

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT BLOCK GRANTS

PROGRAM PERFORMANCE

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004
Strategic Goal H: Increase homeownership opportunities.			
Discretionary BA (Dollars in Thousands)	\$180,293	\$189,260	\$189,280
FTE			
Headquarters	4	4	4
Field	13	13	13
Subtotal	17	17	17
S&E Cost (Dollars in Thousands)			
Personal Services	\$1,428	\$1,535	\$1,546
Travel	16	16	16
Printing	12	9	8
Other Services	47	47	59
Supplies	1	0	1
Subtotal	1,504	1,607	1,630
Strategic Objective H.1: Expand national homeownership opportunities.			
Indicator: The number of homeowners who have used sweat equity to earn assistance with SHOP funding is maximized	2,063	1,800	2,140

EXPLANATION OF PERFORMANCE

Performance/Means and Strategies

The Community Development Block Grant (CDBG) program provides flexible funding for communities across the Nation to develop and implement community and economic development strategies that primarily benefit low- and moderate-income individuals or areas.

State and local governments are projected to chose to use \$189.3 million in program funding and \$1.6 million in S&E for a total of \$190.9 million to support Strategic Goal H: Increase homeownership opportunities.

The Department is currently working on an analysis of CDBG data to try to better capture the level of CDBG formula resources spent on homeownership and the number of units assisted.

Objective H.1: Expand National Homeownership Opportunities

Strategic Goal Indicator H.1.10 (The number of homeowners who have used sweat equity to earn assistance with SHOP funding is maximized):

The fiscal year 2004 request for Self-Help Homeownership Opportunity Program (SHOP) reflects the President's initiative to triple funding from the fiscal year 2002 level for this well-recognized, successful program. The increased resources are justified based on the growing capacity of existing program participants as well as the expectation that the number of organizations participating in the program will expand. The SHOP awards funding on a competitive

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basis to national and regional non-profit housing organizations and consortia that specialize in self-help housing where the homebuyer contributes a significant amount of sweat-equity toward the construction or rehabilitation of the dwelling. Grantees use the SHOP funds to set the stage for development of the housing. SHOP funds may be used for land acquisition (including financing and closing costs), infrastructure improvements, and administrative costs (up to 20 percent of the grant amount). The construction of the dwelling is funded through leveraged funds and the contributions of the homebuyer and other volunteer labor. In 2000, 1,839 units were completed; 1,942 and 2,063 units were completed in 2001 and 2002, respectively. Currently, 2,936 units are under development. Approximately 2,140 units are projected for completion in fiscal year 2004.

The fiscal year 2004 Budget projects a tripling of SHOP funding from the FY 2002 level to \$65 million, which will produce at least 5,200 units. Since SHOP funds are distributed competitively, awards cannot be announced and under contract until the first quarter of the subsequent fiscal year. This timeframe, and the likelihood of more first-time grantees being funded, make it likely that completions of properties funded from fiscal years' 2003 and 2004 appropriations will not begin until fiscal years 2004 and 2005, respectively. Consequently, only a modest increase in completions to approximately 2,140 units in fiscal year 2004 is expected.

SHOP Performance Reporting and Program Evaluation:

Information on SHOP performance is collected quarterly. The Office of Affordable Housing Programs (OAHP) requires grantees to report on the number of units completed and the number of units under construction, along with a narrative on other pertinent information on program progress or delays. OAHP will be issuing shortly revised requirements to gather more uniform accomplishment data on lots acquired, infrastructure starts and completions, housing construction starts and completions, property conveyances, unit characteristics, racial and ethnic composition of homebuyers, and detailed financial information on administration, land acquisition, infrastructure costs, and leveraged funds. The recent fiscal year 2002 funding awards will follow these reporting requirements, and grantees will be encouraged to use this form for reporting on all prior SHOP-funded activities.

CDBG Performance Reporting and Program Evaluation:

The source of data for actual accomplishments is reported using the Integrated Disbursement and Information System (IDIS) and Annual Progress Reports.

There is presently an ongoing evaluation by the Urban Institute on the performance of HUD's economic development programs.

Colonias Gateway Initiative (CGI)

CGI seeks to enhance the outreach, effectiveness and sustainability of housing, infrastructure and economic development undertakings in the Colonias. It will do so by: (1) improving the coordination of existing federal government programs, (2) forging partnerships with the private sector and (3) building the capacity of local Colonias organizations to develop, maintain and fund community assets.

These efforts will directly impact the APP goals set forth for increased affordable housing, addressing homelessness, addressing cumbersome underwriting guidelines by targeting the existing guidelines to better address the needs of the colonias residents, targeting homelessness in conjunction with complementing other HUD programs, making partnership development a key component to successful collaboration, and focusing on leveraging, sustainability and capacity for improvements both with resources and investments.

CPD is targeting this as a goal in conjunction with several other program areas. CPD seeks to make changes to these processes and underwriting guidelines to address the issues that the Colonias people face, including predatory lending practices. CGI seeks to work in conjunction with FNMA to target underwriting guidelines that are better suited to the income levels and employment of the colonias people.

CPD is targeting this as a goal in conjunction with several other program areas. CPD seeks to have facilitators and intermediaries participating in the CGI process to target housing as a major component of addressing the housing problems in the colonias. Partners and intermediaries will develop housing units in each of the colonias regions, including the use of alternative materials to target more affordable housing.

Resource Management Information

No increase in FTEs is requested.