

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
<b>Strategic Goal H: Increase homeownership opportunities.</b>			
Discretionary BA (Dollars in Thousands)	\$7,650	...	...
FTE			
Headquarters	2	2	2
Field	...	...	...
Subtotal	2	2	2
S&E Cost (Dollars in Thousands)			
Personal Services	\$193	\$231	\$219
Travel	2	2	2
Printing	2	1	1
Other Services	6	6	8
Subtotal	203	240	230

Summary of Community Renewal achievement and goal

Goal Identified in Implementation Plans	RC, EZ, and EC		
	Goal		
	2002 <u>Actual</u>	2003 <u>Goal</u>	2004 <u>Goal</u>
New or rehabilitated affordable housing units completed	6,630	1,149	2,000

EXPLANATION OF PERFORMANCE

Performance/Means and Strategies

The purpose of the Empowerment Zones/Enterprise Community/Renewal Community program (EZ/EC/RC) 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.

One of the governing principles of the EZ/EC/RC program is Sustainable Community Development to advance the creation of livable and vibrant communities through physical, environmental, community and human development. According to the Performance Measurement System (PERMS), approximately 17 percent of EZ/ECs uses of funds, including leveraged funds, are for housing. The EZ/ECs report that they have completed approximately 11,000 new housing units and have rehabilitated another 21,000. They serve almost 38,000 residents through 389 homeownership programs.

## Empowerment Zones/Enterprise Communities/Renewal Communities

No new grant funding is requested for this program and Empowerment Zones, like Renewal Communities will utilize tax provision to advance economic development.

The Office of Community Renewal is a model of interagency and intra-agency collaboration. Our competitions include personnel on detail from the Policy, Development and Research office (PD&R), Community Planning & Development (CPD) and other agencies like EDA and the Department of Labor. We regularly consult with the Department of Agriculture, Health and Human Services, Internal Revenue Service, 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 RC/EZ/EC performance is collected in the Performance Measurement Systems (PERMS). CPD field staff assess the grantee's annual reports on PERMS and do onsite monitoring as well. D&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 EZ/EC 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.