

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

HOME INVESTMENT PARTNERSHIPS PROGRAM

PROGRAM PERFORMANCE

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004
Strategic Goal A: Promote decent affordable housing.			
Discretionary BA (Dollars in Thousands)	\$1,347,030	\$1,413,075	\$1,479,300
FTE			
Headquarters	35	39	39
Field	43	52	53
Subtotal	78	91	92
S&E Cost (Dollars in Thousands)			
Personal Services	\$6,890	\$8,298	\$8,607
Travel	78	80	85
Printing	55	44	46
Other Services	221	248	322
Supplies	7	3	3
Subtotal	7,251	8,673	9,063
Strategic Objective A.1: Expand access to affordable rental housing.			
Indicator: The number of households receiving housing assistance with CDBG, HOME, HOPWA and NHHBG increases.	85,658	87,602	86,027
Indicator: The number of HOME production units that are completed within the fiscal year will be maximized.	60,643	62,019	60,778

EXPLANATION OF PERFORMANCEPerformance/Means and Strategies

The HOME Investment Partnership Program plays a key role in addressing the shortage of affordable rental housing in America. Through this program, an estimated 292,432 rental units have been newly constructed, rehabilitated, or acquired in standard condition and an additional 83,939 families have received tenant-based rental assistance. Three independent evaluations of the HOME Program have been conducted since 1995. Each found that the HOME Program to be effective in achieving its intended results. In addition, the Millennial Housing Commission report, issued in May 2002, recommended a "substantial increase in funding" for the HOME Program in recognition of its effectiveness and accomplishments.

For the HOME Investment Partnerships program, the Department requests \$1.629 billion in program funding and \$9.1 million in S&E for a total of \$1.638 billion to support Strategic Goal A: Promote decent affordable housing.

Objective A.1: Expand access to affordable rental housing

Based on projected fund commitments over the duration of the HOME program, 55 percent of HOME funds have been dedicated to providing affordable rental housing.

Indicator A.1.3 (The number of households receiving housing assistance with HOME increases)

While HUD has a number of programs that can be used to provide affordable housing, the HOME Program is the major affordable housing production program. HOME Program funds can be used by State and local Participating Jurisdictions to produce affordable rental units, assist homebuyers and existing homeowners, and provide tenant-based rental assistance (TBRA) for families with incomes well below the low-income threshold for assistance. For example, approximately 41 percent of rental units produced with HOME Program funds are occupied by families with incomes at or below 30 percent of the area median (extremely low-income). Together with HOME funded TBRA, fully 56 percent of families assisted are of extremely low-income with worst-case housing needs.

In fiscal year 2002, PJs committed to 27,243 rental housing units and projections are for 29,784 and 27,875 total commitments in fiscal years 2003 and 2004, respectively. The total number of rental units committed since the beginning of the HOME Program stood at 292,432 through the end of fiscal year 2002. An additional 83,939 families were assisted with HOME funded tenant-based rental assistance.

In fiscal year 2004, HOME funds are expected to provide commitments for 86,027 units, including 10,504 commitments of tenant-based rental assistance. The fiscal year 2004 appropriation will provide an estimated 117,529 unit commitments over time, including assistance to 12,656 families using tenant-based rental assistance. The average HOME subsidy for a HOME assisted unit remains modest. In fiscal year 2002, the average unit subsidy was only \$15,873 (excluding TBRA).

Indicator A.1.4 (The number of HOME production units that are completed within the fiscal year will be maximized):

During fiscal year 2002, PJs completed 52,344 HOME-assisted production units using funds from fiscal year 2002 and prior years. Of this total, 19,076 units were rental housing, 23,241 units were homebuyer housing and 10,027 units were existing homeowner rehabilitation housing. An additional 10,239 families were assisted with TBRA. Projections for completions in fiscal years 2003 and 2004, excluding TBRA, are 62,019 and 60,778, respectively. The total number of units completed since the beginning of the HOME Program stood at 450,589 through the end of fiscal year 2002. The average investment in HOME dollars to produce a unit of affordable housing as of September 30, 2002 was \$15,873 out of a total per-unit cost of \$64,285. This represents leveraging of HOME funds to other dollars of approximately 3:1.

Program Assessment Rating Tool (PART). The Program Assessment Rating Tool (PART) was used to evaluate the HOME Program as part of the fiscal year 2004 Budget process. PART was designed to identify programs' strengths, weaknesses, and to recognize steps to improve performance. The Office of Management and Budget determined that the HOME Program was performing at a high level, receiving a perfect score for management with "a strong management team in place." The PART summary concluded that the Program has a clear public purpose, a flexible design that enables HOME to have a potentially significant impact on affordable housing problems, and managers who "excel at using performance information submitted by grantees to manage the program and promote accountability and transparency." OMB noted the lack of long-term goals for HOME. HUD's Strategic Plan currently under development will include long-term outcome measures for HOME. The President is requesting an increase of \$113 million or 5.4 percent above the fiscal year 2003 Budget based on the performance and priority of this program which is also reflected in the PART analysis.

Resource Management Information

One additional field FTE is requested.