

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

PUBLIC HOUSING CAPITAL FUND

PROGRAM PERFORMANCE

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004
Strategic Goal A: Promote decent affordable housing.			
Discretionary BA (Dollars in Thousands)	\$2,843,400	\$2,370,900	\$2,601,000
FTE			
Headquarters	328	338	338
Field	266	267	267
Subtotal	594	605	605
S&E Cost (Dollars in Thousands)			
Personal Services	\$53,816	\$56,388	\$57,911
Travel	3,230	2,980	3,324
Printing	57	62	63
Other Services	1,081	2,222	3,219
Supplies	36	35	35
Subtotal	58,220	61,687	64,552
Strategic Objective A.2: Improve the physical quality and management accountability of public and assisted housing.			
Indicator: The unit weighted average PHAS score increases by 5 percent.	85.3%	90.3%	95.3%
Indicator: The number of public housing units managed by troubled housing agencies that are assigned to TARC, as of October 1, 2003, decreases by 15 percent by September 30, 2004.	15%	15%	15%
Indicator: The share of public housing residents who feel that housing agency managers take action when residents in the development break rules increases by 5 percentage points.	71%	76%	81%
Indicator: The average satisfaction of assisted renters and public housing tenants with their overall living conditions increases by 1 percentage point.	89%	90%	91%

EXPLANATION OF PERFORMANCE

Performance/Means and Strategies

For the Public Housing Capital Fund, funding in the amount \$2.6 billion in program funding and \$64.6 million in Salaries and Expenses for a total of \$2.7 billion will support Strategic Goal A: Promote decent affordable housing.

The Capital Fund improves the physical condition and management accountability of public housing by providing an annual grant to Public Housing Agencies (PHAs) to finance such activities. Providing a steady stream of funding through a formula-driven system allows PHAs to carry out realistic plans for their long-term capital needs in a systematic and cost-effective manner. PHAs will also be able to leverage funds with other public and private partnership entities to meet their affordable housing goals. PHAs are required to have a 5-year plan and an annual plan for the use of the Capital Fund grants consistent with statutory and regulatory requirements. Among the eligible activities are development, financing, and modernization of public housing projects, including redesign, reconfiguration, vacancy reduction, deferred maintenance and replacement of obsolete utility systems and dwelling equipment, planned code compliance, demolition and replacement, resident relocation, capital expenditures to facilitate empowerment and economic self sufficiency and improve security and safety of residents. In addition, Capital Fund grants may be used for agency wide management improvements, such as upgraded computer systems, development of operational policies, procedures, and training.

The Department's fiscal year 2004 funding request supports the President's Management Agenda initiative to increase percentage of units meeting HUD's physical standards for public housing to 84 percent by 2005. During fiscal year 2004, 225 PHAs are expected to be designated troubled based on previous year's data from the Public Housing Assessment System (PHAS) and trend analysis. In order to reduce the incidence of agencies being designated as troubled, the Department continues to place a high priority on the implementation of preventive measures, notably training and technical assistance for near-troubled PHAs. PIH develops strategies for intervention and specialized technical assistance used to improve the PHA's performance to a satisfactory level. This is consistent with Congress' and the Department's emphasis that troubled PHAs must bring their operations up to standard.

Strategic Objective A.2: Improve the physical quality and management accountability of public and assisted housing.

Indicator: The unit weighted average PHAS score increases by 5 percentage points.

This indicator tracks HUD's progress toward increasing the capability and accountability of public housing agency partners and increasing the satisfaction of residents. The Public Housing Assessment System (PHAS) provides an indication of the quality of the housing stock and the management conditions with which each public housing resident lives.

PHAS comprises scores determined by the Physical, Management, Financial, and Resident satisfaction Assessment Subsystems. The Subsystems are statistically representative of public housing projects and households respectively. Management and financial submissions are subject to verification by independent audit, and the financial assessment is a process validated by the American Institute of Certified Public Accountants. Physical inspection scores are based on independent inspections of the PHAs' properties by HUD, and are verified through HUD's Quality Assurance Program. The PHAS weighting system will be validated through consultation with public housing stakeholders, which includes industry groups, residents of public housing, advocacy groups, and other interested parties. The validation process also consists of analysis of relevant data collected.

Indicator: The number of public housing units managed by troubled housing agencies that are assigned to TARC, as of October 1, 2003, decreases by 15 percent by September 30, 2004.

The Public Housing Assessment System (PHAS) allows HUD to evaluate the performance of public housing authorities based on 4 component indicators: physical condition, management operations, financial condition, and resident satisfaction. Public Housing Agencies (PHAs) with composite scores below 60, or scores below 18 in any component are classified as substandard or troubled. Prior to fiscal year 2002, at which time PHAS scoring was fully implemented, PHAs were declared troubled based solely on the management operations indicator (MASS) because the other component indicator scores were considered "advisory" pursuant to congressional intent. Consequently, housing authorities with a September 30, 2001, fiscal year end became the first agencies to be assessed using all component indicators.

Indicator: The share of public housing residents who feel that housing agency managers take action when residents in the development break rules increases by 5 percentage points.

PHAs provide residents with protective, maintenance and tenant services to enhance the quality of life and improve awareness of security and safety policy and issues. To maximize tenant security, it is essential that public housing managers act promptly to respond to any program violations by tenants. Management responsiveness also affects the physical condition of public areas in housing developments. This indicator uses resident survey data to track management responsiveness to program violations, measuring an element of public housing security that is fully within the control of public housing managers.

Indicator: The average satisfaction of assisted renters and public housing tenants with their overall living conditions increases by 1 percentage point.

The recipients of HUD housing assistance form one of the largest groups of direct customers of HUD. The Department influences resident satisfaction by demanding quality management from housing agencies and private multifamily developments. This indicator tracks the percentage of respondents who are satisfied or very satisfied with "overall living conditions." The goal is to increase the percent of households who express satisfaction from one year to the next.

Data regarding resident satisfaction is based on statistically valid samples of households. The response rate is well above average for similar survey instruments. Analysis of results of a pilot survey showed good correlation between resident satisfaction scores and physical condition scores. Annual survey samples increase confidence in their statistical reliability.

Resource Management Information

The FTE requests remain constant for fiscal years 2003 and 2004.