

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES/RENEWAL COMMUNITIES

PROGRAM PERFORMANCE

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004
Strategic Goal C: Strengthen communities.			
Discretionary BA (Dollars in Thousands)	\$37,350	\$0	\$0
FTE			
Headquarters	9	10	10
Field	1	1	1
Subtotal	10	11	11
S&E Cost (Dollars in Thousands)			
Personal Services	\$941	\$1,041	\$1,068
Travel	10	10	10
Printing	7	5	6
Other Services	29	30	38
Supplies	1	1	1
Subtotal	988	1,087	1,123
Strategic Objective C.1: Provide capital and resources to improve economic conditions in distressed communities.			
Strategic Objective C.2: Help organizations access the resources they need to make their communities more livable.			

Summary of Community Renewal achievements and goals

Goals Identified in Implementation Plans	RC, EZ and EC		
	Goals		
	2002	2003	2004
	<u>Actual</u>	<u>Goal</u>	<u>Goal</u>
Homeless residents served by homeless assistance programs	6,129	513	2,000
Residents find gainful employment	25,515	17,468	23,500
Residents served by public safety and Crime prevention programs	10,878	30,541	20,000

EXPLANATION OF PERFORMANCE

Performance/Means and Strategies

No new grant funding is requested for this program and Empowerment Zones, like Renewal Communities will utilize tax provision to advance economic development. The purpose of the Empowerment Zones/Enterprise Community/Renewal Communities (EZ/EC/RC) program is to create sustainable, long-term economic development in distressed areas by using a strategic plan (for Empowerment Zones (EZs) and Enterprise Communities (ECs)) or Course of Action (for Renewal Communities (RCs)) and economic growth promotion requirements developed and implemented in partnerships among private, public, and nonprofit entities. Residents, not Federal officials in Washington, DC, provide input into what happens in their neighborhoods. Each community develops quantifiable goals and ways to measure the results of implementation.

The EZ/EC/RC program directly advances the Department's Strategic Goal C: Strengthen Communities through increasing the number and quality of jobs and other community development related projects. HUD's Interim Assessment of the Empowerment Zones and Enterprise Communities (EZ/EC) Program (November 2001) found job growth in Round I EZs outpacing comparison areas by 9 percent. Other findings of the study were that the number of EZ residents employed in EZ businesses has increased, creating spaces for people to live and work in their own neighborhoods. Next, the number of EZ resident owned businesses increased over 150 percent and the percentage of minority-owned businesses increased from 38 percent in 1997 to 48 percent in 2000. Statistical analysis shows that these businesses were more likely to employ EZ residents. In summary, independent evaluators have verified that the Community Renewal program has contributed to HUD's Strategic Goal C: Strengthen Communities

The Office of Community Renewal is a model of interagency and intra-agency collaboration. Our competitions include personnel on detail from HUD's Policy Development & Research (PD&R) and Community Planning & Development (CPD) as well as agencies like EDA and Labor. We regularly consult with the Department of Agriculture (USDA), Health and Human Services (HHS), Internal Revenue Service (IRS) and the Department of Labor. A new collaboration with the Corporation for National Service is being planned. We also take advantage of the Presidential Management Internship program that has a mandatory training and rotational component. These collaborations and rotations allow for a fruitful cross-fertilization of both technical knowledge and organizational skills.

Performance Reporting and Program Evaluation

Information on EZ/EC performance is collected in the Performance Measurement Systems (PERMS). CPD field staffs assess the grantee's annual reports on PERMS and do onsite monitoring as well. PD&R has published one interim assessment of Round I Empowerment Zones. GAO has published four reports: GAO/RCED-97-21, Status of Urban Empowerment Zones; GAO/RCED 98-203 Information on the use of EZ/EC tax incentives; GAO-99-29 Progress on Economic Development Activities Varies Among EZ's; and GAO-RCED-99-253 Businesses Use of EZ tax incentives. GAO has commissioned a report on Round II EZ's in 2002 and plans on reviewing the progress of RC's in 2003.

HUD's OIG has audited Round I EZ's and is currently auditing Round II. Four out of seven of these Round II EZ audits have been completed and posted on the OIG website. The completed audits did not find any evidence of criminal waste, fraud or abuse, but did cite some inaccurate reporting and the need for improved management controls including monitoring, documentation of procedures, and supporting costs. The audited EZs have begun taking corrective action that address these needs.

President's Management Agenda

The Community Renewal program is addressing the Presidential Management Agenda in the following ways:

1. Implemented onsite monitoring procedures for Round II EZs;
2. Ongoing codification of policies and procedures. Resident benefit guidelines were issued in 2002; and
3. Ongoing efforts to develop meaningful performance measures identify the best source for the needed data, and developing the automation work plan to collect the data.

Resource Management Information

No staff increase is requested.