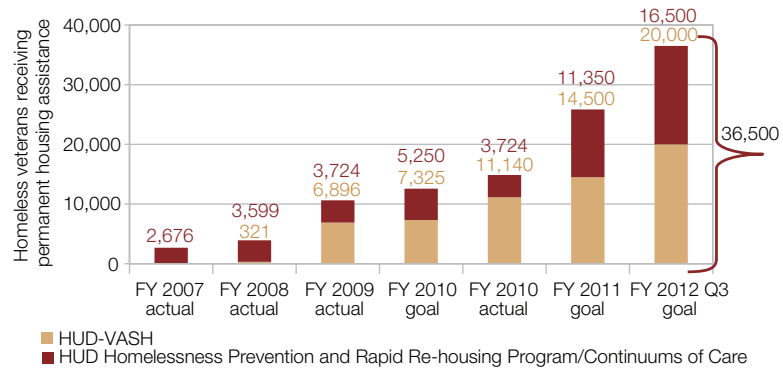
- ❖ Together, the two agencies will reduce the number of homeless veterans to 59,000 by June 2012. Without this intervention there would be an estimated 194,000 homeless veterans by June 2012.
- ❖ Toward this joint goal, HUD is committed to assisting an average of 13,250 homeless veterans each fiscal year move out of homelessness into permanent housing.

Strategies for Achieving Success

The Obama administration believes that veterans should never find themselves on the streets and is committing—through *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*¹²—to preventing and ending homelessness among veterans within 5 years. Strategies that have proven successful in helping homeless veterans obtain affordable housing, jobs, and access to health and behavioral health care will be undertaken through the joint action of federal, state, and local leaders together with service providers, advocates, the private sector, and faith-based, philanthropic, and community organization leaders. These strategies include better targeting of rental subsidies to veterans; more permanent supportive housing with intensive support services to address mental health, substance abuse, health, and employment needs; more meaningful employment by coordinating housing with workforce training; better access to financial assistance; and encouraging community crisis response teams that focus on prevention and rapid re-housing activities.

HUD and the Department of Veterans Affairs (VA) are coordinating efforts to jointly achieve this priority goal. During this goal period (FY 2010–FY 2012 Q3), HUD is implementing two primary, but interrelated, strategies to ensure that 36,500 homeless veterans are able to live as independently as possible in a permanent setting.

Homeless Veterans Obtaining or Maintaining HUD-Assisted Permanent Housing Assistance (cumulative)



FY = fiscal year.

HUD = Department of Housing and Urban Development.

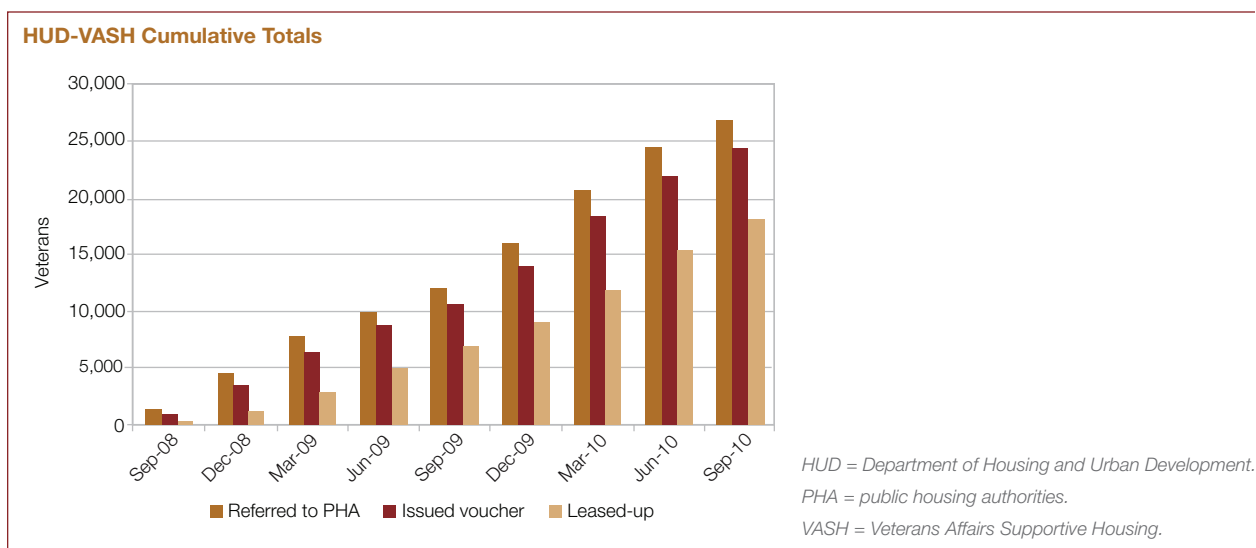
VASH = Veterans Affairs Supportive Housing.

Strategies: (1) Provide additional individuals and families with rental housing subsidies, and (2) provide and increase access to homelessness prevention services.

HUD is helping veterans obtain or maintain HUD-assisted permanent housing through three primary programs.

¹² http://www.usich.gov/PDF/OpeningDoors_2010_FSPPreventEndHomeless.pdf.

- HUD-VASH (VA Supportive Housing).** The HUD-VASH program provides homeless veterans with rental vouchers through the Housing Choice Voucher program so they can access permanent housing in the private market. Congress has provided HUD \$75 million in each of FYs 2008 through 2010 for this effort. These funds are distributed to public housing agencies¹³ selected by HUD based on geographical need for assistance, and issued to veterans as vouchers that can be used to rent housing from landlords that participate in the program. Veterans must be referred to participating public housing agencies by VA medical centers. Some funding is used for the project-basing of HUD-VASH vouchers, which involves attaching HUD-VASH assistance to specific housing units for a specific period of time, as stated in a contract with the owner of the units. Such an approach is helpful in providing a resource to incent the development of housing in HUD-VASH sites that lack affordable units for homeless veterans.



Key components of the HUD-VASH program are the case management and clinical services provided by VA medical centers and in the community as a condition of receiving a HUD-VASH voucher. VA case managers work with community advocacy groups, service providers, landlords, and local homeless Continuums of Care to make sure that veterans obtain needed treatment and services, access benefits, and receive assistance with housing needs. The VA will target the at-risk veteran population with aggressive support intervention to try to prevent homelessness before it starts.

A key **milestone** is—

- ◆ For HUD and VA to provide public housing agencies and VA medical centers with training, resources, and support.** These activities help ensure that improved coordination of referrals occurs between the public housing agencies and the VA medical centers, that vouchers awarded are issued to veterans, and that eligible veterans are able to use a voucher issued (that is, lease up). To date, four regional training sessions for VA case managers and public housing agency staff were held in May and June, as well as a satellite broadcast training event in September. In addition, site visits were carried out in August and September in New York City, New Jersey, Los Angeles, Long Beach and Washington, D.C., involving in-depth discussions among staff from HUD Headquarters and field offices, public housing agencies, national and regional VA offices, and VA

¹³ State and local governments create public housing agencies to finance or operate low-income housing.

medical centers. During the visits, HUD and VA gathered input on best practices and the primary challenges that local HUD-VASH sites face. Additional site visits will take place in late 2011.

2. **HUD Homeless Continuums of Care Programs.** The McKinney-Vento Homeless Assistance Act provides federal financial support for a variety of homeless assistance programs. To access these homeless assistance funds, HUD requires communities to come together to submit a single comprehensive Continuum of Care application to help ensure that homeless individuals get the help they need and eventually leave homelessness. A Continuum of Care is the primary decision-making body that represents a community's plan to organize and deliver housing and services to homeless individuals and families within the community.

Funding from HUD's Supportive Housing, Shelter Plus Care, and the Section 8 Single Room Occupancy programs support this priority goal as eligible Continuum of Care programs, providing housing and other supportive services. In particular, the **Supportive Housing Program** assists homeless people in the transition from streets and shelters to permanent housing and self-sufficiency. This assistance is provided through the funding of transitional housing, permanent housing for people with disabilities, supportive services, and safe haven projects. Safe haven projects are designed to serve hard-to-reach homeless people with severe mental illnesses who are on the streets and have been unwilling or unable to participate in supportive services. Funded activities may include grants to purchase, rehabilitate, lease, build and operate structures that will be used for housing or supportive services, as well as provide actual services.

The Shelter Plus Care Program provides rental assistance, in connection with supportive services funded from sources other than this program, to homeless people with disabilities (primarily people who are seriously mentally ill; have chronic problems with alcohol, drugs, or both; or have AIDS and related diseases) and their families. The program provides rental assistance for a variety of housing choices, ranging from scattered-site apartments to project-based units where several program participants live in a single building.

The Section 8 Single Room Occupancy Program provides rental assistance to homeless people to lease rehabilitated single room occupancy units. This type of housing is residential property that includes single-room dwelling units that may contain kitchens and toilets.

A key activity milestone is—

- ◆ **HUD will post quarterly Annual Homeless Assessment Pulse Report updates from participating communities.** A small sample of communities across the country is providing quarterly data on homelessness that supplements the data in the Annual Homeless Assessment Report to Congress. This information allows HUD to more closely track trends in homelessness and develop appropriate policy responses.

3. **Homelessness Prevention and Rapid Re-housing Program.** The Homelessness Prevention and Rapid Re-housing Program, funded at \$1.5 billion through the Recovery Act, is being used by HUD to assist individuals, including veterans, who are homeless or at risk of becoming homeless. Many providers of these funds are directing them to homeless subpopulations, such as veterans, as well as individuals or families that would be homeless but for this assistance. Funds were given to states (to distribute to local governments and private nonprofit organizations), metropolitan cities, and urban counties. These funds provide financial assistance, such as short-term (up to 3 months) and medium-term (4 to 18 months) rental assistance, security or utility deposits, and moving cost assistance or housing relocation and stabilization services, including credit counseling, case management, and housing search and placement.

Progress to Date



By the end of FY 2010, 14,864¹⁴ formerly homeless veterans were permanently housed through HUD programs, exceeding the target of providing permanent housing to 12,575 homeless veterans. Contributions from HUD-VASH are largely responsible for this achievement, and most likely resulted from the intensive VASH training of public housing agency and HUD field staff, as well as increased monitoring and technical assistance by VA and HUD staff.

Key milestone activities undertaken included—

- ◆ **Submitting the *Annual Homeless Assessment Report to Congress*.**¹⁵ This published annual report about homelessness in the United States provides national, state, and local policymakers with key information, including the number of homeless people by community; the trends for various subpopulations, including homeless families, veterans, and victims of domestic violence; and the bed inventory by community and nationally.
- ◆ **Submitting a supplemental *Annual Homeless Assessment Report to Congress on Homeless Veterans*.**¹⁶ HUD and VA issued this supplemental report to provide a baseline understanding of homelessness among veterans by collecting information on those served in emergency shelters and transitional housing from October 1, 2008, through September 30, 2009. The report provides 1-day and 1-year estimates on the number of homeless veterans. It examines the demographic characteristics of homeless veterans and compares them to various other population groups, including all U.S. veterans, all veterans living in poverty, and nonveteran adults who are and are not homeless.
- ◆ **Awarding the FY 2010 HUD-VASH tenant-based and project-based voucher funding.** To date, of the \$75 million available, more than \$69.6 million (93 percent) has been awarded to support 9,510 HUD-VASH tenant-based vouchers. The remaining balance will fund up to 500 HUD-VASH project-based vouchers, which will be awarded competitively to public housing agencies participating in HUD-VASH that submit applications. The Office of Public and Indian Housing will begin reviewing applications in the second quarter of FY 2011.

¹⁴ The Community Planning and Development programs that support homeless assistance contributed housing to 3,724 formerly homeless veterans to the overall total. This FY 2010 number is projected, based on a review of approximately 40 percent of Annual Performance Reports that had been submitted by grantees. Grantees report through Annual Performance Reports on a calendar year basis and are given an allowance of up to 90 days for final submission.

¹⁵ <http://www.huduser.org/publications/pdf/5thHomelessAssessmentReport.pdf>.

¹⁶ <http://www.hudhre.info/documents/2009AHARVeteransReport.pdf>.

Strategic Goal 4.

Build Inclusive and Sustainable Communities Free From Discrimination

Problem To Be Addressed

HUD spends an estimated \$6.8 billion annually on utility costs while supporting more than 5 million units of housing through its public housing, multifamily assisted housing, and tenant-based Section 8 voucher programs. Much of HUD's portfolio of public and assisted housing was built before the advent of energy codes, creating both environmental and affordability challenges for building owners, residents, and the federal government.

The level of utility expenditures on energy at HUD, both in relation to total energy expenditures by the federal government and as a portion of HUD's annual budget, is substantial.

HUD Framework for Energy Efficiency

- Set investment priorities and performance standards for energy efficiency at HUD.
- Expand and enhance market-based financing mechanisms and tools to facilitate investments in energy efficiency and renewable energy.
- Build effective partnerships to accomplish effective place-based energy actions.
- Provide assistance and training to develop technical competencies and skills for sustainable building practices and behavior.
- Create a results-oriented organization accountable for measurable reductions in energy consumption and greenhouse gas emissions.

In 2009 President Obama signed an executive order on federal sustainability.¹⁷ The federal government is the single largest energy consumer in the United States, spending more than \$24.5 billion (excluding HUD expenditures) on electricity and fuel on federally owned buildings.¹⁸ The \$6.8 billion spent annually by HUD on energy costs in public and privately owned federally assisted housing is therefore equivalent to more than 25 percent of the federal government's total energy expenditures on federally owned buildings.

Energy costs are also a significant cost burden for lower income-families. This burden, especially when added to housing and transportation costs, can create difficulties for these families in covering other household expenses. Energy costs can also affect the financial stability of multifamily rental housing.

Energy use in the built environment is also a significant contributor to greenhouse gas emissions: combined energy use in buildings and transportation accounts for more than two-thirds of the greenhouse gas emissions in the United States.¹⁹ The resulting climate change effects pose significant challenges for both metropolitan areas and rural communities.²⁰ As a key federal cabinet agency focused on the built environment and on strengthening metropolitan and rural communities, HUD's actions to reduce energy consumption in federally assisted housing—some 5 percent of the total housing stock—will support efforts to combat climate change.

¹⁷ Presidential Executive Order 13514 (October 5, 2009).

¹⁸ <http://www.whitehouse.gov/administration/eop/ceq/sustainability>.

¹⁹ U.S. Energy Information Administration: http://tonto.eia.doe.gov/energyexplained/index.cfm?page=environment_where_ghg_come_from.

²⁰ Karl, Melilla, and Peterson. 2009. *Global Climate Change Impacts in the United States*. Cambridge University Press.

Utility Expenditures in Public and Assisted Housing (Includes water and sewer charges; numbers not adjusted for price) (In millions)

	2004 (\$)	2006 (\$)	2008 ^a (\$)
Public Housing			
Utility operating grants ^b	1,277	1,429	1,530
Utility allowances ^c	411	421	471
Assisted Housing			
Utility allowances	605	662	735
Owner-paid utilities ^d	NA	1,063	1,170
Section 8 Vouchers			
Utility allowances ^e	2,122	2,500	2,896
Totals	4,415^f	6,075	6,802

NA = not available.

^a The 2008 public housing data reported here are from financial statements for the "Cycle 10" reporting period (that is, covering public housing agency fiscal years ending 9/30/08, 12/30/08, 3/30/09, or 6/30/09). The 2006 reported data are for Cycle 9, and the 2004 data are for Cycle 8.

^b Of the operating subsidies provided to public housing agencies, \$1.53 billion, or 23.9 percent, was spent on public housing agency-paid utilities. An additional \$471 million in rent reductions was provided to tenants as an allowance for tenant-paid utilities.

^c Tenant-paid utilities are covered by a utility allowance, calculated on the basis of energy that "a reasonably consuming household" would need for basic space heating, water heating, cooling, refrigeration, lighting, or appliances. Utility allowances can be provided for electricity, natural gas, propane, fuel oil, wood or coal, and water and sewage service, as well as garbage collection.

^d Source of 2008 owner-paid utilities for assisted multifamily housing is the Financial Assistance Subsystem as of August 2009, using Annual Financial Statements.

^e Sources of utility allowance data for Section 8 vouchers are the Tenant Rental Assistance System; Real Estate Management System; Public Housing Information Center-Resident Characteristics Report, using data reported on HUD Forms 50058 and 50059.

^f 2004 figures do not include owner-paid utilities in privately owned assisted housing, which were estimated for the first time in 2006, and again in 2008.

Finally, this goal addresses lead-based paint and other health hazards in homes. Nearly 6 million households live with moderate to severe physical housing problems—including water leaks and intrusion; injury hazards; pests; and heating, plumbing, and electrical deficiencies—that place them at risk for illnesses and injuries, including asthma, slip and falls, and respiratory illnesses.²¹ Hardest hit by environmental health hazards in the home are low-income individuals, children, and the elderly. Approximately 37.9 million housing units have lead-based paint, with 24 million of these homes having one or more lead-based paint hazards. Of homes with lead-based paint hazards, 1.2 million are low-income households with one or more children under age 6.²² The National Survey of Lead and Allergens in Housing (1999) also found that approximately 46 percent of sampled homes had elevated levels of at least three allergens in house dust.²³

Far too many American homes do not meet basic healthy home principles—homes that are dry, clean, ventilated, free from pests and contaminants, well maintained, and safe. This lack of healthy homes costs the country billions of dollars annually in housing-related healthcare costs for asthma, lead-based paint poisoning and injury, as well as lost productivity in the labor force. Total annual costs for certain childhood environmental diseases (both housing- and nonhousing-related) are estimated to be \$43.4 to 54.9 billion for lead poisoning, \$2.0 billion for asthma, \$0.3 billion for childhood cancer, and \$9.2 billion for neurobehavioral disorders. This sum amounts to 2.8 percent of total U.S. healthcare costs.²⁴

²¹ U.S. Bureau of the Census. 2010. American Housing Survey.

²² Jacobs et al. 2002. *Environmental Health Perspective* 100 (10): A599–A606.

²³ Salo et al. 2008. *Journal of Allergy Clinical Immunology* 121 (3): 678–684.

²⁴ Landrigan, P.J. et al. 2002. *Environmental Health Perspective* 100 (7): 721–728.

Measures of Success

Strategic Plan—Measure 13.

The Department of Energy (DOE) and HUD will work together to enable the cost-effective energy retrofit of a total of 1.1 million housing units through FY 2011.

- ❖ Of this number, HUD will complete cost-effective energy retrofits of an estimated 126,000 HUD-assisted and public housing units.
- ❖ Apart from our joint goal with DOE, HUD will complete green and healthy retrofits of 33,000 housing units.

Strategies for Achieving Success

HUD's energy strategy is designed to address the issue of residential energy costs, an aging public and assisted housing stock, and growing fiscal demands on HUD's budget to cover household and rental property utility costs. HUD also hopes to address the disproportionate energy cost burden on low- and moderate-income families, and improve the health and quality of HUD-assisted housing for building residents.

In addition to individual program contributions noted below, in May 2009, HUD signed

a Memorandum of Understanding with DOE aimed at lowering barriers to the use of the Department of Energy Weatherization Assistance program funds in public housing and other HUD-assisted multifamily housing. As a result, DOE issued a new rule in January 2010 that streamlines the program's income eligibility requirements, as well as other procedural requirements applicable to public housing and other HUD-assisted multifamily housing properties. These enhancements and increased funding have resulted in increased participation by multifamily properties and facilitated the start-up of new and expanded multifamily energy-efficiency programs in several states.²⁵

Strategy: Support and promote an energy-efficient, green, and healthy housing market by retrofitting existing housing, supporting energy-efficient new construction, rehabilitation, and maintenance of housing and communities.

Implementing this strategy involves (1) investments in energy efficiency and green building using one-time funding appropriated through the Recovery Act and (2) incentives for energy efficiency and green building through a number of existing competitive and formula grant programs.

- ❖ **HUD will complete cost-effective energy retrofits of an estimated 126,000 HUD-assisted and public housing units.**

Contributing programs and activities

Office of Public and Indian Housing

Public Housing Capital Fund (Recovery Act). The Recovery Act provided \$4 billion to the Public Housing Capital Fund to rehabilitate and retrofit public housing units, of which \$3 billion was awarded by formula and \$1 billion via competition.

Competitive Grants. \$600 million was set aside for a "Creation of Energy Efficient, Green Communities" competition, which included two categories: (1) \$300 million for new construction or gut rehabilitation of leading-edge green projects that meet the Enterprise Green Communities standard, which has a minimum mandatory requirement of the

²⁵ See www.hud.gov/recovery/weatherization.

ENERGY STAR for New Homes (15 percent more efficient than standard new construction); (2) \$300 million for comprehensive energy retrofits, with adherence to specified energy and water conservation measures. These retrofits are expected to substantially increase the energy and environmental performance of public housing properties, thereby reducing energy costs and generating savings for the federal government, building residents and public housing agencies, and reducing green house gas emissions attributable to energy consumption.

Formula Grants. Although energy efficiency was encouraged but not required for Recovery Act formula funds, Capital Fund formula funds are being used for energy-efficiency improvements in a significant number of units, ranging from ENERGY STAR refrigerators and other ENERGY STAR qualified appliances, building improvements, lighting upgrades, and new or more efficient heating and cooling equipment.

Energy Performance Contracts. Financing incentives under the Public Housing Operating Fund allow public housing agencies to undertake Energy Performance Contracts. These agreements are normally with third-party energy services companies that provide financing for energy conservation measures, oversee the installation of these measures, and provide long-term services, such as monitoring energy use, training maintenance staff, and educating residents. Public housing agencies are typically able to retain 100 percent of the savings for the duration of the contract (12 to 20 years), with a minimum of 75 percent of the savings committed to debt service.²⁶

Indian Housing and Community Development Block Grants. These programs received \$510 million in Recovery Act competitive and formula grant funds to be used for new construction, acquisition, rehabilitation (including energy efficiency and conservation), and infrastructure development. Grant recipients are encouraged through trainings and technical assistance to create energy-efficient buildings and location-efficient communities that are healthy and affordable.

HOPE VI/Choice Neighborhoods. These programs enable public housing agencies that have severely distressed housing in their inventory to replace or improve this housing with funding for rehabilitation, new construction, and site acquisition, and other physical improvements. In addition to modernization and development, HOPE VI and Choice Neighborhoods support cost-effective efforts to increase energy efficiency by promoting the development of units under national certification programs such as LEED, Enterprise Green Communities and ENERGY STAR for homes.

Office of Community Planning and Development

HOME Investment Partnerships. Among other eligible uses, HOME funds may be used to finance new construction and gut rehabilitation projects that meet local codes. To promote energy efficiency, HOME grantees are required to report the number of units that meet the ENERGY STAR standard in HUD's Integrated Disbursement and Information System.

Tax Credit Assistance Program (Recovery Act). The Recovery Act provided \$2.25 billion through the HOME Investment Partnerships program for capital investments in Low-Income Housing Tax Credit projects. HUD awarded these funds by formula to state tax credit allocating agencies to facilitate development of projects that received or will receive Low-Income Housing Tax Credit awards between October 1, 2006, and September 30, 2009. These grantees report the number of new units that qualify as ENERGY STAR for New Homes.

²⁶ For energy-efficiency investments not financed through Energy Performance Contracts, housing agencies can retain 75 percent of the savings for 3 years.

Community Development Block Grant. Community Development Block Grant grantees determine the specific activities they will fund from among 25 categories of eligible activities. Although rehabilitation of housing is an eligible use, most grantees do not undertake housing rehabilitation that is extensive enough to lead to ENERGY STAR certification. For this goal, the program tracks and reports only those units that achieve substantial levels of rehabilitation or new construction that meet the ENERGY STAR for New Homes standard.

Office of Multifamily Housing

Mark-to-Market Program Green Initiative. In 2007 HUD initiated a Green Remodeling Initiative through its Mark-to-Market program. This voluntary pilot program offers financial incentives for private owners to adopt green building practices in both the rehabilitation and operation of their HUD-subsidized, federally insured multifamily properties. These practices include energy and water efficiency, use of recycled and local materials, improved indoor air quality, and the healthy housing approach developed by HUD's Healthy Home Initiative.

The Mark-to-Market Program Green Initiative focuses on immediate repairs, but also requires that owners commit to maintain green building principles for the life of the property. HUD expects owners to realize energy and water savings by focusing on: sealing the building envelope; increasing insulation; ensuring that heating and cooling systems are appropriately sized and are of an energy-efficient design; installing ENERGY STAR qualified appliances during replacement; installing ENERGY STAR windows during replacement; using compact fluorescent lights; installing low-flow faucets, showerheads, and toilets; and installing water- and energy-monitoring equipment.

Green Retrofit Program (Recovery Act). The Recovery Act provided \$250 million in funds to reduce energy costs, cut water consumption, and improve indoor air quality in older federally assisted multifamily apartment developments. Competitive grants and loans provided through this program help private landlords and property management companies to cut heating and air conditioning costs by installing more efficient heating and cooling systems, and to reduce water use by replacing faucets and toilets. These funds also produce other environmental benefits by encouraging the use of recycled building materials, reflective roofing, and nontoxic products to reduce "off-gassing" of potentially harmful fumes. Funds are awarded to owners of HUD-assisted housing projects and can be used for a wide range of retrofit activities, ranging from replacement of windows and doors to installation of solar panels and geothermal technology.

Section 202 Housing for the Elderly and Section 811 Housing for Persons with Disabilities. These programs finance capital advances for the construction, rehabilitation, or acquisition of structures that will serve as supportive housing for very low-income elderly people and people with disabilities, respectively. A portion of the housing units developed or rehabilitated incorporate green building practices and energy-efficiency standards; points are awarded for these activities through the annual competitive grant awards process.

The following **FY 2011 milestones** track cross-program activities.

- ◆ **Develop uniform HUD-wide energy-efficiency standards and goals.** HUD is reviewing energy-efficiency standards within the Office of Public and Indian Housing and across the Department to work toward standardizing energy efficiency and green goals and establishing uniform tracking and reporting systems. Through the Recovery Act Management and Performance System, work has begun to enable the collection of energy-efficient-unit data and establish an officewide baseline for Public and Indian Housing. This effort includes, but is not limited to, the establishment of standards for green and energy-efficient units and support for setting future goals.

- ◆ **Provide public housing agencies and other HUD partners with training on energy efficiency and green standards.** Training for grantees on energy efficiency and green standards is necessary to ensure that HUD grantees and partners have skills and resources to carry out sustainable and energy-efficient activities. HUD expects to implement energy efficiency and green certification programs for public housing agencies and other partners in FY 2011.

FY 2010-2011 Energy and Green Retrofit Targets (Number of units)

Program	FY 2010 Goal	FY 2010 Actual	FY 2011 Goal	Cumulative Goal (FY 2010 and 2011)
Total Public and Indian Housing	19,512	63,673**	54,445	73,957
Tax Credit Assistance Program—Recovery Act	1,140	287	1,142	2,282
HOME Investment Partnerships	4,688	5,343	4,692	9,380
Community Development Block Grant	248	369	252	500
Total Community Planning and Development	6,076	5,999	6,086	12,162
Sections 202 (Elderly) and 811 (Persons with Disabilities) Supportive Housing	3,000	3,743	2,500	5,500
Mark-to-Market	4,000	1,412	4,000	8,000
Green Retrofit Program	1,500	0	18,500	20,000
Total Multifamily Housing	8,500	5,155	25,000	33,500
Other units*	6,000	0	500	6,500
Total retrofits	40,088	74,827	86,031	126,119

* Other units—shared responsibility among contributing programs.

** Public and Indian Housing results include estimated equivalent units for Indian Community Development Block Grant, Indian Housing Block Grant, and Capital Fund Recovery Act formula funds. (See footnote 28 for unit equivalent methodology.)

- ❖ **HUD will complete green and healthy retrofits of an estimated 33,000 housing units.**

Contributing programs and activities

The Office of Healthy Homes and Lead Hazard Control administers two grant programs, which, along with the Green and Healthy Homes Initiative and programmatic enforcement, are used to make homes greener and healthier. This outcome is achieved by awarding and ensuring the successful completion of grants to state and local governments and to nonprofit organizations for lead hazard control interventions in housing and by ensuring broader healthy homes interventions in housing. Funded activities include local outreach; training of local workers in lead and healthy homes intervention work practices; recruitment of housing owners; evaluation of the housing for hazards; control of hazards using safe work practices while protecting occupants during the period of work (such as by temporary relocation when warranted); verification of the efficacy of the cleanup at the end of the work; notification to the owners (and occupants if different) of the results of the work; and, as applicable, safety- and health-related education of the owners and occupants. These lead hazard control and healthy homes approaches have significant effects.²⁷

Lead Hazard Control Grants. State and local governments use these competitive grant programs—Lead-Based Paint Hazard Control and the Lead Hazard Reduction Demonstration—to identify and control lead-based paint hazards in privately owned rental or owner-occupied pre-1978 housing. The somewhat smaller of the two programs, Lead Hazard Reduction

²⁷ For example, each dollar invested in lead paint hazard control results in a return of at least \$17, and as much as \$221, reflecting a net savings of \$181 billion to \$269 billion on a national investment of \$1.22 billion to \$11.0 billion (Gould. 2009. *Environmental Health Perspectives* 117: 1162–1167).

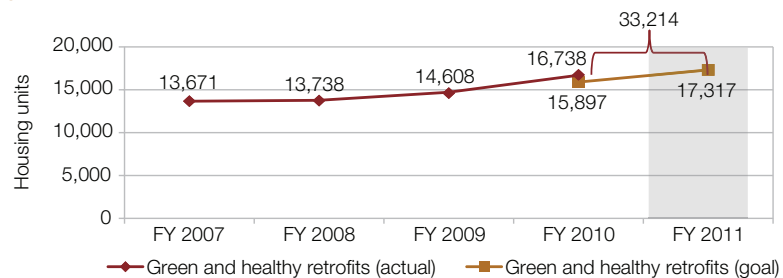
Demonstration focuses on jurisdictions with the greatest need, which is based on the amount of older rental housing and childhood lead poisoning cases. The Recovery Act provided approximately \$80 million to the Lead Hazard Control programs.

Healthy Homes Grants. These grants are competitively awarded to states, local governments, and private organizations to identify and eliminate housing-related health hazards. The Healthy Homes program addresses multiple housing deficiencies simultaneously to maximize public health, thus creating opportunities for communities to make smart investments in housing that can end the cost-shifting that causes higher medical bills, higher energy costs, and higher housing maintenance costs. The Recovery Act provided approximately \$20 million to the Healthy Homes program.

The Green and Healthy Homes Initiative. This public-private partnership pilot seeks to coordinate and implement a national healthy homes agenda that will eliminate existing health, safety, and energy inefficiencies in the home. This initiative offers integrated health, safety, lead hazard reduction, energy-efficiency, and weatherization interventions in low- to moderate-income homes.

Programmatic Enforcement. Housing units are made healthy through enforcement efforts of the Federal Lead-Based Paint Disclosure Rule and the Federal Lead-Safe Housing Rule that generate settlement agreements with commitment from private landlords to fix housing-related health hazards in their inventory.

Green and Healthy Retrofits of HUD Housing Units



FY = fiscal year.

Progress to Date

By the end of FY 2010, HUD completed 91,565 energy-efficient or green units, exceeding the Department's target for the year by 35,580 units. Of these, 74,827 units were energy-efficient units supported through the Offices of Community Planning and Development, Public and Indian Housing, and Housing; and another 16,738 units were green and healthy units completed by the Office of Healthy Homes and Lead Hazard Control. Programs in the Office of Public and Indian Housing completed 63,673 retrofits of public and tribal housing units toward this goal.²⁸

The Office of Community Planning and Development's HOME Investment Partnerships, Community Development Block Grant, and Tax Credit Assistance Programs funded the construction of 5,999 new ENERGY STAR housing units, while the Office of Multifamily Housing's Mark-to-Market, and Sections 202 and 811 Supportive Housing programs completed 5,155 units. Finally, the Office of Healthy Homes and Lead Hazard Control completed 16,738 green and healthy retrofits, exceeding its target for FY 2010 by nearly 850 units.

Key milestones undertaken included—

- ◆ **Revisions to existing energy consumption metrics and related training materials.** HUD has been reviewing existing energy consumption metrics and related training material and will propose revisions and changes in order to assist public housing agencies, as well as other HUD grantees, to track and report cost-effective energy conservation measures.
- ◆ **Common energy conservation measure data-collection standards developed for Tax Credit Assistance Program and Community Development Block Grant-Recovery.** Energy reporting standards were developed and implemented, via updates to the Integrated Disbursement and Information System. A new checklist of energy conservation measures was added to the data system to enable grantees to report on specific energy-efficiency improvements included in their rehabilitation scope of work.
- ◆ **Reporting systems modified to support common data-reporting standards for Tax Credit Assistance Program and Community Development Block Grant-Recovery.** The Office of Community Planning and Development modified its reporting system, the Integrated Disbursement and Information System, to allow for the reporting of energy conservation measures for rehabilitation projects that do not achieve the ENERGY STAR for New Homes standards. (Previously, the data system collected information only on new construction units that met the ENERGY STAR standard.)
- ◆ **Guidance issued on reporting green measures for Tax Credit Assistance Program and Community Development Block Grant-Recovery.** Limited guidance on reporting green measures for Community Development Block Grant-Recovery was included in an update to the Integrated Disbursement and Information System. This guidance does not apply to the Home Investment Partnerships and Community Development Block Grant programs. The Office of Community Planning and Development will determine whether additional guidance is needed, based on grantee feedback.

²⁸ The following program contributed toward the public housing results: Energy Performance Contracts, 23,366 units; HOPE VI, 1,593 units; competitive Recovery Act Capital Funds, 9,899 units; Indian Housing Block Grant and Indian Community Development Block Grants 3,048 equivalent units and the Recovery Act Capital Fund (Formula) 25,767 equivalent units. The figures for ICDBG, IHBG, and Capital Fund formula funds use an estimated "unit equivalent" figure derived from the top 10 most cost-effective Energy Conservation Measures reported, and a unit equivalent factor of 6 to estimate the final number of cost-effective retrofits counting toward this goal.

Strategic Goal 5.

Transform the Way HUD Does Business

Problem To Be Addressed

For too long, HUD's employees and external partners have viewed the Department as lacking in its ability to provide the support needed to fully deliver on its mission. HUD tied for last among large agencies in the *2010 Best Places to Work in the Federal Government* report produced by the

Partnership for Public Service and American University's Institute for the Study of Public Policy Implementation, based on a survey of HUD employees in 2010.²⁹ HUD ranked last or second-to-last in 11 of the 14 categories evaluated in the report, ranging from "employee skills/mission match" to "strategic management" and "training and development."³⁰ These results show that HUD employees are not satisfied with their jobs at the Department.

Finally, with an administration-wide focus on place-based policymaking that recognizes the interconnected economic and social needs of urban, suburban, and rural communities, HUD must become a more place-based partner. Unfortunately, many of the decision-making processes at HUD are highly centralized, slow, and narrowly focused on specific programs, without regard for the broader community context. This lack of coordination has diminished customer service and led to significantly slow response times on requests.

HUD Transformation

HUD is in the midst of a reinvention that is leveraging technology and a new way of doing business to respond to the need for increased transparency and improved service delivery. The current economic and housing crisis, the structural affordability challenges facing low-income homeowners and renters, and the new, multidimensional challenges facing our urban, suburban, and rural communities all require an agency in which the fundamentals matter and the basics function effectively. HUD is committed to an investment in transformation that will be implemented persistently over time.

Measures of Success

Strategic Plan—Measure 19.

- ❖ Increase the percentage of employees who "agree" or "strongly agree" they are given a real opportunity to improve their skills in their organization.

Strategic Plan—Measure 20.

- ❖ Increase the number of decisions delegated to field offices.

Strategies for Achieving Success

When employees attain skills and are motivated to use those skills to help their organizations reach goals, the capacity of the organization grows and employees grow as well. HUD will create training and leadership development opportunities for employees, managers, and leaders, and conduct succession planning.

In addition, HUD will implement its Place-Based Decision-making initiative to delegate decisions wherever possible and build capacity of HUD staff to be more responsive to the challenges faced by the new geography of the country's metropolitan areas.

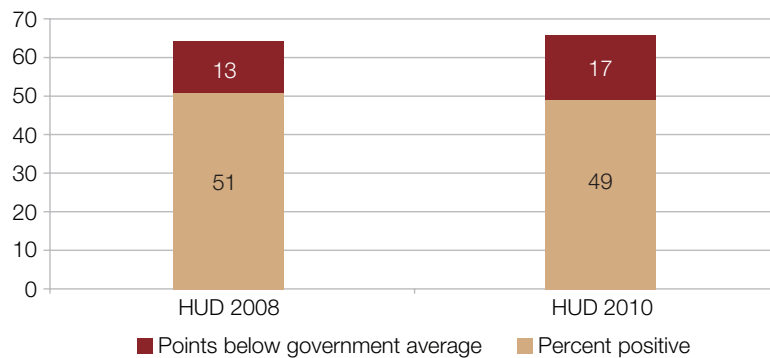
²⁹ Partnership for Public Service and American University's Institute for the Study of Public Policy. 2010. *Best Places To Work in the Federal Government in 2010*. <http://bestplacestowork.org/BPTW/rankings/detail/HU00>.

³⁰ Partnership for Public Service and American University's Institute for the Study of Public Policy. 2010. *Best Places To Work in the Federal Government in 2010*. <http://bestplacestowork.org/BPTW/rankings/detail/HU00>.

❖ **Measure 19—Increase the percentage of employees who “agree” or “strongly agree” they are given a real opportunity to improve their skills in their organization from 49 to 52 percent.**

A motivated and skilled workforce has access to training and leadership development opportunities so that employees can reach their full potential. In the 2008 Federal Human Capital Survey,³¹ 51.2 percent of HUD employees responded positively that they were given a real opportunity to improve their skills, which compares unfavorably to the 64-percent positive response in the government-wide ranking. In the 2010 Employee Viewpoint survey, HUD ranked last among large agencies in both the Training and Development Category and the Best Places to Work index. In response to the statement, “I am given a real opportunity to improve my skills in my organization,” only 49 percent of employees responded positively, which was 17 points lower than the government average and represented fewer positive responses than in 2008. In FY 2011, HUD’s goal is to achieve a 52-percent positive response to the question, “I am given a real opportunity to improve my skills in my organization,” on the 2011 Employee Viewpoint Survey. To achieve this 3-percentage-point increase, the Department will need an additional 260 people to indicate a positive response on this question. In other words, about one-third of the people who selected a neutral response on the 2010 survey would have to select a positive response on the 2011 survey.

Percent of Positive Responses for “Given real opportunity to improve skills” Question on 2008 and 2010 Employee Viewpoint Surveys



HUD = U.S. Department of Housing and Urban Development.

Strategy: Enhance knowledge sharing and create learning opportunities by increasing access to training; cross-training; job rotations; details; career ladders; reassignments within and among program offices, field and Headquarters; and externships and by requiring managerial training.

In November 2010, Secretary Donovan announced a set of initiatives to “Invest in Our People” to improve the training and development opportunities available to HUD staff in both the Headquarters and the field.

The HUD Academy for Workforce Learning. In November 2010, the HUD Academy for Workforce Learning was created and will coordinate activities related to program-specific technical training, HUD-wide mandatory and general skills training, and individual training provided outside of, but funded by, HUD. The goal of the academy is to increase and improve learning opportunities available to HUD employees by collaborating, cultivating, and consulting.

³¹ In 2010, the Office of Personnel Management changed the name of the survey to the Federal Employee Viewpoint Survey.

The academy will collaborate by developing comprehensive lists of course offerings across the department and promoting agreements among offices to maximize the number of employees trained while lowering the costs. The academy will cultivate existing resources by improving on current programs that offer learning and development opportunities to employees to maximize their effectiveness and efficiency. Finally, the academy will serve as consultants to the Department by establishing standards and compliance tools for training and development programs and promoting use of these standards across the Department. By the end of FY 2011, the governance structure of the academy will be established with a chief knowledge and learning officer leading the effort. HUD will use the following **supporting measure** and **tracking indicator** to monitor its success in FY 2011.

■ **75 percent of employees provided with training opportunities.**

- ▶ Percentage of positive responses on questions related to training and development on the Quarterly Pulse Survey (baseline: 63 percent on Quarterly Pulse Survey, FY 2011 Quarter 2). HUD, through a newly introduced Quarterly Pulse Survey, is gauging employees' attitudes on a quarterly basis to determine their assessment of the current climate.

Emerging Professionals Program. The Emerging Professionals Program will provide career development opportunities for staff members who are currently in an occupational series without the promotion potential to reach a General Schedule-12 or higher pay grade. The program will have 60 participants in FY 2011 and provide them with leadership training, rotational opportunities, and the chance to obtain upward mobility positions. The program incorporates a blended learning approach with an emphasis on rotational assignments. After the April 2011 launch, the program will continue for 1 year. HUD will use the following **supporting measure** and **tracking indicator** to monitor its success in FY 2011.

■ **90 percent of participants in the Emerging Professionals Program rate their experience as “satisfied or highly satisfied” (to be reported in FY 2012).**

- ▶ Percentage of positive responses from supervisors of staff participating in the Emerging Professionals Program in terms of improved skills.

Supervisory Training Course. The Office of the Chief Human Capital Officer is currently developing a new supervisory training course that trains supervisors on how to better support employees in their professional development. On the 2010 Employee Viewpoint Survey, HUD was 10 percentage points behind the government-wide average on percent of positive responses to the question, “Supervisors/team leaders in my work unit support employee development.” This course improves on the previously offered new supervisor course and will provide supervisors with tools and methods for having meaningful conversations with their employees about their short- and long-term career goals. It will also train supervisors on the use of the Individual Development Plan to connect their employees' goals to actual developmental activities that will improve their skills. In addition, HUD will also offer refresher training courses to provide more seasoned managers and supervisors with opportunities to hone their managerial skills. A pilot course is scheduled to launch by June 1, 2011, and there will be new courses launching throughout FY 2012. HUD will use the following **tracking indicator** to monitor its success in FY 2011.

- ▶ Percentage increase in positive responses in Quarterly Pulse Survey on question, “My supervisor helps me assess my training needs” (baseline: 53 percent on Quarterly Pulse Survey, FY 2011 Quarter 2).

Supervisor performance standards. In FY 2011, a learning goal requiring all first line supervisors to have a meaningful conversation with their employees about their professional development will be added to all supervisor performance plans. The supervisory training course (detailed

above) will include lessons on what this conversation entails. HUD will use the following **tracking indicators** to monitor its success in FY 2011.

- ▶ Percentage of positive responses on issues around training and development (baseline: 53 percent on Quarterly Pulse Survey, FY 2011 Quarter 2).
- ▶ Percentage of positive responses on issues around accountability/bureaucracy busting on the Quarterly Pulse Survey (baseline: 57 percent on Quarterly Pulse Survey, FY 2011 Quarter 2).
- ▶ Percentage of positive responses on issues around communication on the Quarterly Pulse Survey (baseline: 57 percent on Quarterly Pulse Survey, FY 2011 Quarter 2).

❖ **Measure 20—Increase the number of decisions delegated to field offices by 14 in FY 2011.**

Over time, the decision-making processes at HUD have become centralized at Headquarters, compartmentalized within program areas, variable across different geographies, and disconnected from a place-based approach. To measure HUD's successful transition to a place-based decision-making model, HUD will be proactive in identifying decisions that can be made in the field and do not need to be escalated to Headquarters. Increasing decisions made in the field should lead to improved response time and quality of local input.

Strategy: Delegate authority and accountability and remove layers of hierarchy, within Headquarters and from Headquarters to field offices, to make programmatic decisions and provide resources and structure to support the new structure.

In December 2009, HUD created a Field Authorities Studies team to develop recommendations about how the Department can delegate decision-making authority and empower staff to best deliver HUD programs. The team decided to focus on the four major program areas first, since these areas are where most of HUD's decision-making occurs and these are the dominant areas in which the Department had heard consistent feedback that more delegated decision-making was needed.

In May 2009, 52 decision points were identified as possible candidates for delegation. These were discussed with program leadership and the team decided to implement 23 of them. Of these 23 decision points, 11 delegations are busting bureaucracy to help HUD achieve its mission and 12 delegations are providing additional administrative flexibility to empower decision-making at the appropriate level. Of these 23 delegations, 9 were implemented in FY 2010, with the remainder to be implemented in FY 2011.

In the Office of Housing, delegations will allow field staff to approve multifamily unit conversions, defer flexible subsidy notes, and subordinate multifamily nondisturbance attornment agreements. These delegations will serve to speed processes and reduce cycle time, free up funds for operations and maintenance, or increase property values for multifamily owners.

In the Office of Public and Indian Housing, HUD will delegate the approval of Voluntary Compliance Agreements to Office of Native American Program Area Administrators. This delegation is intended to resolve performance issues before they are escalated and handled through the later stage of the enforcement process. In addition, the public housing director in the field will be granted the authority to approve requests for a change in the public housing agency fiscal year.

In addition, HUD will complete a number of administrative delegations to the field. Through these delegations, HUD will seek to optimize its recruiting and hiring process, expedite the process for staff details and training, and simplify processes around spot awards and time-off awards.

Appendixes

Appendix A

Amendments to the Annual Performance Plan Goals

The Office of Management and Budget has approved the following changes to the performance goals since publication of the original measures in the Analytical Perspectives volume of the Budget of the U.S. Government Fiscal Year 2011 (February 2010).

Foreclosure Prevention

Original Measure

Assist three million homeowners who are at risk of losing their homes due to foreclosure.

- 200,000 homeowners will be assisted through FHA programs.
- 400,000 homeowners will be assisted through third-party loss mitigation initiatives mandated by FHA but not receiving FHA subsidy.
- 2.4 million homeowners will be assisted through joint HUD-Treasury programs.

For all FHA borrowers that become 30 days late, achieve a Consolidated Claim Workout (CCW) ratio³² of 75 percent, representing a 10 percentage point improvement over current levels, and for those receiving a CCW achieve a six month re-default rate³³ of 20 percent or less, representing a five percentage point reduction from current levels.

Approved Changes and Rationale

First, the overall target increased from 3 to 3.1 million homeowners assisted, and the form of assistance provided revised to reflect an increased contribution from HUD/FHA program activities. Instead of measuring assistance provided through third-party lender loss mitigation initiatives mandated by FHA but not receiving FHA subsidy, HUD decided, upon further analysis of FHA loss mitigation activities and the evolving conditions surrounding the foreclosure crisis, to focus on early delinquency and FHA loss mitigation tools.

Second, a definitional change related to consolidated claims workouts from FHA borrowers who “become 30 days late” to “receive loss mitigation assistance” reflects the fact that borrowers in varying stages of delinquency can be assisted, and that the added criteria of being at least “30 days late” does not reflect the universe of borrowers being helped through FHA’s programs.

Third, the clauses tied to the Consolidated Claim Workout ratio and re-default rate explaining the impact of meeting those targets have been deleted because they were inadvertently calculated using incorrect baselines.

Finally, per the 2.4 million homeowners assisted through joint HUD-Treasury programs, the performance period used to calculate the total number of trial modifications will be May 2009, the launch date of the Obama administration’s Making Home Affordable program. Both Departments thought it important to align this portion of the goal with the start of the Administration’s

³² CCWs combine FHA partial claims, loan modifications, and new HAMP modifications that represent affordable solutions but exclude less affordable forbearance programs.

³³ Since most re-defaults tend to occur in the first 6 months after the workout, the 6-month period was selected to allow measurement of goal performance within a given year.

broader effort to deal with the foreclosure crisis and that a true fiscal year start date for the performance period might be confusing to the public and other external stakeholders who would expect to see reporting alignment with the Administration's monthly Housing Scorecard.

Rental Assistance

Original Measure

By the end of 2011, HUD programs will meet more of the growing need for affordable rental homes by serving 5.46 million families, 207,000 more than in 2009.

Approved Changes and Rationale

By the end of 2011, HUD is expected to serve 5.38 million families, instead of 5.46 million. Although the increase in the number of families served will still be 207,000, the lower overall number reflects a reduction in the number of families served from the FY 2009 baseline, which was revised to as a result of comprehensive data clean-up activities.

Veterans' Homelessness

Original Measure

HUD and the Department of Veterans Affairs will jointly reduce homelessness among veterans. Together, the two agencies will reduce the number of homeless veterans to 59,000 in June 2012. Toward this joint goal, HUD is committed to assisting 16,000 homeless veterans each fiscal year to move out of homelessness into permanent housing (6,000 through Continuum of Care programs, and 10,000 in partnership with VA through the HUD-VASH program).

Approved Changes and Rationale

The expected average number of homeless veterans housed each fiscal year by HUD was reduced from 16,000 to 13,250 to correct an inconsistency in the number of veterans served through HUD-VASH. The overall goal of reducing the number of homeless vets to 59,000 remains unchanged, however.

Appendix B

Data Sources, Limitations and Advantages, and Validation

Strategic Goal 1. Strengthen the Nation's Housing Market To Bolster the Economy and Protect Consumers

Measure 1a. Assist 3.1 million homeowners who are at risk of losing their homes due to foreclosure.

❖ 400,000 homeowners will be assisted through FHA early delinquency intervention.

Data source: FHA Single Family Data Warehouse Meta Tables.

Limitations/advantages of the data: The data originate in the Single Family Insurance System-Claims Subsystem, and for convenience are reported from FHA Single Family Housing Enterprise Data Warehouse, Loss Mitigation Table. The resolutions that are counted as loss mitigation are forbearance agreements, loan modifications, partial claims, preforeclosure sales, and Deeds in Lieu of foreclosure. A small and decreasing number of “other” resolutions that were previously counted, along with supplemental claims, are now excluded. Total claims comprise loss mitigation plus conveyance claims.

Validation, verification, and improvement of measure: No data limitations are known to affect this indicator. The loan servicers enter the FHA data, and the FHA monitors the data entry.

❖ 300,000 homeowners will be assisted through FHA loss mitigation programs.

Data source: FHA Single Family Data Warehouse Meta Tables.

Limitations/advantage of the data: The data originate in the Single Family Insurance System-Claims Subsystem, and for convenience are reported from FHA Single Family Housing Enterprise Data Warehouse, Loss Mitigation Table. The resolutions that are counted as loss mitigation are forbearance agreements, loan modifications, partial claims, preforeclosure sales, and Deeds in Lieu of foreclosure. A small and decreasing number of “other” resolutions that were previously counted, along with supplemental claims, are now excluded. Total claims comprise loss mitigation plus conveyance claims.

Validation, verification, and improvement of measure: No data limitations are known to affect this indicator. The loan servicers enter the FHA data, and the FHA monitors the data entry.

❖ 2.4 million homeowners will be assisted through joint HUD-Treasury programs.

Data source: FHA Single Family Data Warehouse Meta Tables.

Limitations/advantages of the data: The data originate in the Single Family Insurance System-Claims Subsystem, and for convenience are reported from FHA Single Family Housing Enterprise Data Warehouse, Loss Mitigation Table. The resolutions that are counted as loss mitigation are forbearance agreements, loan modifications, partial claims, preforeclosure sales, and Deeds in Lieu of foreclosure. A small and decreasing number of “other” resolutions that were previously counted, along with supplemental claims, are now excluded. Total claims comprise loss mitigation plus conveyance claims.

Validation, verification, and improvement of measure: No data limitations are known to affect this indicator. The loan servicers enter the FHA data, and the FHA monitors the data entry.

❖ **For all FHA borrowers that receive loss mitigation assistance, achieve a Consolidated Claims Workout (CCW) ratio of 75 percent.**

Data source: FHA Single Family Data Warehouse Meta Tables.

Limitations/advantages of the data: The data originate in the Single Family Insurance System-Claims Subsystem, and for convenience are reported from FHA Single Family Housing Enterprise Data Warehouse, Loss Mitigation Table. The resolutions that are counted as loss mitigation are forbearance agreements, loan modifications, partial claims, preforeclosure sales, and Deeds in Lieu of foreclosure. A small and decreasing number of “other” resolutions that were previously counted, along with supplemental claims, are now excluded. Total claims comprise loss mitigation plus conveyance claims.

Validation, verification, and improvement of measure: No data limitations are known to affect this indicator. The loan servicers enter the FHA data, and the FHA monitors the data entry.

❖ **For FHA borrowers receiving a CCW, achieve a 6-month re-default rate of 20 percent or less.**

Data source: FHA Single Family Data Warehouse Meta Tables.

Limitations/advantages of the data: The data originate in the Single Family Insurance System-Claims Subsystem, and for convenience are reported from FHA Single Family Housing Enterprise Data Warehouse, Loss Mitigation Table. The resolutions that are counted as loss mitigation are forbearance agreements, loan modifications, partial claims, preforeclosure sales, and Deeds in Lieu of foreclosure. A small and decreasing number of “other” resolutions that were previously counted, along with supplemental claims, are now excluded. Total claims comprise loss mitigation plus conveyance claims.

Validation, verification, and improvement of measure: No data limitations are known to affect this indicator. The loan servicers enter the FHA data, and the FHA monitors the data entry.

Strategic Goal 2. Meet the Need for Quality Affordable Rental Homes

Measure 5a. HUD programs will meet more of the growing need for affordable rental homes by serving 5.38 million families by the end of FY 2011, which is 207,000 more than in FY 2009.

Community Planning and Development

HOME Investment Partnerships

Data source: Integrated Disbursement and Information System.

Limitation/advantages of the data: Data reliability has been enhanced by the re-engineering of the system at the end of FY 2009 into FY 2010.

Validation, verification, and improvement of measure: The Office of Community Planning and Development field staff verifies program data when monitoring grantees.

Housing Opportunities for Persons With AIDS

Data source: Annual performance reports and Integrated Disbursement and Information System.

Limitation/advantages of the data: Data are reported by formula and competitive grantees through the Consolidated Annual Performance and Evaluation Report and the Annual Progress Report, respectively. These reports reflect annual data collection with limited use of information management technology systems, pending further upgrades. The Housing Opportunity for Persons With AIDS program collects performance outcomes on housing stability, access to care, and prevention of homelessness. These performance reports completed by grantees provide the program with insights into client demographics, expenditures for eligible activities, and the number of households served. At this time, the program does not have a client-level data system that provides site-specific information on performance outcomes. Pending enhancements to the Integrated Disbursement and Information System, however, will help support data quality and reduce the grantees' burden.

Validation, verification, and improvement of measure: Performance reporting information is reviewed by Housing Opportunities for Persons With AIDS technical assistance providers and recorded in grant profiles and national summaries on the program's website (HUDHRE.info). HUD guidance and technical assistance assists grantees in verifying data quality and completing reports. A request for updating the Integrated Disbursement and Information System, which will allow for improving the use of information technology resources for reporting on project results, is pending.

Homeless Assistance Grants

Data source: The Housing Inventory Count, as submitted through the Homelessness Data Exchange.

Limitations/advantages of the data: The data are collected only annually, and it takes nearly a year from the date they are collected to the date they are received at HUD as a clean product. The advantages are that they are a comprehensive source of data and they specifically record the number of new beds in the year preceding the night of the annual homeless inventory.

Validation, verification, and improvement of measure: Grantees perform an annual housing inventory and report the number of homeless shelters in their communities to HUD as a requirement of their homeless assistance grant applications. The data are collected in a database that has several validations built into it. Subsequently, the Office of Special Needs Assistance

Programs performs data-quality reviews by calling grantees about suspect data to either get corrected data or an explanation for the data. The Office of Special Needs Assistance Programs annually assesses the data quality and revisits the validations to see if more can be included in the database to reduce the number of callbacks and thus reduce the turnaround time of the data.

Neighborhood Stabilization Program

Data source: Disaster Recovery Grant Reporting System.

Limitations/advantages of the data: As activities are completed, grantees enter the data.

Validation, verification, and improvement of measure: Grantee-entered data are subject to review and verification by HUD staff as part of quarterly performance report reviews.

Tax Credit Assistance Program

Data source: Integrated Disbursement and Information System.

Limitations/advantages of the data: Data reliability has been enhanced by the re-engineering of the system at the end of FY 2009 into FY 2010.

Validation, verification, and improvement of measure: Program staff reviews weekly reports to ensure data validity and resolve identified data problems.

Gulf Coast Disaster

Data source: Disaster Recovery Grant Reporting System.

Limitations/advantages of the data: As activities are completed, grantees enter the data.

Validation, verification, and improvement of measure: Grantee-entered data are subject to review and verification by HUD staff as part of quarterly performance report reviews.

Multifamily Housing

Project-Based Rental Assistance

Data source: Tenant Rental Assistance Certificate System and Integrated Real Estate Management System.

Limitations/advantages of data: The Tenant Rental Assistance Certificate System and Integrated Real Estate Management System have more than 6,000 business rules to ensure data validation. The applications are working with clean, accurate, and meaningful data. Data fields are required for property and project management purposes. These systems serve two primary customers: HUD staff and business partners called performance-based contract administrators.

Validation, verification, and improvement of measure: The system business rules and operating procedures are defined in HUD Occupancy Handbook 4350.3; HUD's IT system security protocols; and financial requirements established in the Office of Management & Budget's Circular A-127. Often referenced as validation rules, these business rules check for data accuracy, meaningfulness, and security of access logic and controls.

The primary data element for the Tenant Rental Assistance Certificate System is the HUD 50059 tenant certification, which originates from owner/agents, performance-based contract administrators, and traditional contract administrators. HUD's 50059 transmissions are processed via secure system access and a predetermined system script. Invalid data are identified by an error code and are returned to the sender with a descriptive message and procedures to correct the error. This electronic process approximates that of the paper Form HUD 50059. The Tenant Rental Assistance Certificate System edits every field, according to the HUD rental assistance program policies.

The Integrated Real Estate Management System uploads data from the Tenant Rental Assistance Certificate System nightly. These data are used exclusively for project management purposes. Thus, the data edits retain the currency of the source system. The nightly updates ensure data accuracy for reporting in these systems.

The Integrated Real Estate Management System was certified and accredited by the Chief Information Security Officer on March 12, 2010, and the Tenant Real Assistance Certificate System was certified and accredited on June 25, 2008. This system is currently undergoing the certification and accreditation review again, which will be completed in FY 2011.

Project Rental Assistance Contract (Sections 202 Elderly and 811 Persons with Disabilities)

Data source: Tenant Rental Assistance Certificate System and Integrated Real Estate Management System.

Limitations/advantages of the data: The Tenant Rental Assistance Certificate System and Integrated Real Estate Management System have more than 6,000 business rules to ensure data validation. The applications are working with clean, accurate, and meaningful data. Data fields are required for property and project management purposes. These systems serve two primary customers: HUD staff and business partners called performance-based contract administrators.

Validation, verification, and improvement of measure: The system business rules and operating procedures are defined in HUD Occupancy Handbook 4350.3; HUD's IT system security protocols; and financial requirements established in the Office of Management & Budget's Circular A-127. Often referenced as validation rules, these business rules check for data accuracy, meaningfulness, and security of access logic and controls.

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The Integrated Real Estate Management System was certified and accredited by the Chief Information Security Officer on March 12, 2010, and the Tenant Real Assistance Certificate System was certified and accredited on June 25, 2008. This system is currently undergoing the certification and accreditation review again, which will be completed in FY 2011.

Insured Tax Exempt/Low-Income Housing Tax Credit

Data source: Office of Housing Development Application Processing system.

Limitations/advantages of the data: The indicators of project status during the development process stage consist of straightforward and easily verifiable counts. The data are judged to be reliable for this measure.

Validation, verification, and improvement of measure: HUD field staff reviews, verifies, and approves the data. The Office of Housing receives copies of the closing documents that are used to verify data system entries.

Public and Indian Housing

Indian Housing Block Grant

Data source: The Office of Native American Programs Performance Tracking Database.

Limitation/advantages of data: The Performance Tracking Database is populated by information reported in the Annual Performance Reports submitted within 90 days of the end of each recipient's program year. The Office of Native American Programs does not count occupied units, only completed units.

Validation, verification, and improvement of measure: The last Indian Housing Block Grant program evaluation found that "Tribes have very low vacancy rates (half of the 28 tribes report vacancy rates less than 1.4 percent), and three-fourths of the tribes reported turning over a vacant unit within a month." In addition, The Office of Native American Programs performs routine monitoring and oversight of tribes overall program management.

Public Housing

Data source: HUD's Inventory Management System/Public and Indian Housing Information Center System.

Limitations/advantages of the data: Public housing agencies self-report the data. Public housing agencies annually certify to the accuracy of the building and unit counts as required by the Office of Capital Improvements. Public housing agencies certify to the accuracy of the data submitted to HUD in the Inventory Management System/Public Housing Information Center system that the Department uses to calculate the formula for allocating Capital Fund grants.

Validation, verification, and improvement of measure: With the annual recertification process, data inconsistencies are identified in the Inventory Management System/Public Housing Information Center system. Public housing agencies correct errors in the data displayed on the Capital Fund Building and Unit Data Certification tab page and the Development Details web page. These data corrections are required before certifying the accuracy of the data for that development. When a public housing agency encounters errors that the public housing agency or field office staff cannot correct, the public housing agency is required to inform the Real Estate Assessment Center Technical Assistance Center Help Desk. This center assigns a Help Ticket number to the public housing agency, and the public housing agency enters the number on the Development Details web page. Finally, the public housing agency must also provide a comment that indicates what data elements are wrong, what the correct data are, and why the data cannot be corrected through the normal procedures. Further, HUD is developing an application to track development and modernization of public housing units and is planning to convert existing software investments to Java and Oracle, both of which will require the support of the Office of Management and Budget in order to adequately fund the procurement and information technology systems needed to make the transition possible. HUD believes the data are accurate for performance tracking.

Tenant Based Rental Assistance Vouchers

Data source: HUD's Voucher Management System.

Limitations/advantages of the data: The Voucher Management System captures information related to the leasing and Housing Assistance Payment expenses for the Housing Choice Voucher Program. The public housing agencies enter the information, which provides the latest available leasing and expense data. The data, therefore, are subject to human (data-entry) error. The Department, however, has instituted "hard edits" for entries in the system.

Validation, verification, and improvement of measure: A “hard edit” is generated when a public housing agency enters data that are inconsistent with prior months’ data input. When a hard edit is generated, a financial analyst reviews the data and, if necessary, contacts the public housing agency to resolve differences. If the issue cannot be resolved successfully, the transaction is rejected and the public housing agency is required to re-enter the correct information. This process provides additional assurance that the reported data are accurate.

The Housing Choice Voucher Program uses four other means to ensure the accuracy of the data:

1. HUD has developed a voucher utilization projection tool, which will enable the Department and public housing agencies to forecast voucher utilization and better manage the Voucher program.
2. The Housing Choice Voucher Financial Management Division performs data-validation checks of the Voucher Management System data after the monthly database has been submitted to HUD Headquarters for management reporting purposes. Data that appear to be inconsistent with prior months’ data are resolved with the public housing agency. Corrections are entered directly into the Voucher Management System to ensure that the data are accurate.
3. The Public and Indian Housing Quality Assurance Division, using onsite and remote Voucher Management System reviews, validates the data. The division staff reviews source documents on site at the public housing agency to determine if the leasing, Housing Assistance Program expenses, and Net Restricted Assets are consistent with data reported in the Voucher Management System.
4. The Housing Choice Voucher Program Financial Management Center staff was engaged in reviewing the Housing Assistance Program Net Restricted Assets balances through a reconciliation of FASS and Voucher Management System. A process for follow-up to the reconciliation will be instituted so that corrections are confirmed in these systems to ensure the accuracy of the data.

PIH Moderate Rehabilitation

Data source: Each quarter, public housing agencies provide data to the Public and Indian Housing field offices, including which Moderate Rehabilitation contracts will be renewed. The field offices calculate renewal rents and forward all data to the Financial Management Center, which confirms the data and also calculates and requests total required renewal and replacement funding. After funding has been received, the Financial Management Center obligates and disburses funding for Moderate Rehabilitation Renewals or Replacement vouchers with Housing Choice Vouchers funds.

Limitations/advantages of the data: Timeliness and validity of data are dependent on multiple entities, including the Moderate Rehabilitation project owners, Public and Indian Housing field offices, and the Financial Management Center. It is primarily a detailed, time-consuming, manual process.

Validation, verification, and improvement of measure: The Financial Management Center reviews the data provided by the field offices and follows-up on incorrect or suspect data before submitting funding requests. A Financial Management Center division director or team leader must approve funding obligation and disbursement. The Office of Housing Voucher Programs is currently working to develop a more streamlined and automated process to validate and improve the validation.

Strategic Goal 3. Utilize Housing as a Platform for Improving Quality of Life

Measure 6c. HUD and the Department of Veterans Affairs will jointly reduce homelessness among veterans.

Continuums of Care

Data source: The point-in-time data are used as the baseline and the Annual Progress Report shows incremental changes annually.

Limitations/advantages of the data: The Annual Progress Report does not have full participation by all providers and it has minimal data-quality checks.

Validation, verification, and improvement of measure: The Office of Special Needs Assistance Programs is working to improve data limitations by improving the database and the validation checks on the data. The Office does some extrapolation of the Annual Progress Report data to account for the missing data submissions. The point-in-time data are based on an annual count performed by all Continuums of Care in the last week of January. These data are entered into a database, where they are analyzed for accuracy and callbacks are performed. A point-in-time count is required biennially for both sheltered and unsheltered homeless people. These data are different from the Annual Progress Report data, which have only sheltered data.

Homelessness Prevention and Rapid Re-housing Program

Data source: Homelessness Prevention and Rapid Re-housing Annual Performance Reports.

Limitations/advantages of the data: The Annual Performance Report data for this program have not yet been collected (the program is in its first year). These data are all required to come from the Homeless Management Information System, which provides a more accurate means for collecting the data.

Validation, verification, and improvement of measure: The Office of Special Needs Assistance Programs plans on performing data analysis and verification when the data are received.

HUD-VASH

Data source: The Department of Veterans Affairs sends monthly field reports to HUD. HUD reviews the data and then converts them to a PHA-specific format. These monthly data include the number of veterans referred to public housing agencies, the number of vouchers issued, and the number of veterans who have leased units.

Limitations/advantages of the data: The data quality and accuracy of VA data are deemed high because of the numerous levels of oversight by VA (including senior staff at local, regional, and national levels) and HUD's review of data for quality-control purposes. Under HUD's systems, the Public and Indian Housing Information Center and Voucher Management System, HUD is not able to collect information on referrals, and the data on voucher issuance, although improving, are still not as reliable as the data reported by VA.

Validation, verification, and improvement of measure: HUD routinely compares the data reported by VA with data in HUD systems and reconciles discrepancies as part of HUD's ongoing monitoring efforts.

Strategic Goal 4. Build Inclusive and Sustainable Communities Free From Discrimination

Measure 13. Complete cost-effective energy and green retrofit of 159,000 public, assisted, and other HUD-supported affordable homes by the end of 2011.

Community Planning and Development

Community Development Block Grant

Data source: Aggregated (summed) raw data on accomplishments reported by Community Development Block Grant grantees in the Integrated Disbursement and Information System.

Limitation/advantages of the data: Data reliability has been enhanced by the re-engineering of the system at the end of FY 2009 into FY 2010.

Validation, verification, and improvement of measure: When monitoring grantees, Community Planning and Development field staff verifies program data.

HOME Investment Partnerships

Data source: HUD's Integrated Disbursement and Information System.

Limitation/advantages of the data: Data reliability has been enhanced by the re-engineering of the system at the end of FY 2009 into FY 2010.

Validation, verification, and improvement of measure: When monitoring grantees, Community Planning and Development field staff verifies program data.

Tax Credit Assistance Program

Data source: HUD's Integrated Disbursement and Information System.

Limitations/advantages of the data: Data reliability has been enhanced by the re-engineering of the system at the end of FY 2009 into FY 2010.

Validation, verification, and improvement of measure: Program staff reviews weekly reports to ensure data validity and resolve identified data problems.

Multifamily Housing

Sections 202 Elderly and 811 Persons with Disabilities

Data source: The source of construction-start data is the Office of Housing Development Application Processing System.

Limitations/advantages of data: The data, in general, are considered to be reliable.

Validation, verification, and improvement of measure: HUD field staff reviews, verifies, and approves the data. The Office of Housing receives copies of the closing documents that are used to verify data system entries.

Mark-to-Market

Data source: The Rehabilitation Escrow Administration database, a system maintained to track and approve retrofit schedules, costs, and specifications, and used to review and approve funding draws on completion and verification of work completion.

Limitations/advantages of data: The Agency has a high degree of confidence in the accuracy of the data. Basic transaction parameters are derived from official record sources—Mark-to-Market system and Rehabilitation Escrow Administrations database—and locked down in the independently maintained database.

Validation, verification, and improvement of measure: Limited and finite number of properties being tracked; independently maintained database; accessible only by a limited number of highly trained professionals, minimizing the opportunity for user input errors or data corruption; regular reports from the database allow for a reality check period over period; Approved Funds Control Plans and Front End Risk Assessments require a high degree of review and approval for accuracy (that is, the process ensures quality data).

Green Retrofit

Data source: The Rehabilitation Escrow Administration database, a system maintained to track and approve retrofit schedules, costs, and specifications and used to review and approve funding, draws on completion and verification of work completion.

Limitations/advantages of data: The Agency has a high degree of confidence in the accuracy of the data. Basic transaction parameters are derived from official record sources—Mark-to-Market system and Rehabilitation Escrow Administrations database—and locked down in the independently maintained database.

Validation, verification, and improvement of measure: Limited and finite number of properties being tracked; independently maintained database; accessible only by a limited number of highly trained professionals, minimizing the opportunity for user input errors or data corruption; regular reports from the database allow for a reality check period over period; Approved Funds Control Plans and Front End Risk Assessments require high degree of review and approval for accuracy (that is, the process ensures quality data); expenditure information is cross-checked to another official source—LOCCS—at the time of each disbursement for grants. The greatest potential exposure regarding erroneous reporting is likely to be contained in RA/PAE reporting of loan disbursements. See clause 3 above, plus strict procedural requirements for regular updating by our highly trained professional staff and contractors. Database reports contain mathematical checks of PAE-provided numbers. Management review of those reports provides logical checks of reported data, that is, prevents a report that indicates spending above total authorized amounts.

Public and Indian Housing

Public Housing Capital Fund/Indian Housing Block Grant

Data source: Recovery Act Management and Performance System. Section 1609 of the American Recovery and Reinvestment Act requires that public housing agencies receiving Capital Fund Recovery grants and grantees receiving Indian Housing Block Grants report into the Recovery Act Management and Performance System regarding environmental compliance with National Environmental Policy Act reviews. Using a checklist, public housing agencies also report on all units that include 1 or more of 39 Energy Conservation Measures, as well as on new or substantial rehabilitation projects that meet ENERGY STAR for New Homes or one or more green standards.

Limitations/advantages of the data: Although the data are self-reported, the monitor techniques employed (see below) are sufficient to ensure data are not materially inaccurate. The energy data collected are limited; each Energy Conservation Measure is reported separately for each unit (by project) but not bundles so as to report on which bundle of Energy Conservation Measures was installed in a particular unit. A “unit equivalent” method was developed to address these data limitations, using the top 10 most cost-effective measures. Other data limitations are that HUD

does not collect pre- and post-retrofit consumption data for these measures, or Energy Conservation Measure costs, so determinations of cost effectiveness for these investments must be estimates, using recognized engineering or costs methods. For the Indian Housing Block Grant formula grants, similar data limitations exist regarding reporting Energy Conservation Measures as described above, and the unit equivalent method has been used to address those limitations.

Validation, verification, and improvement of measure: After some internal inconsistencies were noted and corrected, data are now considered generally complete and reliable. Public and Indian Housing staff validates the data entered into the system in terms of completeness of information; Public and Indian Housing staff also provides technical assistance to grantees to ensure that the definitional boundaries of data prompts within the Recovery Act Management and Performance System are fully understood. Data may also be confirmed through remote and onsite reviews of public housing agencies' Recovery Act work activities. The collection of data through the Recovery Act Management and Performance System is advantageous because it provides a mechanism to track energy-efficiency activities more effectively; however, it is only for Recovery Act grants and is subject to reporting errors.

Energy Performance Contracts

Data source: The data used for reporting for the Energy Performance Contract program were gathered through the Energy Performance Contract Inventory, which all Public and Indian Housing field offices are required to complete annually.

Limitations/advantages of the data: For the first time, during FY 2010, the Energy Performance Contract Inventory was restructured to gather data at the asset management project level rather than at the contract level. Training was provided to the field offices to increase the reporting accuracy and completeness. Despite this effort, the Energy Performance Contract Inventory frequently contains missing or erroneous data.

Validation, verification, and improvement of measure: The data are reviewed for suspected inaccuracies. When reporting data, the Office of Public and Indian Housing makes a strong effort to confirm the data are valid and makes corrections as noted.

In future years, the Office of Public and Indian Housing hopes to continue to improve the Energy Performance Contract Inventory to make it easier to complete, thus improving accuracy and completeness. At the same time, the Office of Public and Indian Housing hopes to integrate the Energy Performance Contract Inventory with its existing reporting systems, which tend to be more sophisticated, yet easier to use.

HOPE VI

Data source: The HOPE VI Grants Management System.

Limitations/advantages of the data: For the first time, during FY 2010, the Grants Management System was expanded to collect information on whether the HOPE VI units being built were achieving a comprehensive green standard (for example, LEED for Homes), a noncomprehensive energy-efficiency standard (for example, ENERGY STAR for New Homes), or meeting the local building code. The Grants Management System has some limitations. In particular, the data are self-reported. The data collected through the system are limited in scope to the achievement of green standards. Although these standards are the highest ideal, no data are collected about building practices that are better than the minimum, but yet, the practices do not reach the level of a green standard.

Validation, verification, and improvement of measure: Grantees are required to use the data system quarterly. Each quarter, the grants manager in charge of each project checks the data for reasonability. In addition, the HOPE VI program has a data collection contractor on staff to provide technical assistance to grantees that are completing their reporting requirements.

Lead and Healthy Homes

Lead Hazard Control

Data source: Office of Healthy Homes and Lead Hazard Control's web-based Grantee Quarterly Progress Reporting System.

Limitations/advantages of the data: The data represent direct accomplishments as reported by grantees and confirmed by HUD staff through monitoring. The data do not include housing units that are indirectly made lead safe through leveraged private sector investment, state and local programs, and other federal housing programs.

Validation, verification, and improvement of measure: A rigorous scientific evaluation of the program indicates that the program is effective in achieving its goals. The study, conducted by the National Center for Healthy Housing in conjunction with the University of Cincinnati, found that the lead hazard control methods used by grantees reduce the blood lead levels of children occupying treated units and also significantly reduce lead dust levels in the treated homes.³⁴ The number of units made lead safe is validated by both Office of Healthy Homes and Lead Hazard Control data and data from HUD's National Lead-Based Paint Survey. The Office of Healthy Homes and Lead Hazard Control reviews data provided through its web-based Quarterly Progress Reporting System. HUD grant staff performs both onsite and remote monitoring of grant files and unit completion progress.

Healthy Homes

Data source: Office of Healthy Homes and Lead Hazard Control's web-based Grantee Quarterly Progress Reporting System.

Limitations/advantages of the data: The data represent direct accomplishments as reported by grantees and confirmed by HUD staff through monitoring. The data do not include housing units that are indirectly made lead safe through leveraged private sector investment, state and local programs, and other federal housing programs.

Validation, verification, and improvement of measure: The Healthy Homes program builds on the Department's existing activities in housing-related environmental health and safety issues—including lead hazard control, building structural safety, electrical safety, and fire protection—to address multiple childhood diseases and injuries in the home. The program takes a holistic approach to these activities by addressing housing-related hazards in a coordinated fashion, rather than addressing a single hazard at a time. An evaluation of the program that was completed in 2007 indicated that grantees were successful in achieving the objectives of the program as identified in the Notice of Funding Availability and the program's strategic plan. Grantees had conducted assessments and low cost interventions that addressed priority hazards and conditions in 9,700 homes in high-risk neighborhoods, and healthy homes outreach efforts had reached approximately 2.8 million people. Program-supported research was successful in improving our understanding of residential hazards and documenting the effectiveness of interventions to reduce children's asthma symptoms. The Office of Healthy Homes and Lead Hazard Control reviews data provided through its web-based Quarterly Progress Reporting System. HUD grant staff performs both onsite and remote monitoring of grant files and unit completion progress.

³⁴ Dixon, S. et al. 2005. "Effectiveness of Lead-Hazard Control Interventions on Dust Lead Loadings: Findings From the Evaluation of HUD Lead Based Paint Hazard Control Grant Program," *Environmental Research* 98: 303-314.

The Green and Healthy Homes Initiative

Data source: A centralized Green and Healthy Homes Initiative database of assessments and interventions was established to collect data from the pilot cities.

Limitations/advantages of the data: The data represent direct accomplishments as reported by the Green and Healthy Homes Initiative pilot cities and confirmed by HUD and the Green and Healthy Homes Initiative contractor through monitoring. The data include housing units that are made energy efficient and healthy through leveraged private sector investment, state and local programs, and other federal housing programs.

Validation, verification, and improvement of measure: Current data collection relies on a survey of Green and Healthy Homes Initiative sites by the contractor; results are verified through onsite monitoring. As the Green and Healthy Homes Initiative expands, this method will not be sufficient to collect data in real time or provide reports on all the activities under way in the field. In 2011, the data collection will migrate from the current system to a new, more comprehensive data tracking system. This system will reside at each location and be maintained by the site Green and Healthy Homes Initiative coordinator. It will be connected to a central reporting database. The system will track current data and add fields for measureable cost efficiencies through integration, energy consumption/cost savings per unit, health outcomes for residents, direct and secondary green job creation and retention, and worker training and certifications obtained.

Strategic Goal 5. Transform the Way HUD Does Business

Measure 19. Increase the percentage of employees who “agree” or “strongly agree” they are given a real opportunity to improve their skills in their organization.

Data source: Employee Viewpoint Survey.

Limitations/advantages of the data: The FedView survey is a tool that measures employees’ perceptions of whether, and to what extent, conditions that characterize successful organizations are present in their agencies. The advantage of using this data source is the comprehensive survey methodology used to gather the information.

Validation, verification, and improvement of measure: Beginning in 2011, the Office of Personnel Management will administer the FedView annually.

Data source: Quarterly Pulse Survey.

Limitations/advantages of the data: The pulse survey is aimed at gauging whether the transformation initiatives are having an effect. The questions are arranged around the three areas identified by the Secretary in response to the 2010 Employee Viewpoint Survey: invest in our people, increase accountability and bureaucracy busting, and improve communication. The survey was sent to 15 percent of HUD employees (about 1,400 people). The sample was representative of both the Headquarters/field and office breakups and did not include political appointees. The goal is a 35- to 40-percent response rate, or about 500 people.

Validation, verification, and improvement of measure: For the first pulse survey, the response rate was 45.8 percent, with 637 responses. The survey has a margin of error of +/- 1.3 percent, with a 95-percent level of confidence.

Data source: SF-182—Request, Authorization, Agreement, and Certification of Training.

Limitations/advantages of the data: HUD is tracking training participation through the SF-182. All program training coordinators are also reporting on the training dollars spent and the number of people trained per dollar.

Validation, verification, and improvement of measure: SF-182s are in the process of being automated. In the future, all training will be tracked on line through HUD Virtual University.

If you have any questions or comments, please call

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